

NEW ISSUE**BOND RATING:** Moody's: “ ”**SERIAL BONDS**

See “RATINGS” herein.

In the opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, and interest on the Bonds will not be subject to the alternative minimum tax. In the further opinion of Bond Counsel, under existing law 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). See “TAX MATTERS” herein for a description of the opinion of Bond Counsel and certain other tax consequences.

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

\$1,817,035**TOWN OF THOMPSON
SULLIVAN COUNTY, NEW YORK****GENERAL OBLIGATIONS****\$1,817,035 Public Improvement (Serial) Bonds, 2021 Series A
(referred to herein as the “Bonds”)****Dated: April 1, 2021****Due: April 1, 2022-2051**

The Bonds are general obligations of the Town of Thompson, Sullivan County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See “TAX LEVY LIMIT LAW” herein.

The Bonds will mature in the years and amounts as set forth on the inside cover page hereof. The Bonds will be dated their date of delivery and will bear interest from such date until maturity at the annual rate or rates as specified by the purchaser of the Bonds. Interest on the Bonds will be payable on October 1, 2021, April 1, 2022 and semi-annually thereafter on October 1 and April 1 in each year until maturity. Interest will be calculated on a 30-day month and 360-day year basis. Certain maturities of the Bonds are subject to optional redemption prior to maturity. (See “THE BONDS – Optional Redemption” herein). Proposals for the Bonds shall be for not less than \$1,817,035 and accrued interest, if any, on the total principal amount of the Bonds. A good faith deposit will not be required.

The Bonds will be issued as registered bonds, and at the option of the purchaser, may be registered to The Depository Trust Company (“DTC”) or may be registered in the name of such purchaser. Principal of and interest on such Bonds will be payable in Federal Funds by the Village to the registered owner.

If the Bonds are issued registered in the name of the successful bidder, principal of and interest on the Bonds will be payable in Federal Funds at the Office of the Town Clerk in Monticello, New York or, at the option of the successful bidder, at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder, with any paying agent fees being paid by the successful bidder. In such case, the Bonds will be issued in registered form in denominations corresponding to the amount of each annual maturity of the Bonds.

If the Bonds are issued in book-entry only form, the Bonds will be registered in the name of Cede & Co., as nominee of DTC which will act as securities depository for the Bonds. Individual purchases would then be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, except for a necessary odd denomination which is or includes \$7,035 maturing April 1, 2022. Purchasers would not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds would be made by the Town to DTC, which would in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Bonds as described herein. See “BOOK-ENTRY-ONLY SYSTEM” herein.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the respective approving legal opinions as to the validity of the Bonds of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery in Jersey City, New Jersey, or as may be agreed upon, on or about April 1, 2021.

ELECTRONIC BIDS for the Bonds must be submitted via Fiscal Advisors Auction website (“Fiscal Advisors Auction”) accessible via www.fiscaladvisorsauction.com on March 15, 2021 until 11:30 A.M., Eastern Time, pursuant to the Notice of Private Competitive Bond Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Private Competitive Bond Sale.

March __, 2021

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

\$1,817,035 Public Improvement (Serial) Bonds, 2021 Series A

(referred to herein as the “Bonds”)

Dated: April 1, 2021

Due: April 1, 2022-2051

MATURITIES*

<u>April 1,</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ Base: 884850</u>
2022	\$ 42,035			
2023	45,000			
2024	50,000			
2025	50,000			
2026	50,000			
2027	50,000			
2028	50,000			
2029	55,000			
2030**	55,000			
2031**	55,000			
2032**	55,000			
2033**	55,000			
2034**	60,000			
2035**	60,000			
2036**	60,000			
2037**	60,000			
2038**	60,000			
2039**	65,000			
2040**	65,000			
2041**	65,000			
2042**	65,000			
2043**	65,000			
2044**	70,000			
2045**	70,000			
2046**	70,000			
2047**	70,000			
2048**	75,000			
2049**	75,000			
2050**	75,000			
2051**	75,000			

* Preliminary, subject to change pursuant to the accompanying Notice of Bond Private Competitive Sale in order to achieve substantially level or declining annual debt service, and to comply with Federal tax law provisions relating to over issuance.

** The Bonds maturing in the years 2030-2051 are subject to redemption prior to maturity as described herein under the heading “THE BONDS - Optional Redemption” herein.

⁽¹⁾ Copyright, American Bankers Association. CUSIP data herein are provided by S&P Global Ratings, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders only at the time of issuance of the Bonds and the Town makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future.

TOWN OF THOMPSON

SULLIVAN COUNTY, NEW YORK

TOWN OFFICIALS

WILLIAM J. RIEBER, JR.
Supervisor

TOWN BOARD

MELINDA S. MEDDAUGH
SCOTT MACE
RYAN T. SCHOCK
JOHN PAVESE

ADMINISTRATION

MARILEE J. CALHOUN
Town Clerk

MELISSA DEMARMELS
Comptroller

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

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OFFICIAL STATEMENT
of the
TOWN OF THOMPSON
SULLIVAN COUNTY, NEW YORK

Relating To
\$1,817,035 Public Improvement (Serial) Bonds, 2021 Series A

This Official Statement, which includes the cover page, inside cover page, and appendices, has been prepared by the Town of Thompson, Sullivan County, New York (the “Town”, “County”, and “State”, respectively), in connection with the sale by the Town of the principal amount of \$1,817,035 Public Improvement (Serial) Bonds, 2021 Series A (referred to herein as the “Bonds” or the “Obligations”).

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 tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive forms 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 the Bonds and interest thereon, subject to applicable statutory limitations. See “*TAX LEVY LIMIT LAW*” herein.

The Bonds will be dated April 1, 2021 and will mature in the principal amounts and on the dates as set forth on the inside cover page. Interest on the Bonds will be payable on October 1, 2021, April 1, 2022 and semi-annually thereafter on October 1 and April 1 in each year until maturity (or earlier redemption). The Bonds are subject to redemption prior to maturity as described herein under “THE BONDS – Optional Redemption”. The record date for the payment of interest on the Bonds will be the fifteenth day of the calendar month immediately preceding the applicable interest payment date. Interest on the Bonds will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued as registered bonds, and at the option of the purchaser, may be registered to The Depository Trust Company (“DTC”) or may be registered in the name of such purchaser.

If the Bonds are issued through DTC, the Bonds will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, except for a necessary odd denomination which is or includes \$7,035 maturing April 1, 2022. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the Town to DTC, which would in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Bonds as described herein. See “*BOOK-ENTRY-ONLY SYSTEM*” herein.

If the Bonds are registered in the name of the purchaser, principal of and interest on the Bonds will be payable in Federal Funds at the Office of the Town Clerk in Monticello, New York, or at the option of the successful bidder, at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder, with any paying agent fees being paid by the successful bidder. In such case, the Bonds will be issued in registered form in denominations corresponding to the amount of each annual maturity of the Bonds.

Optional Redemption

Call Provisions. The Bonds maturing on or before April 1, 2029 will not be subject to redemption prior to maturity. The Bonds maturing on April 1, 2030, and thereafter, will be subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity) on any date on or after April 1, 2029 at par plus accrued interest to the redemption date.

Call Notification. If less than all of the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot, in any customary manner of selection, as determined by the Supervisor. Notice of such call for redemption shall be given by mailing such notice to the registered holder, not more than sixty (60) days nor less than thirty (30) days, prior to such date. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest, to such redemption date. Interest shall cease to be paid thereon after such redemption date (See “*BOOK-ENTRY-ONLY SYSTEM*” for additional information concerning redemptions).

Purposes of Issue

The Bonds are issued pursuant to the Constitution and statutes of New York State, including among others, the Town Law and the Local Finance Law, and various bond resolutions, for the following purposes:

<u>Purpose</u>	<u>Authorization Date</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>	<u>Principal Paydown</u>	<u>Bond Amount</u>
Kiamesha Sewer	06/19/18	\$ -	\$ 1,286,267	\$ 38,462	\$ 1,247,805
Emeral Green Sewer	02/06/18	-	584,615	15,385	569,230
Total:			<u>\$ 1,870,882</u>	<u>\$ 53,847</u>	<u>\$ 1,817,035</u>

The proceeds of the Bonds will provide financing for the aforementioned purposes.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds, if so selected by the purchaser. As such, 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.

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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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.

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

DTC may discontinue providing its services as depository with respect to the 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 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 OR REDEMPTION PREMIUM 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 OR REDEMPTION PREMIUM 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 reasonable notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the Town upon termination of the book-entry-only system. Interest on the Bonds will be payable on October 1, 2021, April 1, 2022 and semi-annually thereafter on October 1 and April 1 in each year until maturity. Such interest will be payable by check drawn by the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the fifteenth day (whether or not a business day) of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

ENFORCEMENT OF REMEDIES

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

Potential purchasers of the Obligations should be aware, nonetheless, that under certain circumstances the obligations of the Town to the owners of the obligations might not be enforced precisely as written. Following is a brief review of certain general factors governing the enforcement of remedies against New York municipalities, such as the Town. Potential purchasers of the Obligations should consult their own professional advisors for more complete and detailed information on the factors reviewed below.

General Municipal Law Contract Creditors' Provision. Each general obligation issued by a New York municipality when duly issued and paid for will constitute a contract between the issuer of the general obligation (the "Obligor") and the purchaser. Such contracts, if not honored, would generally be enforceable 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 Obligor 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.

Unavailability of Remedies of Levy and Attachment. 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. Under the general rule with respect to municipalities, judgments against an Obligor may not be enforced by levy and execution against property owned by the Obligor. The faith and credit pledge securing the Obligations requires a tax on real property to be levied to pay the principal of and interest on the Obligations, which levy may be enforced by mandamus under Article 78 of the Civil Practice Law and Rules.

Constitutional Non-Appropriation Provision. The Constitution of the State, Article VIII, Section 2, contains the following provision relating to the annual appropriation of monies for the payment of 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 owner of obligations issued for any such indebtedness." If the Obligor were to fail to make a required appropriation, however, the ability of affected owners of the Obligor's indebtedness to enforce this provision as written could be compromised or eliminated as described below under "*Bankruptcy*", "*State Debt Moratorium Law*" and "*Possible Priority of Continuation of Essential Public Services*".

Article VIII, Section 2 of the State Constitution providing for first revenue set asides applies to the payment of interest on all indebtedness and to the payment of principal payments on bonds and certain notes, but does not apply to payment of principal due on tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Bankruptcy. The Federal Bankruptcy Code allows municipalities, such as the Town, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Should the Town file for relief under the Federal Bankruptcy Code there could be adverse effects on the owners of the Obligations.

The State, in Section 85.80 of the Local Finance Law, has authorized any municipality in the State to 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. Congress has enacted such a law in the form of the Federal Bankruptcy Code. Given the authority established in the aforesaid Section 85.80 of the Local Finance Law, the Federal Bankruptcy Code, under certain circumstances, can provide municipalities with easier access to judicially approved adjustment of debt and can permit judicial control over identifiable and unidentifiable creditors.

Under the United States Constitution, Federal law is supreme and may be enforced irrespective of contrary state law. Accordingly, proceedings in accordance with the Federal Bankruptcy Code could result in an allocation of funds that fails to honor the faith and credit pledge required by the State Constitution.

No current State law purports to create any collateral or priority for owners of the Obligations 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 Obligations could be deemed unsecured obligations of the Town in a bankruptcy case.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality that is insolvent, which generally means the municipality is 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. Any plan of adjustment can be confirmed by the court over the objections of creditors if the plan is found to be "fair and equitable" and in the "best interests of creditors." The Town may be able, without the consent and over the objection of owners of the Obligations, to impair and alter the terms and provisions of the Obligations, including the payment terms, interest rate, maturity date, and payment sources, as long as the bankruptcy court finds that the alterations are "fair and equitable." If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

The rights of the owners of the Obligations to receive interest and principal from the Town and the enforceability of the Town's faith and credit pledge to pay such interest and principal 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 owners of debt obligations issued by the Town (including the Obligations) to payment from monies retained in any fund or from other sources would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code. Such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally, or might even be directed to satisfy other claims instead of being paid to the owners of the Obligations.

Regardless of any specific adverse determinations in a bankruptcy proceeding of the Town, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Obligations.

State Debt Moratorium Law. Unless the Federal Bankruptcy Code or other Federal Law applies, as described above, enforcement of the rights of the Obligation owners will generally be governed by State Law. In 1975, a general State law debt service moratorium statute was enacted.

Under that legislation, the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York was suspended. 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, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 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.

Accordingly, State legislation materially limiting the timing or manner of actions to enforce the faith and credit pledge against an issuer of general obligation debt (including that portion of Title 6-A of Article 2 of the Local Finance Law enacted in 1975 authorizing any municipality in a State-declared financial emergency period to petition to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality) could be determined to conflict with the State Constitution and may not be enforceable.

Possible Priority of Continuation of Essential Public Services. In prior years, litigation has resulted from certain events and legislation affecting the remedies of owners of municipal bonds or notes upon default. While courts of final jurisdiction have upheld and sustained the rights of note or bond owners, 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.

MARKET AND RISK FACTORS

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

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

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

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

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

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

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

Cybersecurity

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

COVID-19

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

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

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

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

TAX MATTERS

Tax Exemption

The delivery of the Obligations is subject to the opinion of Bond Counsel to the effect that interest on the Obligations for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the Town made in a certificate (the "Tax Certificate") dated the date of delivery of the Obligations pertaining to the use, expenditure, and investment of the proceeds of the Obligations and will assume continuing compliance by the Town with the provisions of the Tax Certificate subsequent to the issuance of the Obligations. The Tax Certificate contains covenants by the Town with respect to, among other matters, the use of the proceeds of the Obligations and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Obligations are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Obligations to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Town described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Obligations is commenced, under current procedures the IRS is likely to treat the Town as the "taxpayer," and the owners of the Obligations would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Obligations, the Town may have different or conflicting interests from the owners of the Obligations. Public awareness of any future audit of the Obligations could adversely affect the value and liquidity of the Obligations during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, under existing law interest on the Obligations is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligations. Prospective purchasers of the Obligations should be aware that the ownership of tax-exempt obligations such as the Obligations may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (FASIT), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change so as to reduce or eliminate the benefit to holders of the Obligations of the exclusion of interest thereon from gross income for federal income tax purposes. Proposed legislative or administrative action, whether or not taken, could also affect the value and marketability of the Obligations. Prospective purchasers of the Obligations should consult with their own tax advisors with respect to any proposed changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Obligations (the "Discount Obligations") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Obligation (assuming that a substantial amount of the Discount Obligations of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Obligation. A portion of such original issue discount allocable to the holding period of such Discount Obligation by the initial purchaser will, upon the disposition of such Discount Obligation (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Obligations described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Obligation, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Obligation and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Obligation by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Obligation in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Obligation was held) is includable in gross income. Owners of Discount Obligations should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Obligations.

The purchase price of certain Obligations (the "Premium Obligations") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Obligation over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Obligation in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Obligation. The amount of premium which is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Obligations should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Obligations.

Notice 94-84, 1994-2 C.B. 559, states that the IRS is studying whether the stated interest portion of the payment at maturity on a short-term debt obligation (such as the Bonds), that matures not more than one year from the date of issue, bears a stated fixed rate of interest and is described in section 103(a) of the Code, is (i) qualified stated interest that is excluded from the stated redemption price at maturity of the obligation (within the meaning of section 1273 of the Code) but is excluded from gross income pursuant to section 103(a) of the Code, or (ii) is not qualified stated interest and, therefore, is included by the taxpayer in the stated redemption price at maturity of the obligation, creating or increasing (as to that taxpayer) original issue discount on the obligation that is excluded from gross income pursuant to section 103(a) of the Code. Notice 94-84 states that until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, a taxpayer holding such obligations may treat the stated interest payable at maturity either as qualified stated interest or as included in the stated redemption price at maturity of the obligation. However, the taxpayer must treat the amounts to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Notice 94-84 does not address various aspects necessary to the application of the latter method (including, for example, the treatment of a holder acquiring its Note other than in the original public offering or at a price other than the original offering price). Each person considering acquiring the Bonds should consult its own tax advisor with respect to the tax consequences of ownership of and of the election between the choices of treatment of the stated interest payable at maturity on the Bonds.

LEGAL MATTERS

The legality of the authorization and issuance of the Obligations will be covered by the unqualified legal opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel. Such legal opinion will be delivered in substantially the form attached hereto as "APPENDIX D". Certain legal matters will be passed upon for the Town by the Town Attorney.

LITIGATION

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

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

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.

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 County provided, however; the County assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

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

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

CONTINUING DISCLOSURE

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

Historical Continuing Disclosure Compliance

Town has historically been an under \$10,000,000 small issuer and has availed itself of the exemptions and exceptions permitted by the Rule with respect to limited disclosure undertakings. Since 2015, the Town has agreed to provide annually certain financial information or operating data which shall include, at a minimum, that financial information and operating data which is customarily prepared by the Town and made publicly available (such as its audited and/or unaudited financial statements). Such information shall be filed with the Electronic Municipal Market Access Website (“EMMA”) when available, but in any event no later than the end of the fiscal year following the fiscal year which is the subject of such information. The Town is also required to provide notice of any applicable material events to EMMA in a timely manner or within 10 business days.

The Town did not file its annual financial information and operating data for the fiscal year ended December 31, 2016 in a timely manner. The information was required to be filed to EMMA no later than December 31, 2017, however, such information was not filed to EMMA until March 21, 2018. The Town also did not provide notice of its failure to file such information in a timely manner to EMMA.

The Town did not file its annual financial information and operating data for the fiscal year ended December 31, 2017 in a timely manner. The information was required to be filed to EMMA no later than December 31, 2018, however, such information was not filed to EMMA until July 1, 2019. The Town also did not provide notice of its failure to file such information in a timely manner to EMMA.

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THE TOWN

General Information

The Town, classified as a First-Class Town, encompasses approximately 90.5 square miles within the County of Sullivan in the Catskill Mountain region of New York. Located within the Town is the Village of Monticello which is also the County Seat. Other communities within the Town are Rock Hill, Harris, Kiamesha Lake and Thompsonville. Thompson is a suburban community and primarily residential in nature. Residents of the Town are employed throughout the area, which has a service-oriented economy concentrated in recreational activities, personal services and professional services. In addition, the Garnet Health Medical Center is located in the Town, and the campus of Sullivan County Community College, a two-year co-educational college in the State University System, is located nearby.

The Town of Thompson was established in 1875. The Town is a separate political entity vested with independent taxing and debt authority. The incorporated Village of Monticello is situated within the Town's borders. Also situated within the Town's borders is a portion of the Monticello Central School District. The school district uses the Town's assessment roll as the basis for taxation of property within the Town.

Form of Government

The legislative power of the Town is vested in the Town Board, which consists of five members, including the Town Supervisor, who is the presiding member and chief fiscal officer of the Town, elected for a term of two years. The four other members of the Town Board (Council Members) are elected at large to four-year terms. There are no limitations as to the number of terms which may be served.

The Town Clerk serves as custodian of the Town's legal documents and papers, maintains the minutes of proceedings of the Town Board and is responsible for the publication and filing of all official notices. The Clerk is elected to serve a four-year term; the number of terms is not limited. The Receiver of Taxes, unless otherwise provided by law, has the duty to receive all County and Town taxes, and all assessments that may be levied in the Town. The Receiver of Taxes is elected to a four-year term. Other offices of the Town include: Two Town Justices, each elected to a four-year term; the Highway Superintendent, elected to a four-year term; the Town Comptroller and the two Attorneys to the Town who are appointed by and serve at the pleasure of the Town Board.

Services

The Town is responsible for providing most governmental services to its residents.

Water and sewer services are furnished by various water and sewer districts which have been formed within the Town.

Highway construction and maintenance is also a Town function. In addition, recreation areas and parks are maintained through Town government. Other services performed at the Town level include: property assessment, building inspection, zoning administration and the local justice court system. The County Sheriff's Office and the New York State Police furnish police protection while fire protection is provided by the several municipal fire Districts in the Town. Education is the responsibility of the Monticello Central School District located in the Town. The County of Sullivan provides various social and health services.

Town Employees

The Town currently employs approximately 57 full-time and 39-41 part-time workers. (This number is inclusive of the Planning and Zoning Boards, the Board of Assessment Review, 3 part-time workers in Parks, 1 in Sewer/Water 5 in Highway, the dog control officer, the Court officer and the Town Historian).

Collective bargaining organizations representing Town employees are as follows:

<u>Unit</u>	<u>Number of Members</u>	<u>Expiration Date</u>
Highway Department	21	December 31, 2021
Sewer Department	13	December 31, 2021
Parks Department	4	December 31, 2021

Source: Town officials.

Status and Financing of Employee Pension Benefits

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

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

For ERS, Tier 5 provides for:

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

For ERS, Tier 6 provides for:

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

The Town's contributions to ERS for the past five years and the budgeted amount for the 2021 fiscal year are as follows:

<u>Year</u>	<u>ERS</u>
2016	\$ 440,767
2017	481,558
2018	544,001
2019	614,420
2020	590,211
2021 (Budgeted)	590,653

Source: Town officials.

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

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

A chart of average ERS rates (2017 to 2021) is shown below:

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

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and 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. 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 participating in this program at this time nor does it intend to do so in the foreseeable future.

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

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

Other Post-Employment Benefits

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

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

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

Summary of Actuarial Valuations

The following outlines the changes to the Total Net OPEB Liability for the fiscal years ending December 31, 2018 and 2019:

Total OPEB Liability for Town:

Beginning balance at January 1:	2018	2019
	<u>\$ 21,069,954</u>	<u>\$ 22,061,260</u>
Changes in Net OPEB Liability:		
Service cost	743,097	666,300
Interest Cost	738,046	918,773
Changes of benefit terms	3,015,799	-
Differences between expected and actual experience	1,145,791	(86,501)
Changes in assumptions or other inputs	(3,928,884)	4,808,842
Benefit payments	<u>(722,543)</u>	<u>(643,405)</u>
Net Changes	<u>\$ 991,306</u>	<u>\$ 5,664,009</u>
Balance ending at December 31:	2018	2019
	<u>\$ 22,061,260</u>	<u>\$ 27,725,269</u>

Source: GASB 75 Actuarial Valuations of the Town. The above tables are not audited. GASB 75 report for fiscal year ended December 31, 2020 is not complete as of the date of this Official Statement.

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

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

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

New York State Comptroller Reports of Examination

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

The most recent audit conducted by the State Comptroller was released on July 13, 2018. The purpose of the audit was to determine if the Board ensured financial transactions were accounted for timely and accurately and leave accrual balances were accurate for the period January 1, 2016 through July 24, 2017. A summary of key findings and State Comptroller recommendations are outlined below:

Key Findings:

- The Board did not provide adequate oversight of the Comptroller's duties to ensure that they were completed timely and accurately, which ultimately cost the Town \$7,955 in late fees and uncollected amounts.
- The Board did not adequately segregate the Comptroller's duties and ensure that proper controls were in place over cash receipts and disbursements.
- The Comptroller did not properly account for Town operations timely or accurately.

Key Recommendations:

- Provide sufficient oversight of the Comptroller by requesting financial reports to verify the adequacy of the work performed and to adequately monitor financial operations and financial condition.
- Establish proper controls over the Comptroller's duties, including properly segregating duties.

A copy of the complete report can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no State Comptroller's audits currently in progress or pending release at this time.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, nor incorporation herein.

Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the 2015 through 2019 fiscal years of the Town are as follows:

<u>Fiscal Year Ended</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2019	No Designation	3.3
2018	No Designation	3.3
2017	--	Not Filed*
2016	--	Not Filed*
2015	No Designation	12.5

* The Town did not file its annual financial report or reported data to the State Comptroller's office as of the date the fiscal score was to be calculated, and therefore a fiscal stress score could not be calculated for the respective fiscal year.

The Fiscal Score for fiscal year ending December 31, 2020 has not been calculated as of the date of this Official Statement.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, nor incorporation herein.

Other Information

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

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

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

The fiscal year of the Town is the calendar year.

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 FACTORS

Budgetary Procedures and Recent Budget Votes

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

At this hearing, members of the public may express opinions which the Board may take under advisement. Approval of the budget is not subject to a vote of the electorate and the Town Board may make changes following the hearing process. The Board is required to adopt the final annual budget by November 20. From time to time, the Town Board may make changes or modifications in the amount of annual appropriations subject to legal provisions.

A summary of the adopted budgets for the year's ending December 31, 2020 and 2021 is presented in "*APPENDIX-A8*" and "*APPENDIX-A9*" hereto.

The Town's adopted 2020 budget included a 2.5% decrease in tax the levy, which was within the maximum allowable statutory tax cap for the 2020 fiscal year.

The Town's adopted 2021 budget included a 1.0% decrease in tax the levy, which was within the maximum allowable statutory tax cap for the 2021 fiscal year.

Independent Audits

The Town retains independent auditors to audit its financial statements. The audited financial report for fiscal year ended December 31, 2019 is available and is attached hereto as "*APPENDIX - E*". The Annual Financial Report Update Document (unaudited) and audited financial statements for the fiscal year ended December 31, 2020 are not available as of the date of this official statement. Certain summary financial information can also be found in "*APPENDIX - A*" attached hereto. The Town did not audit its annual financial statements for the 2016 and 2017 fiscal years.

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

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

In addition, the Town is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

Investment Policy

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

Authorized Investments. The Town has designated eight banks or trust companies and NY Class LLC, located and authorized to conduct business in the State to receive deposits of money. The Town is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the Town is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the Town include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the Town (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies; obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the Town, but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The Town may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State. Reverse repurchase agreements are not allowed under State law.

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

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

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

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

Financial Operations

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

The Town 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.

Revenues

The Town derives its revenues, primarily from real property taxes and special assessments, State aid and departmental fees and charges. A summary of such revenues for the years 2015-2019 is presented in “*APPENDIX-A*”, hereto. Information for said fiscal years has been excerpted from the Town’s audited financial reports, however, such presentation has not been audited.

Property Taxes. The Town derives a major portion of its revenues from a tax on real property.

The following table sets forth total fund revenues and real property taxes received for each of the past five audited fiscal years and the amounts budgeted for the most recent fiscal years.

<u>Revenues & Real Property Taxes⁽¹⁾</u>			
<u>Fiscal Year Ended December 31:</u>	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Taxes to Revenues</u>
2016	\$ 11,955,398	\$ 5,700,000	47.68%
2017	9,382,015	4,693,000	50.02
2018	10,999,907	5,416,911	49.25
2019	12,406,262	4,856,736	39.15
2020 (Budgeted)	8,298,904	4,710,006	56.75
2020 (Unaudited) ⁽²⁾	9,046,842	4,740,006	52.39
2021 (Budgeted)	8,081,062	4,500,000	55.69

⁽¹⁾ General Fund and Highway Fund. Excludes interfund transfers.

⁽²⁾ These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

Source: Annual financial statements and adopted budgets of the Town. Summary itself not audited.

State Aid. The Town receives financial assistance from the State. A substantial portion of the State aid received is directed to be used for specific programs. 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 or future years, 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 during its current fiscal year as well as in the future, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also “*MARKET AND RISK FACTORS*” herein)

The following table sets forth total fund revenues and State aid revenues received for each of the past five audited fiscal years and the amounts budgeted for the most recent fiscal years.

General Fund Revenues & State Aid Revenues⁽¹⁾

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2016	\$ 11,955,398	\$ 3,236,385	27.07%
2017	9,382,015	760,243	8.10
2018	10,999,907	2,764,588	25.13
2019	12,406,262	3,561,452	28.71
2021 (Budgeted)	8,298,904	2,274,826	27.41
2020 (Unaudited) ⁽²⁾	9,046,842	1,971,541	21.80
2021 (Budgeted)	8,081,062	2,025,800	25.07

⁽¹⁾ General Fund and Highway Fund. Excludes interfund transfers.

⁽²⁾ These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

Source: Annual financial statements and adopted budgets of the Town. Summary itself not audited.

REAL PROPERTY TAXES

Assessed and Full Valuations

The Town derives the largest portion of its annual revenues through ad valorem real property taxes, subject to the applicable provisions of Chapter 97 of the Laws of 2011, and special assessment taxes. The following table shows the trend during the last four fiscal years and the current fiscal year for Town Wide and Town Outside Village taxable assessed valuations, state equalization rates, full valuations, real property taxes, special assessments and real property tax rates per \$1,000 assessed valuation.

<u>Year of Town Tax Roll:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Assessment Roll Year:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Valuation	\$ 1,165,532,739	\$ 1,163,240,115	\$ 1,149,990,721	\$ 1,146,142,476	\$ 1,156,858,156
State Equalization Rate	88.00%	88.00%	86.00%	80.60%	74.50%
Full Valuation	\$ 1,324,469,022	\$ 1,321,863,767	\$ 1,337,198,513	\$ 1,422,012,998	\$ 1,552,829,740

Source: Town officials.

Tax Rate Per \$1,000 (Assessed)

<u>Year of Town Tax Roll:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Assessment Roll Year:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General and Highway:					
Townwide	\$ 3.062	\$ 2.866	\$ 2.495	\$ 2.360	\$ 2.336
Town Outside Village	2.202	2.229	2.131	2.141	2.134

Source: Town officials.

Tax Collection Procedure

Taxes are levied in January of each year. No penalty is imposed on payments made by January 31st. Penalties on delinquent taxes paid subsequent to January 31st are imposed as follows: 1% on payments made from February 1st to February 28th, 2% on payments made from March 1st to March 31st, 3% per month on payments made from April 1st to April 30th and 4% per month on payments made during May. Unpaid tax bills are returned to the Sullivan County Commissioner of Finance in June. At such time, the Town retains the total amount of Town, Highway and Special District levies from the total collections and returns the balance plus the uncollected items to the County, which assumes responsibility for ultimate collection and enforcement of delinquent taxes and holds annual tax sales. The Town is thus assured of 100% property tax collection.

Tax Levy and Tax Collection Record

<u>Years Ending December 31:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General & Highway	\$ 5,500,000	\$ 5,175,000	\$ 4,675,000	\$ 4,500,000	\$ 3,700,000
Special District	4,788,206	5,243,132	5,915,113	6,658,845	6,601,270
Amount Uncollected ⁽¹⁾	0	0	0	0	N/A

⁽¹⁾ The Town receives any unpaid taxes from the County; see “Tax Collection Procedure” herein.

Source: Town officials.

Ten Largest Taxpayers – 2020 Assessment Roll for 2021 Town Tax Roll

<u>Name</u>	<u>Type/Industry</u>	<u>Taxable Full Valuation</u>
NYSEG	Electric Substation	\$ 28,402,702
Monticello Raceway	Racetrack	27,448,591 ⁽¹⁾
Walmart	Large Retail	13,422,819 ⁽²⁾
UMH NY Kinnebrook	Manufactured Home Park	10,814,094
NYSEG	Special Franchise	10,762,789
Beaver Lake Estates LLC	Multiple Residences	8,648,993
Forest Park Homes LLC	Cottages	8,006,711
Thompson Square	Strip Mall	7,312,094
Court & Pacific LLC	Large Retail	6,794,166
Concord Associates LP	Vacant Commercial	5,784,295

The ten taxpayers, listed above, have a total full valuation of \$127,397,254, which represents 8.2% of the taxable full market value of the Town.

⁽¹⁾ Filed tax certiorari and is seeking a reduction in assessment.

⁽²⁾ Filed tax certiorari and is seeking a reduction in assessment.

Source: Town officials.

Sales Tax

Sullivan County is one of the few Counties in the State that does not share sales tax with townships, including the Town.

TAX LEVY LIMIT LAW

Although the State Legislature is limited 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”, the State Legislature may from time to time impose additional limitations on the ability to issue new indebtedness or to raise taxes therefor.

Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limit Law” or the “Law”), applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities to levy certain year-to-year increases in real property taxes.

The Town became subject to the Tax Levy Limit Law beginning with the Town’s budget for its fiscal year beginning January 1, 2012. Pursuant to the Tax Levy Limit Law, additional procedural requirements are imposed if a municipality seeks to increase the tax levy by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index, over the amount of the Town’s prior year’s tax levy (the “Tax Levy Increase Limit”). In the event the Town seeks to adopt a budget requiring a tax levy exceeding the Tax Levy Increase Limit, a favorable vote of at least three members of the five-member Town Board of the Town would be required. The Town Board would also be required to act by Local Law rather than simply by resolution, and a public hearing would be required.

The Law permits certain exceptions to the Tax Levy Increase Limit. The Town may levy taxes exceeding the Tax Levy Increase Limit, if necessary, to support the following expenditures: (i) funds needed to pay judgments arising out of tort actions that exceed five percent of the total tax levied by the Town in the prior fiscal year and (ii) required pension payments (but only that portion of such payments attributable to the average actuarial contribution rate exceeding two percentage points). Taxes necessary for these expenditures will not be included in the calculation of the Tax Levy Increase Limit.

The Law also provides for adjustments to be made to the Town's Tax Levy Increase Limit based upon changes in the assessed value of the taxable real property in the Town. Additionally, the Town will be permitted to carry forward a certain portion of its unused tax levy capacity from the prior year.

The State, in Chapter 59 of the Laws of 2014 ("Chapter 59") provided for a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. The credit was available only to real property taxpayers in school districts or units of government operating under their Tax Levy Increase Limits for at least two consecutive fiscal years.

Although the program established by Chapter 59 ended in 2016 and during the period Chapter 59 was available the Town exceeded the Tax Levy Increase Limit, incentives similar to or more compelling than those credited by Chapter 59 may be established by the State in the future.

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,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

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

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

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

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

Trend of Capital Debt

<u>Fiscal Year Ending December 31:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds	\$ 5,759,694	\$ 5,477,788	\$ 4,997,848	\$ 4,474,851	\$ 4,285,381
Bond Anticipation Notes	110,000	100,000	3,390,000	3,380,000	1,936,877
EFC Short Term Financing	0	0	0	0	1,481,700
Installment Purchase Debt	<u>45,134</u>	<u>10,162</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 5,914,828</u>	<u>\$ 5,587,950</u>	<u>\$ 8,387,848</u>	<u>\$ 7,854,851</u>	<u>\$ 7,703,958</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds and notes as of March 5, 2021.

	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2021-2044	\$ 4,285,381
<u>New York State Environmental Facilities Corporation ("EFC")</u>		
Short-Term Market Rate Financing	--	1,481,700 ⁽¹⁾
<u>Bond Anticipation Notes</u>		
Emerald Green / Kiamesha Sewer	April 2, 2021	<u>1,936,877</u>
	Total Debt Outstanding	<u>\$ 7,703,958</u>

⁽¹⁾ Anticipated to be converted to long term financing (bonds) issued through EFC in April 2021.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of March 5, 2021:

Five-Year Average Full Valuation of Taxable Real Property	<u>\$ 1,391,674,808</u>
Debt Limit 7% thereof.....	97,417,237

Inclusions:

Bonds.....	\$ 4,285,381	
EFC Short Term Market Rate Financing.....	1,481,700	
Bond Anticipation Notes	<u>1,936,877</u>	
Total Inclusions.....		\$ 7,703,958

Exclusions:

Water Debt ⁽¹⁾	\$ 282,683	
Sewer Indebtedness ⁽²⁾	0	
Appropriations ⁽³⁾	<u>404,218</u>	
Total Exclusions.....		<u>\$ 686,901</u>

Total Net Indebtedness	<u>\$ 7,017,057</u>
Net Debt-Contracting Margin.....	<u>\$ 90,400,180</u>
The percent of debt contracting power exhausted is	7.20%

Note: The issuance of the Bonds will not increase the Total Net-Indebtedness of the Town.

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

⁽²⁾ Excluded pursuant to Section 136 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.

Bond Anticipation Notes

Pursuant to the Local Finance Law, the Town is authorized to issue short-term indebtedness, in the form of notes as specified by such statute, to finance both capital and operating purposes.

Bond anticipation notes may be sold to provide moneys for capital projects once a bond resolution has been adopted. Generally, bond anticipation notes are issued in anticipation of the sale of bonds at some future date and may be renewed from time to time up to five years from the date of the first note. Notes may not be renewed after the second year unless there is a principal payment on such notes from a source other than the proceeds of bonds. Bond anticipation notes may not be renewed after the sale of bonds in anticipation of which the notes were originally issued.

The Town has \$1,936,877 bond anticipation notes outstanding and maturing on April 2, 2021. Proceeds of the Bonds, together with together with \$53,847 of available funds of the Town, will be used to redeem a \$1,870,882 portion of the outstanding bond anticipation notes.

Tax and Revenue Anticipation Notes

The Town is also authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash to pay operating expenditures. Borrowings for these purposes are restricted by formulas contained in the Local Finance Law and the Regulations issued under the U.S. Internal Revenue Code. Such notes may be renewed from time to time generally not beyond three years in the case of revenue anticipation notes, and five years for tax anticipation notes.

The Town has not found it necessary to borrow revenue or tax anticipation notes in the recent past and does not anticipate having to borrow such in the foreseeable future.

Authorized but Unissued Items

The Town has the below outstanding authorizations for which debt is currently unissued for at this time. The authorizations are for various sewer and water district purposes for which the Town is awaiting further information from USDA regarding grant funds and financing options.

- Harris Sewer District \$10,000,000
- Kiamesha Sewer District \$26,535,721
- Emerald Green Sewer District \$13,553,241
- Melody Lake Water District \$725,000

The Town does not currently have a timeframe for when it expects to issue obligations for the aforementioned authorizations.

Estimated Overlapping Indebtedness

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of Sullivan County and the Monticello Central School District situated in the Town. Such taxpayers' share of this overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate units' total values. The following table presents the amount of overlapping debt and the Town's estimated share of this debt. Authorized but unissued debt has not been included.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>Town Share</u>	<u>Applicable Indebtedness</u>
County of:						
Sullivan	6/28/2020 ⁽⁴⁾	\$ 150,382,500	\$ 3,890,000	\$ 146,492,500	18.12%	\$ 26,544,441
Village:						
Monticello	8/25/2020 ⁽⁴⁾	11,184,701	1,976,000 ⁽²⁾	9,208,701	100.00%	9,208,701
Fire District:						
Monticello	12/31/2019 ⁽⁵⁾	2,060,000	- ⁽²⁾	2,060,000	85.43%	1,759,858
School District:						
Monticello CSD	12/29/2020 ⁽⁴⁾	31,275,000	20,360,025 ⁽³⁾	10,914,975	99.48%	10,858,217
					Total:	<u>\$ 48,371,217</u>

Notes:

⁽¹⁾ Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any

⁽²⁾ Water and sewer debt and appropriations.

⁽³⁾ Estimated State building aid based on current aid ratio.

Sources of information:

⁽⁴⁾ Most recent available official statement of the municipality obtained from EMMA.

⁽⁵⁾ Most recent available State Comptroller's Special Report for the respective fiscal year end.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of March 5, 2021.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness (see "Debt Statement Summary")	\$ 7,017,057	\$ 469.84	0.45%
Net Indebtedness Plus Net Overlapping Indebtedness ^(c)	55,388,274	3,708.62	3.57%

^(a) The 2019 estimated population of the Town is 14,935. (See "Population Trends" herein.)

^(b) The Town's total full valuation of taxable real property for the Town's 2021 tax roll is \$1,552,829,740. (See "TAX INFORMATION" herein.)

^(c) The Town's estimated applicable share of net underlying indebtedness is \$48,371,217. (See "Estimated Overlapping Indebtedness" herein.)

ECONOMIC AND DEMOGRAPHIC DATA

Population Trends

	<u>Town of Thompson</u>	<u>Sullivan County</u>	<u>New York State</u>
1970	11,418	52,580	18,236,882
1980	13,550	65,155	17,558,072
1990	13,711	69,277	17,990,455
2000	14,189	73,966	18,976,457
2010	15,308	77,547	19,378,102
2019 (Estimated)	14,935	75,116	19,572,319

Source: U.S. Census Bureau; 2015-2019 American Community Survey 5-Year Estimates.

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 the 2006-2010 and 2015-2019 American Community Survey reports.

	<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:						
Thompson	\$ 18,668	\$ 19,439	\$ 28,158	\$ 41,043	\$ 45,514	\$ 60,643
County of:						
Sullivan	18,892	23,422	30,446	43,458	63,506	71,635
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 5-Year Estimates.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Sullivan County	6.6%	5.4%	4.8%	4.9%	4.1%	4.0%	N/A
New York State	6.3%	5.3%	4.9%	4.7%	4.1%	4.0%	N/A

	<u>2020-21 Monthly Figures</u>										<u>2021</u>	
	<u>2020</u>										<u>Jan</u>	<u>Feb</u>
	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>		
Sullivan County	4.6%	13.2%	10.8%	12.1%	13.6%	10.8%	6.6%	6.5%	5.8%	6.2%	N/A	N/A
New York State	4.2%	15.1%	14.2%	15.5%	16.0%	12.5%	9.3%	9.0%	8.1%	8.1%	N/A	N/A

Note: Unemployment rates for the months of January and February 2021 and annual averages for 2020 are not available as of the date of this Official Statement. Unemployment rates for the foreseeable future are expected to remain substantially higher than prior periods as a result of the COVID-19 pandemic.

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

Larger Employers

Many residents of the Town find employment with major employers located within Sullivan County and surrounding areas. The larger employers in the County and the estimated number of persons employed by each are as follows:

<u>Name of Organization</u>	<u>Industry or Business</u>	<u>Number of Employees</u>
Resorts World Catskills	Hotel/Gaming	1,571
SDTC Center for Discovery	Non-Profit	1,651
NYSARC Inc.	Non-Profit	1,050
Sullivan Cnty	County Government	1,048
Monticello Central School District	Public School	718
Catskill Regional Medical Center	Hospital	674
New Hope Community, Inc.	Non-Profit	663
Bethel Woods Center for the Arts	Non-Profit	465
Sullivan Correctional Facility	Correctional Facility	438
Woodbourne Correctional Facility	Correctional Facility	438
Kohl's	Retail	294
Villa Roma Resort	Hotel/Gaming	247

Sources: Sullivan County Audit for the year ended December 31, 2019, Sullivan County Partnership for Economic Development and New York State Department of Labor.

Note: These figures pre-date the emergence of the COVID-19 pandemic whose impact hereon is not predictable at this time.

Financial Institutions

Numerous banking facilities are available in and around the Town. Many of the State's major commercial banks have branch offices located in the area: First National Bank of Jeffersonville, JPMorgan Chase Bank NA, M&T Bank, Wayne Bank and TD Bank are located within the Town.

Transportation

The Town maintains its own interior network of Town roads. Several State Highways serve the Town including N.Y.S. Routes 42 and 17, a four-lane highway providing access to New York City metropolitan area and western portions of the State. Frequent bus service is available by Short Line. Air transportation is available at nearby Sullivan County International Airport.

Utilities

Electricity and natural gas are supplied throughout the Town by New York State Electric and Gas Company. Telephone service is provided by Verizon.

Culture and Recreation

Resorts World Catskills Casino and Hotel as well as the Kartrite Water Park are located in the Town. The casino operates year-round and many of the employees reside in the Town and contribute to the economy. (The water park is currently closed due to the Covid-19 pandemic.) Harness racing events are scheduled from April to December at Monticello Raceway which is located in the Town. Winter attractions have also been developed through the introduction of ski areas and snow making equipment, including the Holiday Mountain Ski Area and Amusement Park. Fishing, hiking, camping, swimming and golf are prime attractions in the area.

Housing Stock

	Number of Units			% Change	
	2000	2010	2015-2019	2000-2010	2015-2019
Town of Thompson	9,252	9,130	8,834	(1.3)%	(3.2)%
Sullivan County	44,730	49,186	50,715	10.0%	3.1
New York State	7,679,307	8,108,103	8,322,722	5.6	2.7

Source: U.S. Census Bureau; 2015-2019 American Community Survey 5-Year Estimates.

Median Housing Values and Rentals

	2019			Occupancy Status		
	% Constructed 2014-Later	Median Value Owner Occupied Units	Median Rent Renter Occupied Units	Owner Occupied	Renter Occupied	Vacant
Town of Thompson	0.7%	\$166,700	\$922	54.1%	45.9%	39.2%
Sullivan County	1.0	172,800	890	68.3	31.7	44.4
New York State	1.1	313,700	1,280	53.9	46.1	11.8

Source: U.S. Census Bureau; 2015-2019 American Community Survey 5-Year Estimates.

MISCELLANEOUS

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

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

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

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

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

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

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

The Town's contact information is as follows: Ms. Melissa DeMarmels, Town Comptroller, Thompson Town Hall, 4052 State Route 42, Monticello, New York 12701, Phone: (845) 794-2500, Telefax: (845) 794-8600, email: comptroller@townofthompson.com.

Additional information may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

TOWN OF THOMPSON

Dated: March 8, 2021

WILLIAM J. RIEBER, JR.
Town Supervisor

GENERAL FUND - TOWN WIDE

Balance Sheets

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u> <u>(unaudited)</u>	<u>2017</u> <u>(unaudited)</u>	<u>2018</u>	<u>2019</u>
<u>ASSETS</u>					
Cash - Unrestricted	\$ 4,270,109	\$ 6,251,772	\$ 5,826,922	\$ 5,066,911	\$ 7,072,664
Cash - Restricted	-	-	-	-	-
Accounts Receivable	60,404	70,104	51,207	57,317	340,704
Due from Other Funds	149,915	165,771	547,883	331,905	22,431
Due from Other Governments	32,938	48,471	65,468	697,898	816,108
Other Receivables, net	-	-	-	-	-
Prepaid Expenditures	45,361	33,237	40,759	46,893	53,780
TOTAL ASSETS	<u><u>\$ 4,558,727</u></u>	<u><u>\$ 6,569,355</u></u>	<u><u>\$ 6,532,239</u></u>	<u><u>\$ 6,200,924</u></u>	<u><u>\$ 8,305,687</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 77,182	\$ 136,123	\$ 73,990	\$ 108,658	\$ 198,348
Accrued Liabilities	12,428	19,956	41,120	33,989	59,111
Due to Other Funds	11,930	11,930	24,827	30,051	1,547
Due to Other Governments	71,865	-	1,380	-	-
Other Liabilities	-	-	-	-	-
Deferred Revenues	-	-	-	80,000	-
TOTAL LIABILITIES	<u>173,405</u>	<u>168,009</u>	<u>141,317</u>	<u>252,698</u>	<u>259,006</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ 45,361	\$ 33,237	\$ 40,759	\$ 46,893	\$ 53,780
Restricted	-	-	-	-	-
Assigned	1,256,048	6,368,109	6,350,163	1,344,166	2,390,102
Unassigned	3,083,913	-	-	4,557,167	5,602,799
TOTAL FUND EQUITY	<u>4,385,322</u>	<u>6,401,346</u>	<u>6,390,922</u>	<u>5,948,226</u>	<u>8,046,681</u>
TOTAL LIABILITIES and FUND EQUITY	<u><u>\$ 4,558,727</u></u>	<u><u>\$ 6,569,355</u></u>	<u><u>\$ 6,532,239</u></u>	<u><u>\$ 6,200,924</u></u>	<u><u>\$ 8,305,687</u></u>

The financial data presented on this page has been excerpted from the Town's audited financial statements for the year 2015, UNAUDITED figures for 2016 and 2017 and audited figures for 2018 and 2019. Such presentation however has not been audited.

GENERAL FUND - TOWN WIDE

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u> (unaudited)	<u>2017</u> (unaudited)	<u>2018</u>	<u>2019</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 850,000	\$ 1,150,000	\$ 1,000,000	\$ 775,000	\$ 500,000
Other Tax Items	250,798	333,109	333,590	325,705	530,923
Non Property Tax Items	-	-	-	-	-
Departmental Income	57,347	11,732	410,078	125,265	164,995
Intergovernmental Charges	32,660	-	31,360	-	-
Use of Money & Property	7,296	56,520	21,306	37,911	102,293
Licenses and Permits	5,404	5,032	6,987	4,173	4,071
Fines and Forfeitures	409,682	345,593	325,133	351,634	396,704
Sale of Property and Compensation for Loss	-	-	-	-	12,300
Miscellaneous	1,265,300	733,003	700,293	852,545	817,547
Insurance Recoveries	-	-	-	-	312,007
Revenues from State Sources	395,725	2,856,080	356,947	2,307,542	3,187,402
Total Revenues	<u>\$ 3,274,212</u>	<u>\$ 5,491,069</u>	<u>\$ 3,185,694</u>	<u>\$ 4,779,775</u>	<u>\$ 6,028,242</u>
<u>EXPENDITURES</u>					
General Government Support	\$ 1,113,608	\$ 1,428,282	\$ 1,297,755	\$ 1,531,580	\$ 1,562,475
Public Safety	52,106	186,192	67,561	69,162	77,324
Health	-	-	-	-	-
Transportation	168,062	41,567	161,037	407,958	306,226
Economic Assistance & Opportunity	7,172	-	16,378	27,412	15,866
Culture and Recreation	297,430	485,321	725,499	2,033,559	835,401
Home and Community Services	8,158	21,732	54,700	52,350	74,959
Employee Benefits	799,396	811,951	873,187	970,148	1,016,661
Debt Service	-	-	-	-	-
Total Expenditures	<u>\$ 2,445,932</u>	<u>\$ 2,975,045</u>	<u>\$ 3,196,117</u>	<u>\$ 5,092,169</u>	<u>\$ 3,888,912</u>
Excess of Revenues Over (Under) Expenditures	<u>828,280</u>	<u>2,516,024</u>	<u>(10,423)</u>	<u>(312,394)</u>	<u>2,139,330</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	14,636
Operating Transfers Out	-	(500,000)	-	(109,000)	(5,445)
Total Other Financing	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>(109,000)</u>	<u>9,191</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>828,280</u>	<u>2,016,024</u>	<u>(10,423)</u>	<u>(421,394)</u>	<u>2,148,521</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	3,557,042	4,385,322	6,401,346	6,369,620 *	5,898,160 *
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 4,385,322</u>	<u>\$ 6,401,346</u>	<u>\$ 6,390,923</u>	<u>\$ 5,948,226</u>	<u>\$ 8,046,681</u>

* Restated

The financial data presented on this page has been excerpted from the Town's audited financial statements for the year 2015, UNAUDITED figures for 2016 and 2017 and audited figures for 2018 and 2019. Such presentation however has not been audited.

GENERAL FUND - TOWN OUTSIDE

Balance Sheets

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u> <u>(unaudited)</u>	<u>2017</u> <u>(unaudited)</u>	<u>2018</u>	<u>2019</u>
<u>ASSETS</u>					
Cash - Unrestricted	\$ 3,683,814	\$ 4,263,750	\$ 5,341,007	\$ 4,261,488	\$ 3,887,643
Cash - Restricted	-	-	-	-	-
Accounts Receivable	32,925	39,855	91,756	104,013	108,356
Due from Other Funds	32,000	32,000	32,000	32,438	-
Due from Other Governments	-	-	-	-	-
Other Receivables, net	-	-	-	-	-
Prepaid Expenditures	9,471	6,576	10,305	10,209	11,302
TOTAL ASSETS	<u><u>\$ 3,758,210</u></u>	<u><u>\$ 4,342,181</u></u>	<u><u>\$ 5,475,068</u></u>	<u><u>\$ 4,408,148</u></u>	<u><u>\$ 4,007,301</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 15,155	\$ 6,740	\$ 2,159	\$ 9,073	\$ 3,498
Accrued Liabilities	2,967	7,784	7,784	6,531	8,323
Due to Other Funds	2,500	2,342	2,342	-	-
Due to Other Governments	-	-	-	-	-
Other Liabilities	2,807,046	2,503,897	3,303,956	2,032,794	2,022,923
Deferred Revenues	-	-	-	-	-
TOTAL LIABILITIES	<u><u>2,827,668</u></u>	<u><u>2,520,763</u></u>	<u><u>3,316,241</u></u>	<u><u>2,048,398</u></u>	<u><u>2,034,744</u></u>
<u>FUND EQUITY</u>					
Nonspendable	\$ 9,471	\$ 6,576	\$ 10,305	\$ 10,209	\$ 11,302
Restricted	-	-	-	-	-
Assigned	921,071	1,814,842	2,148,522	2,349,541	1,961,255
Unassigned	-	-	-	-	-
TOTAL FUND EQUITY	<u><u>930,542</u></u>	<u><u>1,821,418</u></u>	<u><u>2,158,827</u></u>	<u><u>2,359,750</u></u>	<u><u>1,972,557</u></u>
TOTAL LIABILITIES and FUND EQUITY	<u><u>\$ 3,758,210</u></u>	<u><u>\$ 4,342,181</u></u>	<u><u>\$ 5,475,068</u></u>	<u><u>\$ 4,408,148</u></u>	<u><u>\$ 4,007,301</u></u>

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GENERAL FUND - TOWN OUTSIDE

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u> (unaudited)	<u>2017</u> (unaudited)	<u>2018</u>	<u>2019</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 175,000	\$ 150,000	\$ 100,000	\$ -	\$ -
Other Tax Items	-	-	-	-	-
Non Property Tax Items	139,588	153,207	165,894	189,240	189,904
Departmental Income	197,473	1,151,350	674,282	567,746	319,296
Intergovernmental Charges	-	-	-	-	-
Use of Money & Property	3,440	5,077	10,316	21,986	45,970
Licenses and Permits	4,850	4,950	5,450	43,015	38,817
Fines and Forfeitures	-	-	-	-	-
Sale of Property and Compensation for Loss	-	-	-	-	6,400
Miscellaneous	730	661	6,053	7,785	1,375
Insurance Recoveries	-	-	-	-	10,500
Revenues from State Sources	-	-	-	-	-
Total Revenues	<u>\$ 521,081</u>	<u>\$ 1,465,245</u>	<u>\$ 961,995</u>	<u>\$ 829,772</u>	<u>\$ 612,262</u>
<u>EXPENDITURES</u>					
General Government Support	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	213,795	306,410	348,982	316,770	367,026
Health	17,546	4,566	20,635	20,809	21,855
Transportation	-	-	-	-	-
Economic Assistance & Opportunity	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Home and Community Services	48,463	75,236	58,761	53,407	44,940
Employee Benefits	121,519	188,157	215,599	233,798	224,634
Debt Service	-	-	-	-	-
Total Expenditures	<u>\$ 401,323</u>	<u>\$ 574,369</u>	<u>\$ 643,977</u>	<u>\$ 624,784</u>	<u>\$ 658,455</u>
Excess of Revenues Over (Under) Expenditures	<u>119,758</u>	<u>890,876</u>	<u>318,018</u>	<u>204,988</u>	<u>(46,193)</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	19,389	-	-
Operating Transfers Out	-	-	-	-	(341,000)
Total Other Financing	<u>-</u>	<u>-</u>	<u>19,389</u>	<u>-</u>	<u>(341,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>119,758</u>	<u>890,876</u>	<u>337,407</u>	<u>204,988</u>	<u>(387,193)</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	810,784	930,542	1,821,418	2,154,762 *	2,359,750
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 930,542</u>	<u>\$ 1,821,418</u>	<u>\$ 2,158,825</u>	<u>\$ 2,359,750</u>	<u>\$ 1,972,557</u>

* Restated

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HIGHWAY FUND - TOWN WIDE

Balance Sheets

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u> <u>(unaudited)</u>	<u>2017</u> <u>(unaudited)</u>	<u>2018</u>	<u>2019</u>
<u>ASSETS</u>					
Cash - Unrestricted	\$ 1,408,480	\$ 2,131,254	\$ 2,107,513	\$ 1,919,397	\$ 1,383,019
Cash - Restricted	-	-	-	-	-
Accounts Receivable	-	-	8,057	-	10,250
Due from Other Funds	77,000	77,000	125,352	449,076	3,452
Due from Other Governments	32,191	-	10,571	13,501	22,217
Prepaid Expenditures	37,502	29,318	27,453	29,275	32,382
Total Restricted Assets	-	-	35,628	-	-
TOTAL ASSETS	<u><u>\$ 1,555,173</u></u>	<u><u>\$ 2,237,572</u></u>	<u><u>\$ 2,314,574</u></u>	<u><u>\$ 2,411,249</u></u>	<u><u>\$ 1,451,320</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 44,310	\$ 128,955	\$ 50,803	\$ 104,842	\$ 167,937
Accrued Liabilities	19,737	34,941	4,035	29,826	42,499
Due to Other Funds	83,000	83,000	83,541	220,970	381
Due to Other Governments	-	-	32,996	-	-
Other Liabilities	-	-	-	-	-
Deferred Revenues	-	-	-	-	-
TOTAL LIABILITIES	<u>147,047</u>	<u>246,896</u>	<u>171,375</u>	<u>355,638</u>	<u>210,817</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ 37,502	\$ 29,318	\$ 27,453	\$ 29,275	\$ 32,382
Restricted	35,557	35,557	-	-	-
Assigned	1,335,067	1,925,801	2,115,746	2,026,336	1,208,121
Unassigned	-	-	-	-	-
TOTAL FUND EQUITY	<u>1,408,126</u>	<u>1,990,676</u>	<u>2,143,199</u>	<u>2,055,611</u>	<u>1,240,503</u>
TOTAL LIABILITIES and FUND EQUITY	<u><u>\$ 1,555,173</u></u>	<u><u>\$ 2,237,572</u></u>	<u><u>\$ 2,314,574</u></u>	<u><u>\$ 2,411,249</u></u>	<u><u>\$ 1,451,320</u></u>

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HIGHWAY FUND - TOWN WIDE

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u> (unaudited)	<u>2017</u> (unaudited)	<u>2018</u>	<u>2019</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 2,175,000
Other Tax Items	-	-	-	-	-
Non Property Tax Items	-	-	-	-	-
Departmental Income	-	-	-	-	-
Intergovernmental Charges	176,014	174,088	176,827	119,457	-
Use of Money & Property	5,885	9,311	8,711	14,625	26,900
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Sale of Property and Compensation for Loss	26,405	8,765	61,295	78,595	226,436
Miscellaneous	-	1,602	94	-	-
Revenues from Federal Sources	-	-	48,352	-	-
Revenues from State Sources	-	-	8,059	-	-
Total Revenues	<u>\$ 2,508,304</u>	<u>\$ 2,493,766</u>	<u>\$ 2,603,338</u>	<u>\$ 2,512,677</u>	<u>\$ 2,428,336</u>
<u>EXPENDITURES</u>					
General Government Support	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	-
Health	-	-	-	-	-
Transportation	1,731,493	1,745,288	1,832,002	2,004,305	2,450,345
Economic Assistance & Opportunity	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Home and Community Services	-	-	-	-	-
Employee Benefits	530,458	519,640	512,483	578,863	719,149
Debt Service	134,383	184,645	142,332	146,714	74,820
Total Expenditures	<u>\$ 2,396,334</u>	<u>\$ 2,449,573</u>	<u>\$ 2,486,817</u>	<u>\$ 2,729,882</u>	<u>\$ 3,244,314</u>
Excess of Revenues Over (Under) Expenditures	<u>111,970</u>	<u>44,193</u>	<u>116,521</u>	<u>(217,205)</u>	<u>(815,978)</u>
Other Financing Sources (Uses):					
Operating Transfers In	464	500,000	36,000	109,000	870
Operating Transfers Out	-	-	-	-	-
Total Other Financing	<u>464</u>	<u>500,000</u>	<u>36,000</u>	<u>109,000</u>	<u>870</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>112,434</u>	<u>544,193</u>	<u>152,521</u>	<u>(108,205)</u>	<u>(815,108)</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	1,295,692	1,408,126	1,990,676	2,163,816 *	2,055,611
Prior Period Adjustments (net)	-	38,357	-	-	-
Fund Balance - End of Year	<u>\$ 1,408,126</u>	<u>\$ 1,990,676</u>	<u>\$ 2,143,197</u>	<u>\$ 2,055,611</u>	<u>\$ 1,240,503</u>

* Restated

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HIGHWAY FUND - PART TOWN

Balance Sheets

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u> <u>(unaudited)</u>	<u>2017</u> <u>(unaudited)</u>	<u>2018</u>	<u>2019</u>
<u>ASSETS</u>					
Cash - Unrestricted	\$ 433,019	\$ 773,833	\$ 373,217	\$ 615,072	\$ 930,688
Cash - Restricted	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Due from Other Funds	16,000	16,000	16,000	16,000	-
Due from State & Federal Aid Receivable	369,185	160,500	428,693	457,046	-
Prepaid Expenditures	24,906	19,456	18,302	21,469	23,130
Total Restricted Assets	-	-	-	-	-
TOTAL ASSETS	<u><u>\$ 843,110</u></u>	<u><u>\$ 969,789</u></u>	<u><u>\$ 836,212</u></u>	<u><u>\$ 1,109,587</u></u>	<u><u>\$ 953,818</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 28,273	\$ 1,579	\$ 3,467	\$ 71,147	\$ 29,076
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	-	-	48,894	369,356	342
Due to Other Governments	-	-	-	-	-
Other Liabilities	3,500	3,500	3,500	3,500	1,500
Deferred Revenues	-	-	-	-	-
TOTAL LIABILITIES	<u>31,773</u>	<u>5,079</u>	<u>55,861</u>	<u>444,003</u>	<u>30,918</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ 24,906	\$ 19,546	\$ 18,302	\$ 21,469	\$ 23,130
Restricted	-	-	-	-	-
Assigned	786,431	945,254	762,049	644,115	899,767
Unassigned	-	-	-	-	-
TOTAL FUND EQUITY	<u>811,337</u>	<u>964,800</u>	<u>780,351</u>	<u>665,584</u>	<u>922,897</u>
TOTAL LIABILITIES and FUND EQUITY	<u><u>\$ 843,110</u></u>	<u><u>\$ 969,879</u></u>	<u><u>\$ 836,212</u></u>	<u><u>\$ 1,109,587</u></u>	<u><u>\$ 953,815</u></u>

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HIGHWAY FUND - PART TOWN

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u> (unaudited)	<u>2017</u> (unaudited)	<u>2018</u>	<u>2019</u>
REVENUES					
Real Property Taxes	\$ 2,000,000	\$ 2,100,000	\$ 2,193,000	\$ 2,341,911	\$ 2,181,736
Other Tax Items	-	-	-	-	658,259
Non Property Tax Items	-	-	-	-	-
Departmental Income	-	-	-	-	-
Intergovernmental Charges	-	-	-	-	-
Use of Money & Property	1,972	5,916	4,532	6,850	21,865
Licenses and Permits	500	660	375	1,125	350
Fines and Forfeitures	-	-	-	-	-
Sale of Property and Compensation for Loss	2,325	-	7,949	42,492	50,468
Miscellaneous	-	17,937	29,896	28,259	61,194
Revenues from Federal Sources	-	500	-	-	-
Revenues from State Sources	369,185	380,305	395,237	457,046	363,550
Total Revenues	<u>\$ 2,373,982</u>	<u>\$ 2,505,318</u>	<u>\$ 2,630,989</u>	<u>\$ 2,877,683</u>	<u>\$ 3,337,422</u>
EXPENDITURES					
General Government Support	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	-
Health	-	-	-	-	-
Transportation	1,796,561	1,825,351	2,285,052	2,446,515	2,866,885
Economic Assistance & Opportunity	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Home and Community Services	-	-	-	-	-
Employee Benefits	465,458	462,049	467,868	519,988	507,285
Debt Service	63,065	27,254	26,517	25,949	46,939
Total Expenditures	<u>\$ 2,325,084</u>	<u>\$ 2,314,654</u>	<u>\$ 2,779,437</u>	<u>\$ 2,992,452</u>	<u>\$ 3,421,109</u>
Excess of Revenues Over (Under) Expenditures	<u>48,898</u>	<u>190,664</u>	<u>(148,448)</u>	<u>(114,769)</u>	<u>(83,687)</u>
Other Financing Sources (Uses):					
Operating Transfers In	730	-	-	-	341,000
Operating Transfers Out	-	-	(36,000)	-	-
Total Other Financing	<u>730</u>	<u>-</u>	<u>(36,000)</u>	<u>-</u>	<u>341,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>49,628</u>	<u>190,664</u>	<u>(184,448)</u>	<u>(114,769)</u>	<u>257,313</u>
FUND BALANCE					
Fund Balance - Beginning of Year	761,710	811,338	964,801	780,353	665,584
Prior Period Adjustments (net)	-	(37,201)	-	-	-
Fund Balance - End of Year	<u>\$ 811,338</u>	<u>\$ 964,801</u>	<u>\$ 780,353</u>	<u>\$ 665,584</u>	<u>\$ 922,897</u>

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2020 OPERATING BUDGET
Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	General Fund	General Outside Fund	Highway Fund	Highway Outside Fund	Library District	Fire District	Ambulance District	Lighting Districts	Sewer District	Water District	Adelaar Resort Drainage District	Adelaar Road Improvement District	COMBINED TOTALS
REVENUES													
Real Property Taxes	\$ 325,000	\$ -	\$ 2,175,000	\$ 2,000,000	\$ 841,658	\$ 2,795,367	\$ 86,567	\$ 244,400	\$ -	\$ -	\$ 15,000	\$ 210,006	\$ 8,692,998
Real Property Tax Items	535,940	-	-	-	-	-	-	-	886,880	-	-	-	1,422,820
Non Property Tax Items	-	140,000	-	-	-	-	-	500	7,500	-	-	-	148,000
Departmental Income	8,150	177,588	-	-	-	-	-	-	4,618,537	531,301	-	-	5,335,576
Intergovernmental Charges	-	-	138,750	39,500	-	-	-	-	-	-	-	-	178,250
Use of Money & Property	50,700	15,000	12,000	10,000	-	-	-	-	-	-	-	-	87,700
Licenses and Permits	9,200	4,400	-	350	-	-	-	-	-	-	-	-	13,950
Fines and Forfeitures	300,000	-	-	-	-	-	-	-	-	-	-	-	300,000
Sale of Property and	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation for Loss	-	-	47,500	30,000	-	-	-	-	-	-	-	-	77,500
Interfund Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues from State Sources	1,817,628	-	-	457,198	-	-	-	-	-	-	-	-	2,274,826
Miscellaneous	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000
Total Revenues	\$ 3,051,618	\$ 336,988	\$ 2,373,250	\$ 2,537,048	\$ 841,658	\$ 2,795,367	\$ 86,567	\$ 244,900	\$ 5,512,917	\$ 531,301	\$ 15,000	\$ 210,006	\$ 18,536,620
EXPENDITURES													
General Government Support	\$ 1,826,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,826,075
Public Safety	85,950	493,755	-	-	-	2,572,619	-	-	-	-	-	-	3,152,324
Health	-	26,272	-	-	-	-	86,567	244,900	-	-	-	-	357,739
Transportation	228,284	-	2,701,500	2,499,423	-	-	-	-	-	-	15,000	188,770	5,632,977
Economic Assistance & Opportunity	134,500	-	-	-	-	-	-	-	-	-	-	-	134,500
Culture and Recreation	1,212,226	-	-	-	807,976	-	-	-	-	-	-	-	2,020,202
Home and Community Services	278,600	76,310	-	-	-	-	-	-	3,411,075	510,225	-	-	4,276,210
Employee Benefits	1,098,585	228,520	775,050	553,620	-	-	-	-	772,579	17,782	-	-	3,446,136
Debt Service	-	-	96,030	24,420	-	-	-	-	570,396	2,294	-	21,236	714,376
Total Expenditures	\$ 4,864,220	\$ 824,857	\$ 3,572,580	\$ 3,077,463	\$ 807,976	\$ 2,572,619	\$ 86,567	\$ 244,900	\$ 4,754,050	\$ 530,301	\$ 15,000	\$ 210,006	\$ 21,560,539
Excess of Revenues Over (Under) Expenditures	(1,812,602)	(487,869)	(1,199,330)	(540,415)	33,682	222,748	-	-	758,867	1,000	-	-	(3,023,919)
Other Financing Sources (Uses):													
Operating Transfers In	-	-	500,000	200,000	-	-	-	-	-	-	-	-	700,000
Operating Transfers Out	(500,000)	(200,000)	-	-	-	-	-	-	-	-	-	-	(700,000)
Total Other Financing	(500,000)	(200,000)	500,000	200,000	-	-	-	-	-	-	-	-	-
Appropriated Fund Balance	\$ 2,312,602	\$ 687,869	\$ 699,330	\$ 340,415	\$ (33,682)	\$ (222,748)	\$ -	\$ -	\$ (758,867)	\$ (1,000)	\$ -	\$ -	\$ 3,023,919

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2021 OPERATING BUDGET
Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	General Fund	General Outside Fund	Highway Fund	Highway Outside Fund	Library District	Fire Districts	Ambulance District	Lighting Districts	Sewer Districts	Water District	Adelaar Resort Drainage District	Adelaar Road Improvement District	COMBINED TOTALS
REVENUES													
Real Property Taxes	\$ 325,000	\$ -	\$ 2,175,000	\$ 2,000,000	\$ 867,455	\$ 2,920,458	\$ 86,567	\$ 215,350	\$ -	\$ -	\$ 15,000	\$ 160,500	\$ 8,765,330
Real Property Tax Items	504,262	-	-	-	-	-	-	-	-	-	-	-	504,262
Non Property Tax Items	-	150,000	-	-	-	-	-	-	-	-	-	-	150,000
Departmental Income	8,250	281,100	-	-	-	-	-	-	4,490,269	535,185	-	-	5,314,804
Intergovernmental Charges	-	-	138,750	39,500	-	-	-	-	-	-	-	-	178,250
Use of Money & Property	25,700	10,000	5,000	5,000	-	-	-	-	-	-	-	-	45,700
Licenses and Permits	8,200	4,300	-	200	-	-	-	-	-	-	-	-	12,700
Fines and Forfeitures	300,000	-	-	-	-	-	-	-	-	-	-	-	300,000
Sale of Property and	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation for Loss	-	-	40,000	30,000	-	-	-	-	-	-	-	-	70,000
Interfund Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues from State Sources	1,568,602	-	-	457,198	-	-	-	-	-	-	-	-	2,025,800
Miscellaneous	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000
Total Revenues	<u>\$ 2,745,014</u>	<u>\$ 445,400</u>	<u>\$ 2,358,750</u>	<u>\$ 2,531,898</u>	<u>\$ 867,455</u>	<u>\$ 2,920,458</u>	<u>\$ 86,567</u>	<u>\$ 215,350</u>	<u>\$ 4,490,269</u>	<u>\$ 535,185</u>	<u>\$ 15,000</u>	<u>\$ 160,500</u>	<u>\$ 17,371,846</u>
EXPENDITURES													
General Government Support	\$ 1,952,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,952,690
Public Safety	97,143	499,420	-	-	-	2,920,458	-	-	-	-	-	-	3,517,021
Health	-	23,610	-	-	-	-	86,567	-	-	-	-	-	110,177
Transportation	213,677	-	2,756,414	2,532,423	-	-	-	145,600	-	-	15,000	160,500	5,823,614
Economic Assistance & Opportunity	77,000	-	-	-	-	-	-	-	-	-	-	-	77,000
Culture and Recreation	1,185,368	-	-	-	867,455	-	-	-	-	-	-	-	2,052,823
Home and Community Services	31,100	123,672	-	-	-	-	-	-	3,830,824	598,019	-	-	4,583,615
Employee Benefits	1,102,370	254,850	696,485	501,255	-	-	-	-	726,331	21,396	-	-	3,302,687
Debt Service	20,785	-	41,960	23,765	-	-	-	80,790	488,106	16,957	-	-	672,363
Total Expenditures	<u>\$ 4,680,133</u>	<u>\$ 901,552</u>	<u>\$ 3,494,859</u>	<u>\$ 3,057,443</u>	<u>\$ 867,455</u>	<u>\$ 2,920,458</u>	<u>\$ 86,567</u>	<u>\$ 226,390</u>	<u>\$ 5,045,261</u>	<u>\$ 636,372</u>	<u>\$ 15,000</u>	<u>\$ 160,500</u>	<u>\$ 22,091,990</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,935,119)</u>	<u>(456,152)</u>	<u>(1,136,109)</u>	<u>(525,545)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,040)</u>	<u>(554,992)</u>	<u>(101,187)</u>	<u>-</u>	<u>-</u>	<u>(4,720,144)</u>
Other Financing Sources (Uses):													
Operating Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Appropriated Fund Balance	<u>\$ 1,935,119</u>	<u>\$ 456,152</u>	<u>\$ 1,136,109</u>	<u>\$ 525,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,040</u>	<u>\$ 554,992</u>	<u>\$ 101,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>4,720,144</u>

The financial data presented on this page has been excerpted from the Town's unaudited adopted budget document for fiscal year ending 2021. Such presentation however has not been audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Excluding this issuance			2021 Bonds Debt Service	Total Debt All Issues
	Principal	Interest	Total		
2021	\$ 416,085	\$ 63,366	\$ 479,451	\$ -	\$ -
2022	419,728	57,057	476,785	-	-
2023	380,171	49,637	429,808	-	-
2024	377,214	43,923	421,137	-	-
2025	384,257	38,933	423,190	-	-
2026	361,300	33,784	395,084	-	-
2027	368,342	28,717	397,059	-	-
2028	365,385	23,341	388,726	-	-
2029	377,428	17,840	395,268	-	-
2030	369,471	12,077	381,548	-	-
2031	94,000	7,811	101,811	-	-
2032	24,000	4,706	28,706	-	-
2033	24,000	4,545	28,545	-	-
2034	24,000	4,356	28,356	-	-
2035	24,000	4,146	28,146	-	-
2036	24,000	3,922	27,922	-	-
2037	24,000	3,687	27,687	-	-
2038	24,000	3,441	27,441	-	-
2039	24,000	3,186	27,186	-	-
2040	24,000	2,935	26,935	-	-
2041	24,000	2,667	26,667	-	-
2042	24,000	2,373	26,373	-	-
2043	24,000	2,080	26,080	-	-
2044	24,000	1,786	25,786	-	-
2045	10,000	1,492	11,492	-	-
2046	10,000	1,211	11,211	-	-
2047	10,000	942	10,942	-	-
2048	10,000	673	10,673	-	-
2049	10,000	404	10,404	-	-
2050	10,000	135	10,135	-	-
2051	-	-	-	-	-
TOTALS	\$ 4,285,381	\$ 425,171	\$ 4,710,552	\$ -	\$ -

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2002 EFC BOND Kiamesha Sewer			2011 Bonds Harris Woods Sewer			2015 Bonds Refunding of 2005 Bonds - Varios Purposes		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 147,085	\$ -	\$ 147,085	\$ 45,000	\$ 24,243	\$ 69,243	\$ 160,000	\$ 32,856	\$ 192,856
2022	149,128	-	149,128	50,000	22,836	72,836	160,000	28,056	188,056
2023	151,171	-	151,171	50,000	21,211	71,211	160,000	23,256	183,256
2024	153,214	-	153,214	50,000	19,461	69,461	155,000	19,306	174,306
2025	155,257	-	155,257	55,000	17,586	72,586	155,000	16,206	171,206
2026	157,300	-	157,300	55,000	15,386	70,386	130,000	13,275	143,275
2027	159,342	-	159,342	60,000	13,186	73,186	130,000	10,431	140,431
2028	161,385	-	161,385	60,000	10,786	70,786	125,000	7,484	132,484
2029	163,428	-	163,428	65,000	8,386	73,386	125,000	4,438	129,438
2030	165,471	-	165,471	65,000	5,705	70,705	115,000	1,438	116,438
2031	-	-	-	70,000	2,975	72,975	-	-	-
TOTALS	\$ 1,562,781	\$ -	\$ 1,562,781	\$ 625,000	\$ 161,763	\$ 786,763	\$ 1,415,000	\$ 156,747	\$ 1,571,747

Fiscal Year Ending Dec 31st	2015 EFC Bond Melody Lake Sewer			2017 SIB Highway Equipment			2020 EFC Bond Melody Lake Water Main		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 14,000	\$ -	\$ 14,000	\$ 40,000	\$ 1,960	\$ 41,960	\$ 10,000	\$ 4,307	\$ 14,307
2022	14,000	-	14,000	40,000	980	40,980	6,600	5,185	11,785
2023	14,000	-	14,000	-	-	-	5,000	5,169	10,169
2024	14,000	-	14,000	-	-	-	5,000	5,155	10,155
2025	14,000	-	14,000	-	-	-	5,000	5,141	10,141
2026	14,000	-	14,000	-	-	-	5,000	5,122	10,122
2027	14,000	-	14,000	-	-	-	5,000	5,099	10,099
2028	14,000	-	14,000	-	-	-	5,000	5,070	10,070
2029	14,000	-	14,000	-	-	-	10,000	5,016	15,016
2030	14,000	-	14,000	-	-	-	10,000	4,934	14,934
2031	14,000	-	14,000	-	-	-	10,000	4,836	14,836
2032	14,000	-	14,000	-	-	-	10,000	4,706	14,706
2033	14,000	-	14,000	-	-	-	10,000	4,545	14,545
2034	14,000	-	14,000	-	-	-	10,000	4,356	14,356
2035	14,000	-	14,000	-	-	-	10,000	4,146	14,146
2036	14,000	-	14,000	-	-	-	10,000	3,922	13,922
2037	14,000	-	14,000	-	-	-	10,000	3,687	13,687
2038	14,000	-	14,000	-	-	-	10,000	3,441	13,441
2039	14,000	-	14,000	-	-	-	10,000	3,186	13,186
2040	14,000	-	14,000	-	-	-	10,000	2,935	12,935
2041	14,000	-	14,000	-	-	-	10,000	2,667	12,667
2042	14,000	-	14,000	-	-	-	10,000	2,373	12,373
2043	14,000	-	14,000	-	-	-	10,000	2,080	12,080
2044	14,000	-	14,000	-	-	-	10,000	1,786	11,786
2045	-	-	-	-	-	-	10,000	1,492	11,492
2046	-	-	-	-	-	-	10,000	1,211	11,211
2047	-	-	-	-	-	-	10,000	942	10,942
2048	-	-	-	-	-	-	10,000	673	10,673
2049	-	-	-	-	-	-	10,000	404	10,404
2050	-	-	-	-	-	-	10,000	135	10,135
TOTALS	\$ 336,000	\$ -	\$ 336,000	\$ 80,000	\$ 2,940	\$ 82,940	\$ 266,600	\$ 103,722	\$ 370,322

FORM OF DISCLOSURE UNDERTAKING

ANNUAL AND CONTINUING DISCLOSURE
UNDERTAKING CERTIFICATE
PURSUANT TO RULE 15c2-12 OF THE
SECURITIES AND EXCHANGE COMMISSION

On the date hereof, the Town of Thompson, Sullivan County, New York (the “Issuer”) is issuing its Bonds (as defined herein). To facilitate compliance with Rule 15c2-12 of the Securities and Exchange Commission (the “SEC”) promulgated under the Securities Exchange Act of 1934, as amended by the underwriter (as defined in the Rule), the Issuer hereby undertakes for the benefit of the record and beneficial owners from time to time of the Bonds (the “Holders”) to provide:

A. Definitions. As used in this Undertaking, the following terms have the meanings ascribed to such terms below:

“*Bonds*” means the Issuer’s \$1,817,035* Public Improvement Serial Bonds, 2021, dated April 1, 2021.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii); provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Rule*” means SEC Rule 15c2-12, as amended from time to time.

“*SEC*” means the United States Securities and Exchange Commission.

“*Undertaking*” means this Annual and Continuing Disclosure Undertaking.

B. Annual Reports. The Issuer shall electronically file annually with the MSRB, (1) within six months after the end of each fiscal year ending after the date hereof, financial information and operating data with respect to the Issuer of the general type contained in or cross referenced in the Issuer’s final Official Statement, dated March 15 2021, under the headings “**LITIGATION**”, “**THE TOWN**”, “**FINANCIAL FACTORS**”, “**REAL PROPERTY TAXES**”, and “**STATUS OF INDEBTEDNESS**” (except for information about the debt of other issuers) and in **APPENDICES A AND B**, and (2) if not provided as part of such financial information and operating data, audited financial statements of the Issuer, when and if available. If audited financial statements are not available at that time the Issuer will electronically file unaudited financial statements when available. Any financial statements so to be electronically filed shall be prepared in accordance with the accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and shall be audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided.

If the Issuer changes its fiscal year, it will electronically file with the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Undertaking.

The financial information and operating data to be electronically filed pursuant to this Undertaking may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the SEC.

C. *Event Notices.* The Issuer shall electronically file with the MSRB notice of any of the following events with respect to the Obligations in a timely manner and not more than ten business days after occurrence of the event:

- (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-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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 Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, 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 Issuer, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States 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 Issuer, 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 Issuer.

The Issuer shall electronically file with the MSRB, in a timely manner, notice of any failure by the Issuer to provide financial information or operating data in accordance with this Undertaking by the time required by this Undertaking.

D. Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Undertaking shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

E. Limitations, Disclaimers, and Amendments. The Issuer shall be obligated to observe and perform the covenants specified in this Undertaking for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Bonds within the meaning of the Rule.

The provisions of this Undertaking are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Undertaking, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Undertaking and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Undertaking or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS UNDERTAKING, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Undertaking shall constitute a breach of or default on the Bonds.

Nothing in this Undertaking is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Undertaking may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Undertaking, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority of the aggregate principal amount of outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Issuer may also repeal or amend the provisions of this Undertaking if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Undertaking in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer so amends the provisions of this Undertaking, the Issuer shall include with any amended financial information or operating data next provided in accordance with this Undertaking an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

IN WITNESS WHEREOF, I have hereunto set my hand this April 1, 2021.

Town Supervisor

April 1, 2021



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

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United States

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Re: Town of Thompson, Sullivan County, New York
\$1,817,035 Public Improvement (Serial) Bonds, 2021 Series A

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$1,817,035 Public Improvement (Serial) Bonds, 2021 Series A (the “Obligation”), of the Town of Thompson, County of Sullivan, State of New York (the “Obligor”), dated April 1, 2021.

We have examined:

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

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights; and (ii) may be subject to the exercise of judicial discretion in certain cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights.
- (c) Under existing law, interest on the Obligation (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof for Federal income tax purposes, pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, assuming continuing compliance after the date hereof by the Obligor with the provisions of the Tax Certificate, and (2) will not be included in computing the Federal alternative minimum taxable income of the owners thereof. Under existing law, interest on the Obligation is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligation. Ownership of tax-exempt obligations such as the Obligation may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

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

Very truly yours,

TOWN OF THOMPSON

AUDITED FINANCIAL REPORT

Fiscal Year Ended 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.

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

TOWN OF THOMPSON, NEW YORK

DECEMBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, of the Town of Thompson, New York as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 59-99 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Thompson, New York's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2020, on our consideration of the Town of Thompson, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering, the Town of Thompson, New York's internal control over financial reporting and compliance.

Waschitz Pauloff CPA LLP

Monticello, New York

October 2, 2020

Management's Discussion and Analysis For The Year Ended December 31, 2019

The following is a discussion and analysis of the Town's financial performance for the fiscal year ending December 31, 2019. It is the Town of Thompson's analysis and opinion as to the financial condition as at December 31, 2019 and should be read in conjunction with the detailed financial statements which follow.

Fiscal year 2019 was a banner year for the Town of Thompson. On the economic front the Resorts World Casino resort was in its second year of operation and though their net earnings were somewhat disappointing, their gross gaming revenue, from which our host community fees are calculated, was generally on the rise. Gaming revenues exceeded projections by a wide margin increasing our fund balance going into 2020. The Kartrite Waterpark resort opened and was very well received by patrons, both local and from afar. Together these two facilities accounted for over well over 2,000 full time equivalent jobs.

All in all, we hit all of our budget numbers and were able to offer our residents a 5th consecutive year of tax reductions in our general operating and highway funds for the 2020 budget year.

The Town continues to make required improvements and rehabilitation of several of our sewer systems and we have had good results. Much of our sewer infrastructure was built 50 to 70 years ago, with an anticipated life span of 30-40 years. Current environmental requirements promulgated by the EPA and DEC require much tighter limits on discharges. We commissioned a town-wide sewer infrastructure study to identify and prioritize necessary improvements. We have aggressively sought out grants from EFC and USDA and we have received grants for Kiamesha, Emerald Green, Melody Lake and a 0% interest commitment for Harris.

- Kiamesha Sewer Treatment System: We completed an approximately \$1.5M interceptor line replacement in the Kiamesha Sewer District on budget and on time. This will greatly reduce infiltration into the system and reduce processing costs and enable more users to connect, thereby spreading the costs to operate over more users.
- Emerald Green Sewer Treatment System: We completed a \$600,000 replacement of Pump Station 9 as the first step in alleviating tremendous infiltration in a large area of the Emerald Green Development, again, on budget and on time. The second phase of this plan required replacement/rehabilitation of the entire collection system that Pump Station 9 served. This project was budgeted at \$3.15M. Midway in the construction we changed to "Cured in Place Pipe (CIPP)" technology, greatly reducing the cost of this project. The project was completed in mid-2020 approximately \$1.0M under budget and further reduced by a 25% NYS EFC grant.
- Melody Lake Water: We are completing waterworks improvements started in 2019 and 2020, which involve replacing much of the distribution system in this development which was built well over 50 years ago. We have secured a \$240,000 grant for the distribution system and 0% financing through EFC for the costs over and above the grant.

Management's Discussion and Analysis For The Year Ended December 31, 2019

- Harris Woods Sewer District: This District has a higher than average per home charge due to debt service. We are developing plans to expand the District to take in several adjoining properties which will not only further spread out the existing debt, but provide a capital contribution to Kiamesha Sewer District which processes the sewerage. All costs to connect will be borne by the new properties.

So, the elephant in the room is the impact of the COVID-19 pandemic on Thompson. We have always maintained a strict policy of conservative revenue forecasts, particularly for gaming revenues. For fiscal year 2019, as noted above, we exceeded forecasts. For fiscal year 2020 we budgeted \$1.5M in revenues and to date we have banked approximately \$1.1M. If the casino opens in the fall, we should have no difficulty meeting or exceeding our revenue forecast of \$1.5M. There will be some short-term revenue reductions in justice court, however this is due to reduced court calendars. Tickets are still being issued by police agencies so this revenue will be recovered in future months as court calendars clear. There is the possibility of a 20% reduction in State aid according to the Governor's office. This should have a nominal effect on operations since most aid is for highway improvements (CHIPS). We can easily scale back construction accordingly. We estimate that the total revenue impact on the 2020 budget year is in the \$250,000 range, say \$650,000 in the un-likely event that casino revenue stops totally. We feel that there are sufficient adjustments we can make within the current budget to cover most or all of a \$650,000 shortage. Expenses directly related to the pandemic were approximately \$25,000 and were covered within our budget. It should be noted that we are ahead of the curve on mortgage tax and building department revenues. We should have no trouble meeting or exceeding projections on both. Our building department has been issuing permits steadily and in fact issued approximately 90 permits in the first 3 months of the pandemic.

We have a very healthy fund balance which can easily cover any shortages in revenues this year and cover the possibility of zero gaming revenue at all in the 2021 budget. Sullivan County is one of the few Counties in NY that does not share sales tax with Townships so we have no negative effect in that regard. I should also note that the real estate market in Sullivan County is reaching levels of activity we haven't seen in 25 years. Many vacation homes are rapidly becoming permanent year-round properties and a substantial number of NYC area dwellers are relocating to Sullivan County permanently. These factors should ease the burden of dealing with COVID-19 and position the Town of Thompson, and Sullivan County as well, post COVID-19, for solid growth and stability. We are quite comfortable with our financial position and feel we can weather these current challenges at the very least through the end of 2021. We have very little general fund debt and aggressively monitor our budget to actual position regularly.

Overview of Financial Statement

This discussion and analysis is intended to serve as an introduction to the Town of Thompson's basic financial statements. The Town of Thompson's basic financial statements comprise three components:

- 1) government-wide financial statements
- 2) fund financial statements
- 3) notes to financial statements

Management's Discussion and Analysis For The Year Ended December 31, 2019

This report also contains certain other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The Government-Wide financial statements are designed to provide readers with a broad overview of the Town's financial condition and are prepared similarly to those in a private sector.

The Statement of Net Position presents information on all of the Town's assets and liabilities, with the difference between the two recorded as net position. Over time, continued increases or decreases in net position may indicate whether the Town's financial condition is improving or deteriorating.

The Statement of Activities presents information on how the Town's net position changed during the most recent fiscal year. These changes are recorded on the accrual basis (when the economic event occurs), not when the cash is received or paid.

The Town-Wide financial statements are designed to report separate functions that are primarily supported by taxes and intergovernmental revenues (governmental activities) from functions that are supported by user fees (business activities). Governmental activities include general governmental support, public safety, transportation, economic assistance and opportunity, culture and recreation, and home and community services. Business activities include the Town's sewer and water services. The Government-Wide Financial Statements can be found on pages 14-16 of this report.

Fund Financial Statements

The Town separates financial activities into funds to maintain control over resources that have been legally separated. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for the same functions reported in governmental activities in the Government-Wide financial statements. However, unlike the Government-Wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Management's Discussion and Analysis For The Year Ended December 31, 2019

Because the focus of governmental funds is narrower than that of the Government-Wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-Wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between the two.

The General Fund accounts for all the financial resources except those required to be accounted for in another fund.

The Special Revenue Funds account for the proceeds of specific revenue sources that are constrained by the intent to be used for expenditures for a specific purpose.

Capital Project Funds account for financial resources to be used for the acquisition and construction of major capital facilities.

Information is presented separately in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund and the the Special Revenue Funds, which are considered major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for non-major governmental funds is provided in the form of combining statements elsewhere in this report. The Town of Thompson has five non-major governmental funds: Capital Projects Fund, Rock Hill Ambulance District, Adelaar Drainage District, Lighting Districts, and the Community Development Fund.

The basic Governmental Fund Financial Statements can be found on pages 17-18 of this report.

The Town of Thompson adopts an annual budget for the general fund, special revenue funds, and lighting districts. The capital projects fund is budgeted on a project basis.

Management's Discussion and Analysis For The Year Ended December 31, 2019

Proprietary Funds

Enterprise funds account for operations that are financed and operated in a manner similar to private business where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis is financed and recovered primarily through user charges. The Town maintains two enterprise funds, the Sewer Fund and the Water Fund. Information is presented in the Proprietary Fund Statement of Net Position and the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. Each fund is considered a major fund.

The basic Proprietary Fund Financial Statements can be found on pages 20-23 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the Government-Wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic Fiduciary Fund Financial Statements can be found on page 24 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. Required Supplementary Information can be found on pages 59-64 and 68-80 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In this case, the Town of Thompson, New York's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45,860,682 as of December 31, 2019.

Management's Discussion and Analysis For The Year Ended December 31, 2019

Below is a summary schedule of the Town's net position at December 31, 2019:

Town of Thompson Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current & Other Assets	\$ 15,079,171	\$ 13,784,393	\$ 5,038,436	\$ 6,269,016	\$ 20,117,607	\$ 20,053,407
Capital Assets	49,568,621	40,417,162	13,492,637	10,556,612	63,061,258	50,973,774
Deferred Outflows of Resources	<u>4,167,982</u>	<u>1,637,154</u>	<u>1,289,043</u>	<u>561,441</u>	<u>5,457,025</u>	<u>2,198,595</u>
Total Assets & Deferred Outflows of Resources	<u>68,815,774</u>	<u>55,838,709</u>	<u>19,820,116</u>	<u>17,387,069</u>	<u>88,635,890</u>	<u>73,225,776</u>
Current Liabilities	3,109,038	5,900,623	4,259,557	5,242,856	7,368,595	11,143,479
Non-Current Liabilities	21,649,918	14,411,479	10,202,021	8,279,610	31,851,939	22,691,089
Deferred Inflows of Resources	<u>2,866,140</u>	<u>3,712,498</u>	<u>688,534</u>	<u>1,055,202</u>	<u>3,554,674</u>	<u>4,767,700</u>
Total Liabilities & Deferred Inflows of Resources	<u>27,625,096</u>	<u>24,024,600</u>	<u>15,150,112</u>	<u>14,577,668</u>	<u>42,775,208</u>	<u>38,602,268</u>
Net Position:						
Invested in Capital Assets, Net of Related Debt	49,568,622	39,965,471	5,889,959	2,640,330	55,458,581	42,605,801
Restricted	-	-	154,631	152,414	154,631	152,414
Unrestricted	<u>(8,377,944)</u>	<u>(8,151,362)</u>	<u>(1,374,586)</u>	<u>16,657</u>	<u>(9,752,530)</u>	<u>(8,134,705)</u>
Total Net Position	<u>\$ 41,190,678</u>	<u>\$ 31,814,109</u>	<u>\$ 4,670,004</u>	<u>\$ 2,809,401</u>	<u>\$ 45,860,682</u>	<u>\$ 34,623,510</u>

By far, the largest portion of the Town's net position, \$55,458,581 reflects its investment in capital assets (e.g. land, buildings, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding.

The Town uses capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. The total amount of capital assets net of related debt is \$55,458,581; the restricted amount of \$154,631 in the Business-Type Activities represents money restricted for Sewer and Water plant development; the remaining amount of (\$9,752,530) represents an excess of liabilities over assets.

Management's Discussion and Analysis For The Year Ended December 31, 2019

Town of Thompson Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 925,608	\$ 1,220,200	\$ 2,805,955	\$ 1,834,021	\$ 3,371,563	\$ 3,054,221
Operating Grants & Contributions	10,370,745	35,028,000	-	-	10,370,745	35,028,000
General Revenues:						
Property Taxes	5,183,628	5,653,043	2,750,326	1,578,398	7,933,954	7,231,441
State Aid	3,483,052	2,764,588	121,855	14,000	3,604,907	2,778,588
Other	<u>3,532,088</u>	<u>1,570,758</u>	<u>400,915</u>	<u>80,451</u>	<u>3,933,003</u>	<u>1,651,209</u>
Total Revenues	<u>23,495,121</u>	<u>46,236,589</u>	<u>6,079,051</u>	<u>3,506,870</u>	<u>29,574,172</u>	<u>49,743,459</u>
Expenses:						
General Government Support	2,542,539	2,268,395	-	-	2,542,539	2,268,395
Public Safety	722,340	626,986	-	-	722,340	626,986
Transportation	8,529,030	5,646,082	-	-	8,529,030	5,646,082
Economic Assistance & Opportunity	27,864	27,412	-	-	27,864	27,412
Culture & Recreation	1,143,876	2,226,233	-	-	1,143,876	2,226,233
Home & Community Services	1,091,958	801,711	2,656,869	4,623,790	3,748,827	5,425,501
Interest	<u>10,879</u>	<u>14,423</u>	<u>149,086</u>	<u>128,966</u>	<u>159,965</u>	<u>143,389</u>
Total Expenses	<u>14,068,486</u>	<u>11,611,242</u>	<u>2,805,955</u>	<u>4,752,756</u>	<u>16,874,441</u>	<u>16,363,998</u>
Increase (Decrease) in Net Position	9,426,635	34,625,347	3,273,096	(1,245,886)	12,699,731	33,379,461
Net Position January 1 (As Restated in 2019),	<u>31,764,043</u>	<u>(2,811,240)</u>	<u>2,721,068</u>	<u>4,055,287</u>	<u>34,485,111</u>	<u>1,244,047</u>
Net Position December 31,	<u>\$ 41,190,678</u>	<u>\$ 31,814,107</u>	<u>\$ 5,994,164</u>	<u>\$ 2,809,401</u>	<u>\$ 47,184,842</u>	<u>\$ 34,623,508</u>

Governmental Activities

The Statement of Activities is in a format that reflects a particular program or function's revenues adjacent to that program or function's expenditures, thereby allowing the reader to see the net result. The statement identifies how much each function draws from the general revenues or, if it is self-financing, through fees and grants. Some of the line items reported under each function are as follows:

General Government - Real property tax, intergovernmental fees, departmental fees, PILOT's, and State and Federal aid;

Public Safety - Code enforcement fees, traffic safety, fines, permits, and State and Federal aid;

Transportation - State and Federal aid for transportation, road maintenance and repair, snow removal, disaster aid;

Management's Discussion and Analysis For The Year Ended December 31, 2019

Culture and Recreation - Park fees and recreational programs;

Home and Community Services - Aid for emergency disaster assistance costs.

The aforementioned listing includes most of the revenues attributable to a specific activity or function; those excluded are not of a material nature.

Business-Type Activities

The Town's business-type activities include the water districts and the sewer districts.

Operating revenues exceeded operating expense by \$3,628,868. This is an increase of \$4,218,080 when compared with the 2018 loss from operations.

The non-operating expenses exceeded non-operating revenues by \$128,556. The Change in Net Position for the Business-Type Activities was: Water District \$70,740; Sewer District (\$1,878,196); total \$1,948,936 for the year.

Financial Analysis of the Government's Funds

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

Governmental Funds

The purpose of the Town's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. At December 31, 2019, the Town's governmental funds reported combined fund balances in the amount of \$12,535,334.

The General Fund is the Town's chief operating fund. At the end of the fiscal year, total fund balance of the General fund was \$8,046,681, of which \$53,780 was nonspendable and \$5,602,799 was unassigned. The fund balance of the Town's General Fund increased by \$2,148,521 during the current fiscal year.

The General Fund Town Outside accounts for transactions which by statute affect only those areas outside the boundaries of the Village located within the Town. At the end of 2019, total fund balance of the Town Outside Village Fund was \$1,972,557. The fund balance of the Town Outside Village Fund decreased by \$387,193 during the current fiscal year.

Management's Discussion and Analysis For The Year Ended December 31, 2019

The Highway Fund Town Wide accounts for road maintenance and improvements within the Town. At the end of 2019, total fund balance was \$1,240,503, decreasing by \$815,108.

The Highway Fund Part Town is used to account for road maintenance and improvements as defined in the Highway Law of the State of New York. The transactions affect only those areas outside the boundaries of the Village located within the Town. During 2019, total fund balance of the Highway Town Outside Village Fund increased by \$257,313, leaving a fund balance of \$922,897 at December 31, 2019.

The Non-Major Governmental Funds include the Lighting Funds, the Capital Projects Fund, the Rock Hill Ambulance District, the Adelaar Drainage District, and the Community Development Fund. The Lighting Funds consist of eleven districts. At the end of 2019, total fund balance for the Lighting Districts was \$151,417, which represented an increase of \$82,232 during the current fiscal year. At the end of 2019, total fund balance for all of the Non-Major funds, including the lighting districts was \$352,696, an increase of \$18,086.

The Capital Projects Fund

The Capital Projects Fund accounts for acquisition or construction of major capital facilities. At the end of the fiscal year, Capital Projects Fund had fund balance \$13,982, a decrease of \$41,739 over the prior year.

General Fund Budgetary Highlights

All requests for budget modifications must be approved by the Town Board. Modifications are done on a monthly basis and it is the responsibility of the individual department heads to monitor their budgets and make any necessary adjustments to spending in order to stay within their allotted funds. On occasion, situations arise that make it impossible for a department to contain its costs or collect all of its budgeted revenues.

In total, the General Fund budget increased \$633,773 from the prior year.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year 2019 budget, tax rates and fees that will be charged for business-type activities. For 2019, there is a State mandated tax cap. The Town Board voted to override the property tax cap in 2019 to tax the Adelaar districts which were formed in 2018.

The Town will continue to explore new and creative ways to control costs and increase revenues. For 2019, the Town Wide tax decrease was 11.5%.

The tax rate for 2019 varies depending on the district in which the taxpayer lives. Certain constant rates apply to all taxpayers, for example: \$.60 is utilized for General Fund Activities; \$1.89 is Highway Fund Town Wide; and \$2.13 is Highway Fund Part Town.

**Management's Discussion and Analysis
For The Year Ended December 31, 2019**

Requests for Information

This financial report is designed to provide a general overview of the Town of Thompson's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for any additional information should be addressed to the Supervisor's Office at the Town of Thompson, 4052 Route 42, Monticello, New York 12701.

TOWN OF THOMPSON, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	PRIMARY GOVERNMENT		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash	\$ 13,639,096	\$ 4,307,961	\$ 17,947,057
Cash - Restricted	-	154,631	154,631
Receivables			
Net of Allowance for Uncollectible Amounts	459,310	45,930	505,240
Rents Receivable	-	461,893	461,893
Internal Balances	21,846	(21,846)	-
Due from Other Governments	838,325	56,855	895,180
Prepaid Expenses	120,594	33,012	153,606
Capital Assets:			
Depreciable, Net	<u>49,568,621</u>	<u>13,492,637</u>	<u>63,061,258</u>
TOTAL ASSETS	<u>64,647,792</u>	<u>18,531,073</u>	<u>83,178,865</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	471,203	136,879	608,082
OPEB Related Amounts	3,674,900	1,067,519	4,742,419
Deferred Charge on Refunding, Net	<u>21,879</u>	<u>84,645</u>	<u>106,524</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 4,167,982</u>	<u>\$ 1,289,043</u>	<u>\$ 5,457,025</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

TOWN OF THOMPSON, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable & Accrued Liabilities	\$ 520,266	\$ 343,941	\$ 864,207
Accrued Interest	1,921	64,621	66,542
Intergovernmental Payables	2,023,571	265	2,023,836
Non-Current Liabilities			
Due within One Year			
Compensated Absences	20,233	3,202	23,435
Bond Anticipation Notes	-	3,380,000	3,380,000
Bonds Payable	113,361	342,709	456,070
OPEB Liability	429,686	124,819	554,505
Due Beyond One Year			
Compensated Absences	80,930	12,806	93,736
Bonds Payable	185,333	3,833,448	4,018,781
OPEB Liability	21,054,625	6,116,139	27,170,764
Pension Liability	824,913	239,628	1,064,541
TOTAL LIABILITIES	25,254,839	14,461,578	39,716,417
DEFERRED INFLOWS OF RESOURCES			
OPEB Related Amounts	2,041,227	592,954	2,634,181
Pension Related Amounts	329,030	95,580	424,610
TOTAL DEFERRED INFLOWS OF RESOURCES	2,370,257	688,534	3,058,791
NET POSITION			
Net Investment in Capital Assets	49,568,622	5,889,959	55,458,581
Restricted	-	154,631	154,631
Unrestricted	(8,377,944)	(1,374,586)	(9,752,530)
TOTAL NET POSITION	\$ 41,190,678	\$ 4,670,004	\$ 45,860,682

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position					
	Program Revenues			Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government						
General Government Support	\$ 2,542,539	\$ -	\$ 63,545	\$ (2,478,994)	\$ -	\$ (2,478,994)
Public Safety	722,340	760,263	28,400	66,323	-	66,323
Transportation	8,529,030	350	10,200,000	1,671,320	-	1,671,320
Economic Assistance & Opportunity	27,864	-	-	(27,864)	-	(27,864)
Culture & Recreation	1,143,876	164,995	-	(978,881)	-	(978,881)
Home & Community Services	1,091,958	-	78,800	(1,013,158)	-	(1,013,158)
Interest	10,879	-	-	(10,879)	-	(10,879)
Total Governmental Activities (See Note 1)	14,068,486	925,608	10,370,745	(2,772,133)	-	(2,772,133)
Business-Type Activities						
Water Districts	539,963	93,115	-	-	(446,848)	(446,848)
Sewer Districts	3,590,152	2,712,840	-	-	(877,312)	(877,312)
Total Business-Type Activities	4,130,115	2,805,955	-	-	(1,324,160)	(1,324,160)
Total Primary Government	\$ 18,198,601	\$ 3,731,563	\$ 10,370,745	(2,772,133)	(1,324,160)	(4,096,293)
General Revenues:						
Taxes:						
Property Taxes				5,183,628	2,750,326	7,933,954
Other Tax Items				1,770,649	-	1,770,649
Non-Property Taxes				189,904	-	189,904
Insurance Recoveries				331,365	-	331,365
Investment Earnings				200,835	123,354	324,189
Sale of Property & Compensation for Loss				271,941	29,092	301,033
Miscellaneous Local Sources				786,394	229,469	1,015,863
State Aid				3,483,052	121,855	3,604,907
Transfers				(19,000)	19,000	-
Total General Revenues				12,198,768	3,273,096	15,471,864
Changes in Net Position				9,426,635	1,948,936	11,375,571
Net Position - Beginning (As Restated)*				31,764,043	2,721,068	34,485,111
Net Position - Ending				\$ 41,190,678	\$ 4,670,004	\$ 45,860,682

* See Note 8

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2019**

	GENERAL FUND TOWN WIDE	GENERAL FUND TOWN OUTSIDE	HIGHWAY FUND TOWN WIDE	HIGHWAY FUND PART TOWN	OTHER SPECIAL REVENUE FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash	\$ 7,072,664	\$ 3,887,643	\$ 1,383,019	\$ 930,688	\$ 365,082	\$ 13,639,096
Receivables	340,704	108,356	10,250	-	-	459,310
Due From Other Funds	22,431	-	3,452	-	-	25,883
Due From Other Governments	816,108	-	22,217	-	-	838,325
Prepaid Expenditures	53,780	11,302	32,382	23,130	-	120,594
TOTAL ASSETS	\$ 8,305,687	\$ 4,007,301	\$ 1,451,320	\$ 953,818	\$ 365,082	\$ 15,083,208
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 198,348	\$ 3,498	\$ 167,937	\$ 29,079	\$ 9,971	\$ 408,833
Accrued Liabilities	59,111	8,323	42,499	-	-	109,933
Other Liabilities	-	-	-	1,500	-	1,500
Due To Other Funds	1,547	2,022,923	381	342	2,415	2,027,608
TOTAL LIABILITIES	259,006	2,034,744	210,817	30,921	12,386	2,547,874
FUND BALANCES						
Nonspendable	53,780	11,302	32,382	23,130	-	120,594
Assigned:						
Appropriated	2,132,602	687,869	699,330	340,415	-	3,860,216
Unappropriated	257,500	1,273,386	508,791	559,352	352,696	2,951,725
Unassigned	5,602,799	-	-	-	-	5,602,799
TOTAL FUND BALANCES	8,046,681	1,972,557	1,240,503	922,897	352,696	12,535,334
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES	\$ 8,305,687	\$ 4,007,301	\$ 1,451,320	\$ 953,818	\$ 365,082	

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

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

49,568,621

Some liabilities, including bonds payable, other postemployment benefits, net pension liability, and the deferred inflows and outflows related to pensions and OPEB are not due and payable in the current period and therefore are not reported in the funds.

(20,913,277)

Net position of governmental activities

\$ 41,190,678

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

TOWN OF THOMPSON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	GENERAL FUND	GENERAL FUND TOWN OUTSIDE	HIGHWAY FUND TOWN WIDE	HIGHWAY FUND PART TOWN	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Real Property Taxes	\$ 500,000	\$ -	\$ 2,175,000	\$ 2,181,736	\$ 326,892	\$ 5,183,628
Non-Property Tax Items	-	189,904	-	-	-	189,904
Other Tax Items	530,923	-	-	658,259	581,467	1,770,649
Departmental Income	164,995	319,296	-	-	-	484,291
Use of Money & Property	102,293	45,970	26,900	21,865	3,807	200,835
Licenses & Permits	4,071	38,817	-	350	-	43,238
Fines & Forfeitures	396,704	-	-	-	-	396,704
Intergovernmental Charges	-	-	-	-	-	-
Sale of Property & Compensation for Loss	12,300	6,400	226,436	50,468	-	295,604
Insurance Recoveries	312,007	-	-	-	19,358	331,365
State Aid	3,187,402	10,500	-	363,550	-	3,561,452
Federal Aid	-	-	-	-	-	-
Miscellaneous	817,547	1,375	-	61,194	-	880,116
TOTAL REVENUES	6,028,242	612,262	2,428,336	3,337,422	931,524	13,337,786
EXPENDITURES						
General Government Support	1,562,475	-	-	-	-	1,562,475
Public Safety	77,324	367,026	-	-	-	444,350
Health	-	21,855	-	-	86,567	108,422
Transportation	306,226	-	2,450,345	2,866,885	746,984	6,370,440
Economic Assistance & Opportunity	15,866	-	-	-	11,998	27,864
Culture & Recreation	835,401	-	-	-	-	835,401
Home & Community Services	74,959	44,940	-	-	-	119,899
Employee Benefits	1,016,661	224,634	719,149	507,285	-	2,467,729
Capital Outlay	-	-	-	-	38,828	38,828
Debt Service						
Principal	-	-	70,598	42,399	-	112,997
Interest	-	-	4,222	4,540	-	8,762
TOTAL EXPENDITURES	3,888,912	658,455	3,244,314	3,421,109	884,377	12,097,167
Excess (Deficiency) of Revenues Over Expenditures	2,139,330	(46,193)	(815,978)	(83,687)	47,147	1,240,619
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	14,636	-	870	341,000	5,445	361,951
Operating Transfers Out	(5,445)	(341,000)	-	-	(34,506)	(380,951)
TOTAL OTHER FINANCING SOURCES (USES)	9,191	(341,000)	870	341,000	(29,061)	(19,000)
NET CHANGES IN FUND BALANCES	2,148,521	(387,193)	(815,108)	257,313	18,086	1,221,619
FUND BALANCES - BEGINNING OF YEAR (As Restated)*	5,898,160	2,359,750	2,055,611	665,584	334,610	11,313,715
FUND BALANCES - END OF YEAR	\$ 8,046,681	\$ 1,972,557	\$ 1,240,503	\$ 922,897	\$ 352,696	\$ 12,535,334

* See Note 8

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

TOWN OF THOMPSON, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ 1,221,619
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which Net capital outlays (\$1,448,491) is exceeded by depreciation (\$2,497,032) in the current period.	(1,048,542)
The Town received a contribution of fixed assets in the amount of \$10,200,000 From the Adelaar Road system.	10,200,000
Some expenses (postemployment benefits of \$973,814 & a decrease in accrued compensated absences of 29,039); reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(944,775)
Changes in the Town's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the New York State Retirement Plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(112,547)
Bond and debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Amortization of Bond Refunding Costs	(2,117)
Principal Payments on Long-Term Debt	<u>112,997</u>
Change in Net Position of Governmental Activities	\$ <u><u>9,426,635</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
COMBINED STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2019**

	Business Type Activities - Enterprise Fund		
	Water Funds	Sewer Funds	Total
ASSETS			
CURRENT ASSETS			
Cash	\$ 40,629	\$ 4,267,332	\$ 4,307,961
Cash - Restricted	-	154,631	154,631
Accounts Receivable	45,930	-	45,930
Rents Receivable	-	461,893	461,893
Due From Other Governments	56,855	-	56,855
Prepaid Expenditures	562	32,450	33,012
TOTAL CURRENT ASSETS	143,976	4,916,306	5,060,282
NON-CURRENT ASSETS			
Capital Assets	873,156	22,195,887	23,069,043
Less: Accumulated Depreciation	(176,966)	(9,399,440)	(9,576,406)
TOTAL NON-CURRENT ASSETS	696,190	12,796,447	13,492,637
TOTAL ASSETS	840,166	17,712,753	18,552,919
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	5,412	131,467	136,879
OPEB Related Amounts	42,208	1,025,311	1,067,519
Deferred Charge on Refunding, Net	-	84,645	84,645
TOTAL DEFERRED OUTFLOWS OF RESOURCES	47,620	1,241,423	1,289,043
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable & Accrued Liabilities	78,923	265,018	343,941
Bonds Payable	1,867	340,842	342,709
Bond Anticipation Notes	-	3,380,000	3,380,000
Due To Other Funds	36	22,075	22,111
Accrued Interest	150	64,471	64,621
OPEB Liability	4,935	119,884	124,819
Compensated Absences	160	3,042	3,202
TOTAL CURRENT LIABILITIES	86,071	4,195,332	4,281,403
NONCURRENT LIABILITIES			
Bonds Payable	16,083	3,817,365	3,833,448
OPEB Liability	241,820	5,874,319	6,116,139
Net Pension Liability	9,474	230,154	239,628
Compensated Absences	640	12,166	12,806
TOTAL NONCURRENT LIABILITIES	268,017	9,934,004	10,202,021
TOTAL LIABILITIES	354,088	14,129,336	14,483,424
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	3,779	91,801	95,580
OPEB Related Amounts	23,444	569,510	592,954
TOTAL DEFERRED INFLOWS OF RESOURCES	27,223	661,311	688,534
NET POSITION			
Invested in Capital Assets, Net of Related Debt	696,190	5,193,769	5,889,959
Restricted for:			
Sewer/Water District Expansion	-	154,631	154,631
Unrestricted	(189,715)	(1,184,871)	(1,374,586)
TOTAL NET POSITION	\$ 506,475	\$ 4,163,529	\$ 4,670,004

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

TOWN OF THOMPSON, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Business Type Activities - Enterprise Fund		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Real Property Tax	\$ 428,070	\$ 2,322,256	\$ 2,750,326
Charges for Services	93,115	2,712,840	2,805,955
TOTAL OPERATING REVENUES	521,185	5,035,096	5,556,281
OPERATING EXPENSES			
Home & Community Services	524,711	2,954,078	3,478,789
TOTAL OPERATING EXPENSES	524,711	2,954,078	3,478,789
INCOME (LOSS) FROM OPERATIONS	(3,526)	2,081,018	2,077,492
NON-OPERATING REVENUES (EXPENSES)			
Use of Money and Property	5,079	118,275	123,354
Interest Expense	(484)	(149,086)	(149,570)
Depreciation	(14,768)	(486,988)	(501,756)
Miscellaneous Local Sources	15,550	213,919	229,469
State Aid	56,855	65,000	121,855
Gain on Disposal of Assets	534	28,558	29,092
Transfers In	11,500	7,500	19,000
TOTAL NON-OPERATING REVENUES (EXPENSES)	74,266	(202,822)	(128,556)
Change In Net Position	70,740	1,878,196	1,948,936
NET POSITION - Beginning, as Restated *	435,735	2,285,333	2,721,068
NET POSITION - Ending	\$ 506,475	\$ 4,163,529	\$ 4,670,004

*See Note 8

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

TOWN OF THOMPSON, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Business Type Activities - Enterprise Fund		
	Water Districts	Sewer Districts	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 524,271	\$ 4,801,157	\$ 5,325,428
Payments for Contractual & Personal Services	<u>(501,565)</u>	<u>(2,836,712)</u>	<u>(3,338,277)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>22,706</u>	<u>1,964,445</u>	<u>1,987,151</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Cash & Cash Equivalents	5,079	118,275	123,354
Transfers From Other Funds	11,500	7,500	19,000
Purchase of Fixed Assets	<u>(353,250)</u>	<u>(3,088,177)</u>	<u>(3,441,427)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(336,671)</u>	<u>(2,962,402)</u>	<u>(3,299,073)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
State Operating Grant	56,855	65,000	121,855
Payment of Bond Principal	(1,925)	(368,075)	(370,000)
Payment of BAN Principal	-	(10,000)	(10,000)
Payment of Debt Interest	(484)	(145,601)	(146,085)
Proceeds of Equipment Sales	534	32,199	32,733
Miscellaneous Local Sources	<u>15,550</u>	<u>213,923</u>	<u>229,473</u>
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>70,530</u>	<u>(212,554)</u>	<u>(142,024)</u>
NET INCREASE (DECREASE) IN CASH & CASH INVESTMENTS	(243,435)	(1,210,511)	(1,453,946)
Cash & Cash Equivalents, January 1, as Restated *	<u>284,064</u>	<u>5,632,474</u>	<u>5,916,538</u>
Cash & Cash Equivalents, December 31	<u>\$ 40,629</u>	<u>\$ 4,421,963</u>	<u>\$ 4,462,592</u>

*See Note 8

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Business Type Activities - Enterprise Fund		
	Water District	Sewer District	Total
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Income (Loss) from Operations	\$ (3,526)	\$ 2,081,018	\$ 2,077,492
Adjustments to Reconcile Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities			
Change in Assets & Liabilities			
Decrease (Increase) in Receivables	3,086	(233,939)	(230,853)
Decrease (Increase) in Prepaid Expenses	550	(5,411)	(4,861)
Increase (Decrease) in Accounts Payables	67,479	(150,164)	(82,685)
Increase (Decrease) in Interfund Accounts	(57,071)	(18,922)	(75,993)
Increase (Decrease) in Net Pension Liability & Related Deffered Inflows & Outflows	1,292	31,403	32,695
Increase (Decrease) in OPEB Liability & Related Deffered Inflows & Outflows	11,184	271,697	282,881
Increase (Decrease) in Liability for Compensated Absences	<u>(288)</u>	<u>(11,237)</u>	<u>(11,525)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>22,706</u>	\$ <u>1,964,445</u>	\$ <u>1,987,151</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF DECEMBER 31, 2019**

ASSETS	
Cash	\$ 79,369
RECEIVABLES	
Due from Other Funds	<u>2,023,849</u>
TOTAL ASSETS	<u>\$ 2,103,218</u>
LIABILITIES	
Deposits Payable	\$ 2,050,552
Due To Other Funds	16
Agency Liabilities	<u>52,650</u>
TOTAL LIABILITIES	<u>\$ 2,103,218</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Town of Thompson, which was established in 1803, is governed by its Charter, Town law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operation, the Town Supervisor serves as chief executive officer and the Town Comptroller serves as chief financial officer.

The following basic services are provided: public safety, transportation, economic assistance, culture and recreation, home and community services, and general and administrative support.

All governmental activities and functions performed for the Town of Thompson are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) applicable to municipal governments as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative literature. The following is a summary of the most significant policies.

The financial reporting entity consists of (a) the primary government which is the Town of Thompson, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining the Town of Thompson's reporting entity.

Although the following organizations, functions or activities are related to the Town, they are not included in the reporting entity due to the following reasons.

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The various school districts which service the residents of the Town were created by State legislation. This legislation specifies the Board of Education as the governing authority. School Board members are elected by the qualified voters of the district. The Board designates management and exercises complete responsibility for all fiscal matters. The Town Board exercises no oversight over school operations.

The fire districts which are located within the Town were created pursuant to Section 170 of Town Law. The fire district officers are elected by the voters of the District. The fire district officers exercise complete responsibility for all fiscal matters. The Town Board exercises no oversight over fire district operations.

BASIC FINANCIAL STATEMENTS-GOVERNMENT-WIDE STATEMENTS

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town reports the General Fund, Town Outside Village Fund, and Highway Funds, as major governmental funds. The Town reports the Water District and Sewer District as business type activities.

The Town's general governmental support, public safety, transportation, economic assistance and opportunity, culture and recreation, and home and community services are classified as governmental activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual basis, economic resource measurement focus, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government support, public safety, transportation, etc.). The functions are also supported by general government revenues (property taxes, investment earnings, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government support, public safety, transportation, etc.) or a business-type activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Town's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.). Eliminations have been made to minimize the double counting of internal activities. Program expense reported for individual functions and activities includes certain indirect costs.

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

BASIC FINANCIAL STATEMENTS - FUND STATEMENTS

Fund Accounting

The Town uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise fund combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Categories

Governmental Funds

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

General Town-Wide Fund - the principal operating fund includes all operations not required to be reported in another fund.

Special Revenue Funds - used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt services or capital projects. The following Special Revenue Funds are utilized:

General Town Outside Village Fund - is used for transactions which by statute affect only those areas outside the boundaries of the Villages located within the Town.

Highway Fund Town Wide - is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York.

Highway Fund Part Town - is used to account for road and bridge maintenance and improvements made outside of the Village.

Community Development Fund - is used to account for projects financed by the Department of Housing and Urban Development.

Special Districts Funds - are used to account for the operating and maintenance of the Town's lighting, ambulance and drainage districts.

Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of capital facilities and other capital assets other than those financed by proprietary funds.

Proprietary Funds

Proprietary Funds are used to account for ongoing organizations or activities which are similar to those often found in the private sector. The measurement focus of proprietary funds is upon the determination of operating income, changes in net position, and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector.

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Funds are required to be used to account for operations (a) where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed and recovered primarily through user charges; or b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate. The Town uses enterprise funds to account for its water and sewer operations.

The Town maintains the accounting records for the water and sewer districts on the budgetary basis of accounting as used for governmental funds. The Town reports the individual water and sewer districts (17 funds in total) on the budgetary basis of accounting in the other information as it is impractical to present them with another method. The combined total water fund and sewer fund are presented with the basic financial statements on the accrual basis of accounting as required by Generally Accepted Accounting Principles.

Fiduciary Funds

Fiduciary Funds, which consist solely of Agency Funds, are used to account for assets held by the Town as a trustee or as an agent for individuals or other government units, and therefore are not available to support Town programs. The only fiduciary fund type used by the Town is the Agency Fund type. Agency Funds are custodial in nature and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time.

The Town's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

BASIS OF ACCOUNTING/MEASUREMENT FOCUS

Basis of accounting refers to when revenues and expenditures/expenses and the related assets, deferred outflows, liabilities and deferred inflows are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e., expenditures or expenses.

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 to be used to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days of the end of the current fiscal year.

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Material revenues that are accrued include real property taxes, 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, all other grant requirements have been met, and the resources are available.

Expenditures are recorded when a liability is incurred except that:

Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.

Principal and interest on indebtedness are recognized as expenditures when payment is due.

Compensated absences, such as vacation and sick leave which vests or accumulates, are charged as expenditures when payment is due.

Other post-employment benefits are charged as expenditures when payment is due.

Accrual Basis - Proprietary funds are accounted for on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred. Capital assets and long-term liabilities related to these activities are recorded within the funds. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and Equipment	4-20 years
Improvements	10-50 years
Other Infrastructure	10-50 years

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary funds financial statements are presented on the accrual basis of accounting.

Fund Balances

Fund balance is broken down into five different classifications: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Town Board is the decision-making authority that can, by formal action taken prior to the end of the fiscal year, commit fund balance.

Assigned consists of the amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.

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

When resources are available from multiple classifications, the Town spends funds in the following order: restricted, committed, assigned, unassigned.

Net Position

Net position is an element of proprietary fund financial statements, and is measured by the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets, are reported in the Schedule of Non-Current Governmental Assets. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 4 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The cost associated with the acquisition of construction of capital assets are shown as capital outlay expenditures in governmental funds. Capital assets are not shown on governmental fund balance sheets.

Inventory and Prepaid Items

There are no inventory values presented in the financial statements. Inventories are recorded as expenditures when consumed rather than when purchased and year-end balances are not material.

Payments to vendors for costs that apply to future accounting periods are recorded as prepaid assets in the fund financial statements.

Deferred Outflows/Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as inflow of resources (revenue) until that time.

Insurance

The Town assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

Interfund Activity

Interfund activity is reported as one of the following: loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Vacation time is accumulated at varying amounts depending upon length of employment and by which bargaining unit an employee is represented by. The Town has two collective bargaining agreements, one with the highway department and one with the water and sewer departments.

Employees represented by the collective bargaining agreements must use all of their vacation days by their calendar anniversary date or the time is forfeit. Department heads may postpone time for up to six months after the employees anniversary date. Employees may be paid for unused vacation time at the time that they terminate their employment. No payment is made for sick or personal time at the time of termination of an employee.

The Town has determined that the potential liability for accumulated vacation time at the fiscal year end is \$117,171. The Town has recorded \$20,233 as a current governmental fund liability and \$80,930 as a non-current governmental fund liability. The Town has recorded \$3,202 as a current proprietary fund liability and \$12,806 as a non-current proprietary fund liability.

Estimates

The accompanying financial statements require management to make estimates and assumptions that affect certain report amounts and disclosures. Actual results could differ from those estimates.

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 - STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

Overdrawn Appropriations

Expenditures for the year ended December 31, 2019 did not materially exceed appropriations in any the funds.

Budget Policies - The budget policies are as follows:

No later than September 30th, the budget officer submits a tentative budget to the Town Board for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.

After public hearings are conducted to obtain taxpayer comments, no later than November 20th, the governing board adopts the budget.

All modifications of the budget must be approved by the governing board. (However, the Town Supervisor is authorized to transfer certain budgeted amounts within departments.)

Budgets are prepared for proprietary funds to establish the estimated contributions required from other funds and to control expenditures.

Budgets for General and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Town Board maintains legal control of the budget at the function level of expenditure.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

Property Taxes

Real property taxes are levied annually no later than January 1 and become a lien on that date. Taxes are collected during the period January 1 to March 31.

Unpaid taxes are turned over to the County for enforcement. Any such taxes remaining unpaid at year-end are re-levied as county taxes in the subsequent year.

In June of 2011 New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the Town in a particular year, beginning with the 2012-2013 fiscal year. The growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers - All Items (CPI-U), subject to certain limited exceptions and adjustments.

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

ASSETS

Cash and Investments

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

Collateral is required for demand deposits and certificates of deposit for 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 the State and its municipal and school districts.

For the purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

Deposits at year-end were entirely covered by federal depository insurance or by collateral held by the Town's custodial bank in the Town's name.

Custodial Credit, Concentration of Credit, Interest Rate and Foreign Currency Risks

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

The Town's aggregate bank balances are collateralized as follows:

Uncollateralized	\$ -
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Town's name	\$ 18,375,230

The Town does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk.

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

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Capital Asset Activity for the year ended December 31, 2019 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets:				
Land	\$ 1,640,672	\$ -	\$ -	\$ 1,640,672
Land Improvements	35,801,354	-	-	35,801,354
Buildings	3,459,748	244,998	-	3,704,746
Equipment	1,077,572	450,716	5,449	1,522,839
Infrastructure	-	10,564,548	-	10,564,548
Vehicles	4,270,222	411,892	532,208	4,149,906
Total Capital Assets at Historical Cost	46,249,568	11,672,154	537,657	57,384,065
Less Accumulated Depreciation For:				
Land Improvements	(248,160)	(1,794,944)	-	(2,043,104)
Buildings	(1,868,339)	(78,123)	-	(1,946,462)
Equipment	(419,958)	(76,559)	(5,056)	(491,461)
Infrastructure	-	(345,062)	-	(345,062)
Vehicles	(3,295,949)	(202,344)	(508,938)	(2,989,355)
Total Accumulated Depreciation	(5,832,406)	(2,497,032)	(513,994)	(7,815,444)
Governmental Account Capital Assets, Net Assets	\$ <u>40,417,162</u>	\$ <u>9,175,122</u>	\$ <u>23,663</u>	\$ <u>49,568,621</u>
Business-Type Activities:				
Capital Assets:				
Land	\$ 540,409	\$ -	\$ -	\$ 540,409
Land Improvements	174,895	-	-	174,895
Buildings	11,144,875	602,411	-	11,747,286
Construction in Progress	-	1,392,070	-	1,392,070
Equipment	2,526,560	16,130	-	2,542,690
Infrastructure	4,772,900	1,325,000	-	6,097,900
Licensed Vehicles	544,266	105,813	76,286	573,793
Total Capital Assets at Historical Cost	19,703,905	3,441,424	76,286	23,069,043
Less Accumulated Depreciation For:				
Land Improvements	(142,766)	(5,046)	-	(147,812)
Buildings	(6,308,957)	(228,498)	-	(6,537,455)
Equipment	(1,073,696)	(78,069)	-	(1,151,765)
Infrastructure	(1,345,176)	(135,886)	-	(1,481,062)
Licensed Vehicles	(276,698)	(54,257)	(72,643)	(258,312)
Total Accumulated Depreciation	(9,147,293)	(501,756)	(72,643)	(9,576,406)
Business-Type Account Capital Assets, Net Assets	\$ <u>10,556,612</u>	\$ <u>2,939,668</u>	\$ <u>3,643</u>	\$ <u>13,492,637</u>

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 74,127
Public Safety	4,093
Transportation	2,351,451
Culture & Recreation	<u>67,361</u>

Total Governmental Activities

Depreciation Expenses	\$ <u>2,497,032</u>
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Business-Type Activities:

Land Improvements	\$ 5,046
Buildings	228,498
Equipment	78,069
Infrastructure	135,886
Licensed Vehicles	<u>54,257</u>

Total Business-Type Activities

Depreciation Expense	\$ <u>501,756</u>
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**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Liabilities

Short Term Debt

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

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

The Town's short-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

The Town did not have any short-term debt from governmental activities in 2019.

Business-Type Activities:

As of December 31, 2019, the Business-Type short-term debt of the financial reporting entity consists of the following:

<u>Purpose of Bans</u>	<u>Interest Rate</u>	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2019</u>
Sewer Development	3.54%	\$ 90,000	\$ -	\$ 10,000	\$ 80,000
Sewer Development	2.25%	600,000	-	-	600,000
Sewer Development	2.25%	1,200,000	-	-	1,200,000
Sewer Development	2.15%	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
Total Business Activities Debt		\$ <u>3,390,000</u>	\$ <u>-</u>	\$ <u>10,000</u>	\$ <u>3,380,000</u>

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds & Notes Payable	\$ 451,691	\$ -	\$ 152,997	\$ 298,694	\$ 113,361
Other Liabilities					
Net Pension Liability	332,407	492,506	-	824,913	-
Compensated Absences	130,203	-	29,040	101,163	20,233
OPEB Liability	17,005,270	4,479,041	-	21,484,311	429,686
Total Other Liabilities	17,467,880	4,971,547	29,040	22,410,387	563,280
Governmental Activities Long-Term Liabilities	\$ 17,919,571	\$ 4,971,547	\$ 182,037	\$ 22,709,081	\$ 563,280
Business-Type Activities:					
Bonds & Notes Payable	\$ 4,546,157	\$ -	\$ 370,000	\$ 4,176,157	\$ 342,709
Net Pension Liability	246,753	-	7,125	239,628	-
Compensated Absences	27,533	-	11,525	16,008	3,202
OPEB Liability	4,965,989	1,274,969	-	6,240,958	124,819
Total Other Liabilities	5,240,275	1,274,969	18,650	6,496,594	128,021
Business-Type Activities Long-Term Liabilities	\$ 9,786,432	\$ 1,274,969	\$ 388,650	\$ 10,672,751	\$ 470,730

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Bonds Payable

Bonds payable at December 31, 2019 are comprised of the following individual issues:

Governmental Activities

\$200,000 – Highway Equipment Bond, due in annual installments of \$40,000 on November 1, 2020 through November 1, 2022. The interest rate is 2.45%, and is payable annually. \$ 120,000

\$250,000 – Highway Equipment Bond due on December 15, 2020. The interest rate is 2.00% and is payable annually. 52,028

\$193,245 – Highway Equipment Bond due in annual installments of \$21,333 from March 15, 2020 through March 15, 2023; \$20,667 from March 15, 2020 through March 15, 2025. The interest rate ranges from 2.00% to 3.00% and is payable in Semi-annual installments on March 15th and September 15th of each year. 148,666

Total Bonds Payable - Governmental Activities \$ 298,694

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Business-Type Activities

<p>\$1,822,891 - 2015 bonds for sewer purposes due in annual installments \$136,800 on March 15, 2020 through March 15, 2023; \$132,525 on March 15, 2024 and March 15, 2025; \$128,250 on March 15, 2026 and March 15, 2027; \$123,317 on March 15, 2024 and March 15, 2025; and \$115,000 on March 15, 2030 The interest rate ranges between 2.00% and 3.00% and interest is payable in semi-annual installments on March 15th and September 15th of each year</p>	1,430,384
<p>\$988,000 - 2011 bonds for sewer purposes due in annual installments of \$45,000 on September 1, 2020 through September 1, 2021; \$50,000 on September 1, 2022 through September 1, 2024; \$55,000 on September 1, 2025 and September 1, 2026; \$60,000 on September 1, 2027 and September 1, 2028; \$65,000 on September 1, 2029 and September 1, 2030; and \$70,000 on September 1, 2031. Interest rates range from 2.00% to 3.00% and interest is payable in semi-annual installments on March 1st and September 1st of each year</p>	670,000
<p>\$4,024,000 – 2002 bonds for sewer purposes due in annual installments of \$145,042 on March 15, 2020; \$147,085 on March 15, 2021; \$149,128 on March 15, 2022 \$151,171 on March 15, 2023; \$153,214 on March 15, 2024; \$155,257 on March 15, 2025; \$157,300 on March 15, 2026; \$159,342 on March 15, 2027; \$161,385 on March 15, 2028; \$163,428 on March 15, 2029; \$165,471 on March 15, 2030</p>	1,707,823
<p>\$420,565 - 2015 bonds for sewer purposes due in annual installments of \$14,000 on December 12, 2020 through December 12, 2044</p>	350,000
<p>\$23,775 - 2015 bonds for water purposes due in annual installments of \$1,867 on March 15, 2020 through March 15, 2023; \$1,808 on March 15, 2024 and March 15, 2025; \$1,750 on March 15, 2026 and March 15, 2027; \$1,683 on March 15, 2028 and March 15, 2029. Interest rates range from 2.00% to 3.00% and interest is payable in semi-annual installments on March 15th and September 15th of each year</p>	<u>17,950</u>
<p>Total Bonds Payable - Business Type Activities</p>	<u>\$4,176,157</u>

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Annual Debt Service Requirements

The annual debt service requirements to maturity for long-term debt as of December 31, 2019 are as follows:

<u>Year Ending</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$ 113,361	\$ 7,065	\$ 342,709	\$ 60,182	\$ 523,317
2021	61,333	4,387	344,752	54,672	465,144
2022	61,333	2,767	351,795	49,106	465,001
2023-2027	62,667	1,973	1,783,617	167,333	2,015,590
2028-2032	-	-	1,185,284	41,212	1,226,496
2033-2037	-	-	70,000	-	70,000
2038-2042	-	-	70,000	-	70,000
2043-2044	-	-	28,000	-	28,000
Total	<u>\$ 298,694</u>	<u>\$ 16,192</u>	<u>\$ 4,176,157</u>	<u>\$ 372,505</u>	<u>\$ 4,863,548</u>

The above general obligation bonds are direct obligations of the Town for which its full faith and credit are pledged, and are payable from taxes levied on all taxable real property within the Town.

General Information about the Pension Plan

Plan Description

The Town of Thompson, New York participates in the New York State and Local Employees Retirement System (ERS), which, along with the New York State and Local Police and Fire Retirement System (PFRS), is collectively referred to as the New York State and Local Retirement System (the System). The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the System.

The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2018, he was elected for a new term commencing January 1, 2019.

System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Generally, members of the System are employees of the State and its municipalities, other than New York City.

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

ERS and PFRS are cost-sharing, multiple-employer defined benefit pension plans. The System is included in the State's financial report as a pension trust fund. The Public Employees Group Life Insurance Plan (GLIP) provides death benefits in the form of life insurance. In these statements, GLIP amounts are apportioned to and included in ERS. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php

Membership Tiers

Pension legislation enacted in 1973, 1976, 1983, 2009 and 2012 established distinct classes of membership. For convenience, the System uses a tier concept to distinguish these groups, generally:

ERS

Tier 1 Those persons who last became members before July 1, 1973.

Tier 2 Those persons who last became members on or after July 1, 1973, but before July 27, 1976.

Tier 3 Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.

Tier 4 Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.

Tier 5 Those persons who last became members on or after January 1, 2010, but before April 1, 2012.

Tier 6 Those persons who first became members on or after April 1, 2012.

Vesting

Members who joined the System prior to January 1, 2010 need five years of service to be 100% vested. Members who joined on or after January 1, 2010 (ERS) require ten years of service credit to be 100% vested.

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Benefits Provided

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

Tiers 1 and 2

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

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

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

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

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

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

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

Disability Retirement Benefits

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

Ordinary Death Benefits

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

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Post-Retirement Benefit Increases

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

Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first 10 years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years 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 prior year were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2018	\$481,558
2019	544,045

- Chapter 260 of the Laws of 2004 of the State of New York allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:
- For State fiscal year (SFY) 2004-05, the amount in excess of 7 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5 percent of employees' covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5 percent of employees' covered pensionable salaries.

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

This law requires participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal years ending 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 of their retirement bill for 10 years in accordance with the following stipulations:
- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program.

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

At December 31, 2018, the Town of Thompson, New York reported a liability of \$428,967 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based 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.

	<u>ERS</u>
Net Pension Liability	\$ 1,064,541
Town's Proportion of the Plan's Total Net Pension Liability	0.0150246%

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

For the year ended December 31, 2019, the Town recognized pension expense of \$689,263 for ERS. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources ERS	Deferred Inflows of Resources ERS
Differences Between Expected and Actual Experience	\$ 209,630	\$ 71,481
Changes of Assumptions	267,582	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	273,220
Changes in Proportion and Differences Between Town's Contributions and Proportionate Share of Contributions	130,870	79,909
Town's Contributions Subsequent to the Measurement Date	-	-
Total	\$ <u>608,082</u>	\$ <u>424,610</u>

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

Year Ending December 31,	ERS
2020	\$ 231,274
2021	(200,788)
2022	(482)
2023	(153,490)
2024	-
Thereafter	-

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, 2018. The actuarial valuation used the following actuarial assumptions:

	ERS
Inflation	2.5%
Salary Increases:	4.2%
Investment Rate of Return (Net of Investment Expense, Including Inflation)	7.0%
Cost of Living Adjustments	1.3%

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 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 return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36.0%	4.55%
International Equity	14.0	6.35
Private Equity	10.0	7.50
Real Estate	10.0	5.55
Absolute Return Strategies	2.0	3.75
Opportunistic Portfolio	3.0	5.68
Real Assets	3.0	5.29
Bonds and Mortgages	17.0	1.31
Cash	1.0	(0.25)
Inflation Indexed Bonds	4.0	1.25
	<u>100%</u>	

The real rate of return is net of the long-term inflation assumption of 2.50%

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. 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.

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
ERS			
Town's Proportionate Share of the Net Pension Liability	\$ 4,654,345	\$ 1,064,541	\$ (1,951,148)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2018, were as follows:

	(Dollars in Thousands)	Employees' Retirement System
Employers' Total Pension Liability		\$ 189,803,429
Plan Net Position		(182,718,124)
Employers' Net Pension Liability		\$ 7,085,305
Ratio of Plan Net Position to the Employers' Total Pension Liability		96.27%

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Risk Management

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

The Town participates in Sullivan County Workers' Compensation Trust Fund, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool to finance liability and risks related to Workers' Compensation claims.

The Town as well as the other participants in the Fund are assessed premiums which are based upon the actual historic claims experience of such participants. The participants in the Fund include: the County of Sullivan, Sullivan County Community College; and all of the towns and villages, volunteer fire departments and ambulance squads within the County.

Contingencies

The Town participates in various federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act Amendments of 1996. The Town's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Litigation

The Town is defendant in various claims by taxpayers for redetermination of assessed valuation and tax exempt status. The settlement of such claims could result in the payment of refunds by the Town. However, the amount of the possible refunds cannot be determined at the present time, and they will be funded in the year which the judgment is made.

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

In 2018, the Town implemented the provisions of Government Accounting Standards Board Statement 75, Accounting and Financial Reporting for Post-Employment Benefits other than Pensions.

In addition to pension benefits described in Note 3, the Town provides certain healthcare benefits for retired employees through a single employer defined benefit plan. The benefits of the Plan include medical/prescription, Medicare Part B, dental, and vision.

The Town is not required to fund the Plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. The Plan does not issue a stand-alone financial report as there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The number of participants of the Plan as of the Plan's January 1, 2018, actuarial valuation date, is as follows:

Active	54
Retirees and Surviving Spouses	47
Covered Spouses	<u>30</u>
Total	<u><u>131</u></u>

At December 31, 2019, the Town reported a liability of \$27,725,269 for its total OPEB liability. The OPEB liability was measured as of January 1, 2018 by an actuarial valuation using census data information as of that date. For the year ended December 31, 2019, the Town recognized total OPEB expense of 1,900,100. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

	Deferred Outflows	Deferred Inflows
Difference between Actual and Expected Experience	\$ 747,255	\$ 71,865
Changes of Assumptions	<u>3,995,164</u>	<u>2,562,316</u>
Total	<u><u>\$ 4,742,419</u></u>	<u><u>\$ 2,634,181</u></u>

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

2020	\$ 315,027
2021	315,027
2022	315,027
2023	436,030
2024	727,126
Total Thereafter	-

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (*Continued*)

The total OPEB liability at December 31, 2019 was determined using the following actuarial assumptions:

Actuarial Cost Method:	Entry Age - Level Percentage of Payroll
Salary Increases:	4.50%, based on the ERS aggregated salary scale
Discount Rates (Based on Bond Buyer's 20 Year GO Bond Index):	
2018 Measurement Date	4.10%
2019 Measurement Date	2.74%
Mortality Rates:	
Base Table:	PUB-2010 General Classification headcount-weighted mortality table
Projection:	Mortality rates are projected generationally from the central year using Scale MP-2019
Healthcare Trend Rates	6.25% for Pre-65 Medical Costs 5.10% for Post-65 Medical Costs 9.00% for Prescription Drug Costs

Changes in the Total OPEB Liability

	<u>2018</u>	<u>2019</u>
Liability at Beginning of Measurement Period	\$ 21,069,954	22,061,260
Changes for the Year:		
Service Cost	743,097	666,300
Interest	738,046	918,773
Changes of Benefit Terms	3,015,799	-
Differences Between Expected and Actual Experience	1,145,791	(86,501)
Changes in Assumptions or Other Inputs	(3,928,884)	4,808,842
Benefit Payments	<u>(722,543)</u>	<u>(643,405)</u>
Net Changes	<u>991,306</u>	<u>5,664,009</u>
Balance at End of Measurement Period	<u>\$ 22,061,260</u>	<u>27,725,269</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.10% 2018 to 2.74% in 2019.

TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (*Continued*)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.74 percent) or 1-percentage point higher (3.74 percent) than the current discount rate:

	1% Decrease (1.74%)	Current Assumption (2.74%)	1% Increase (3.74%)
Total OPEB Liability	\$ 32,689,598	\$ 27,725,269	\$ 23,842,463

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage point lower (6.25 percent decreasing to 5.25 percent, 5.10 percent to 4.10 percent, and 9.00 percent to 8.00 percent) or 1-percentage point higher (6.25 percent increasing to 7.25 percent, 5.10 percent to 6.10 percent, and 9.00 percent to 10.00 percent) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 23,007,212	\$ 27,725,269	\$ 33,991,489

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 6 - INTERFUND TRANSACTIONS

INTERFUND RECEIVABLES/PAYABLES

The composition of interfund balances as of December 31, 2019 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Community Development Fund	\$ 2,415
	Trust & Agency Fund	16
	Sewer	20,000
Trust & Agency Fund	General Fund	744
	General Fund Town Outside	2,022,460
	Highway Fund Town Wide	381
	Sewer	264
Highway Fund Town Wide	General Fund	803
	General Fund Town Outside	462
	Highway Fund Part Town	342
	Water	31
	Sewer	1,813
		\$ 2,049,731

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 6 - INTERFUND TRANSACTIONS (Continued)

TRANSFERS

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various Town operations and re-allocations of special revenues. The following schedule briefly summarizes the Town's transfer activity:

Transfer From	Transfer To	Amount	Purpose
Community Development Fund	Water	\$ 11,500	Expense Reimbursement
Community Development Fund	General Fund	14,636	Expense Reimbursement
General Fund	Capital Projects	5,445	Cover Walking Trail Shortfall
General Fund Town Outside	Highway Part Town	341,000	Expense Reimbursement
Capital Projects	Highway Part Town	870	Expense Reimbursement

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 7 - TAX ABATEMENT

The Town enters into tax abatement agreements under a low-income housing development program.

Under the low-income housing development program, entities can create an agreement with the Town to maintain affordable housing for persons and households of low income. Agreements the Town has entered into can include abatement of county, local and school property taxes. The Town has granted property tax abatements, which can be as much as 100 percent, that the Town treats as a reduction in the assessed value of the property involved. In exchange, the Town receives payments in lieu of taxes that are based on revenue or occupancy of the housing facilities and include an annual minimum payment.

In 2019, the Town's low-income housing development program did not result in a decrease in tax revenues.

The Town is subject to a property tax abatement program granted by the County of Sullivan Industrial Development Agency ("IDA"), an entity created by the State of New York to provide and promote economic development, growth and stability in the county.

Under the IDA's development program, companies promise to expand or maintain facilities or employment in the county, to establish a new business in the county or to relocate an existing business into the county. Agreements entered into by the IDA include abatement of county, local and school district property taxes. In the case of the Town, IDA granted abatements have resulted in reductions of property taxes, which the Town treats as a reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent.

In 2019 there were \$31,361 in Town taxes abated under the IDA's development program.

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 8 - PRIOR PERIOD ADJUSTMENTS

The Town made three prior period adjustments during 2019 as follows:

	<u>Governmental Activities</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Net Position, January 1, 2019 As Previously Stated	\$ 31,814,109	\$ 445,335	\$ 2,364,066
County & Schools Portion of PILOT's Received by the Town in Prior Years.	(50,066)	-	-
It was discovered during 2019 that the Town had over collected from a developer in prior years for Sewer Connection.	-	-	(88,333)
Reclassification of a Capital Project with deficit equity from Sewer to Water.	<u>-</u>	<u>(9,600)</u>	<u>9,600</u>
Net Position, January 1, 2019 As Restated	\$ <u>(31,764,043)</u>	\$ <u>435,735</u>	\$ <u>2,285,333</u>

**TOWN OF THOMPSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 - EVALUATION OF SUBSEQUENT EVENTS

The Town has evaluated subsequent events through October 2, 2020, the date which the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on The Town of Thompson, and the duration cannot be estimated at this time.

TOWN OF THOMPSON, NEW YORK
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY AND PENSION CONTRIBUTIONS
DECEMBER 31, 2019

NYS & Local Employees' Retirement System (ERS)

	<u>2018</u>	<u>2019</u>
Net Pension Liability		
Town's Proportion of the Net Pension Liability	0.0132912%	0.0150246%
Town's Proportionate Share of the Net Pension Liability	\$ 428,967	\$ 1,064,541
Town's Covered-Employee Payroll	\$ 3,134,469	\$ 4,115,225
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	13.69%	25.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.24%	96.27%
	<u>2018</u>	<u>2019</u>
Pension Contributions		
Contractually Required Contribution	\$ 543,992	\$ 544,045
Contributions in Relation to the Contractually Required Contribution	\$ (543,992)	\$ (544,045)
Contribution Deficiency	\$ -	\$ -
Town's Employee Covered Payroll	\$ 3,134,469	\$ 4,115,225
Contributions as a Percentage of Covered-Employee Payroll	18.20%	13.22%

TOWN OF THOMPSON, NEW YORK
SCHEDULE OF CHANGES IN THE TOWN'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service Cost	\$ 666,300	\$ 743,097	\$ 657,526
Interest	918,773	738,046	741,792
Changes of Benefit Terms	-	3,015,799	-
Differences between Expected and Actual Experience	(86,501)	1,145,791	-
Changes of Assumptions or Other Inputs	4,808,842	(3,928,884)	1,024,484
Benefit Payments	<u>(643,405)</u>	<u>(722,543)</u>	<u>(634,990)</u>
Net Change in Total OPEB Liability	5,664,009	991,306	1,788,812
Total OPEB Liability - Beginning	<u>22,061,260</u>	<u>21,069,954</u>	<u>19,281,142</u>
Total OPEB Liability - Ending	<u><u>\$ 27,725,269</u></u>	<u><u>\$ 22,061,260</u></u>	<u><u>\$ 21,069,954</u></u>
Covered-Employee Payroll	\$ 4,115,225	\$ 3,134,469	2,696,317
Total OPEB Liability as Percentage of Covered- Employee Payroll	673.72%	703.83%	781.43%

Changes of Benefit Terms: In 2018, the Cost Sharing was updated for Surviving Spouses from 0% Town paid to 100% Town paid.

Changes of Assumptions: Changes of assumptions and other inputs reflect the effect of changes in the discount rate each period. The following are the discount rates used in each period:

2019	2.74%
2018	4.10%
2017	3.44%

TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - TOWN WIDE
FOR THE YEAR ENDED DECEMBER 31, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Real Property Tax	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Other Tax Items	571,576	529,539	530,923	1,384
Departmental Income	13,250	13,250	164,995	151,745
Use of Money & Property	20,750	102,350	102,293	(57)
Licenses & Permits	4,000	4,000	4,071	71
Fines & Forfeitures	300,000	396,700	396,704	4
Insurance Recoveries	-	67,500	312,007	244,507
Sales of Property	-	12,300	12,300	-
Miscellaneous Local Sources	741,756	812,101	817,547	5,446
State Aid	1,622,628	3,183,703	3,187,402	3,699
TOTAL REVENUES	3,773,960	5,621,443	6,028,242	406,799
EXPENDITURES				
General Government Support	1,842,596	1,627,441	1,562,475	64,966
Public Safety	87,950	79,450	77,324	2,126
Transportation	223,375	309,175	306,226	2,949
Economic Assistance & Opportunity	182,500	119,000	15,866	103,134
Culture & Recreation	1,351,255	856,178	835,401	20,777
Home & Community Services	73,600	77,600	74,959	2,641
Employee Benefits	1,193,550	1,018,550	1,016,661	1,889
TOTAL EXPENDITURES	4,954,826	4,087,394	3,888,912	198,482
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,180,866)	1,534,049	2,139,330	605,281
OTHER FINANCING SOURCES (USES)				
Transfers In	-	14,636	14,636	-
Transfers Out	-	(5,446)	(5,445)	(1)
TOTAL OTHER FINANCING SOURCES (USES)	-	9,190	9,191	(1)
NET CHANGE IN FUND BALANCE	\$ (1,180,866)	\$ 1,543,239	2,148,521	\$ 605,280
FUND BALANCE - BEGINNING OF YEAR (AS RESTATED)*			5,898,160	
FUND BALANCE - END OF YEAR			\$ 8,046,681	

*SEE NOTE 8

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - TOWN OUTSIDE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Franchise Fees	\$ 140,000	\$ 140,000	\$ 189,904	49,904
Departmental Income	162,000	310,700	319,296	8,596
Use of Money & Property	7,500	45,900	45,970	70
Licenses & Permits	25,950	37,850	38,817	967
Sales of Property	-	6,400	6,400	-
State Aid	10,500	10,500	10,500	-
Miscellaneous Local Sources	-	1,300	1,375	75
TOTAL REVENUES	<u>345,950</u>	<u>552,650</u>	<u>612,262</u>	<u>59,612</u>
EXPENDITURES				
Public Safety	504,500	378,000	367,026	10,974
Health	24,972	25,047	21,855	3,192
Home & Community Services	76,460	56,660	44,940	11,720
Employee Benefits	<u>264,350</u>	<u>226,650</u>	<u>224,634</u>	<u>2,016</u>
TOTAL EXPENDITURES	<u>870,282</u>	<u>686,357</u>	<u>658,455</u>	<u>27,902</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(100,000)</u>	<u>(341,000)</u>	<u>(341,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (624,332)</u>	<u>\$ (474,707)</u>	<u>(387,193)</u>	<u>87,514</u>
FUND BALANCE - BEGINNING OF YEAR			<u>2,359,750</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,972,557</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HIGHWAY FUND - TOWN WIDE
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Real Property Tax	\$ 2,175,000	\$ 2,175,000	\$ 2,175,000	\$ -
Use of Money & Property	10,000	26,000	26,900	900
Sale of Property	32,000	225,796	226,436	640
Miscellaneous Local Sources	<u>138,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>2,355,750</u>	<u>2,426,796</u>	<u>2,428,336</u>	<u>1,540</u>
EXPENDITURES				
Transportation	2,597,633	2,551,454	2,450,345	101,109
Employee Benefits	761,125	721,125	719,149	1,976
Debt Service:				
Principal	91,000	70,600	70,598	2
Interest	<u>6,010</u>	<u>5,155</u>	<u>4,222</u>	<u>933</u>
TOTAL EXPENDITURES	<u>3,455,768</u>	<u>3,348,334</u>	<u>3,244,314</u>	<u>104,020</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,100,018)	(921,538)	(815,978)	105,560
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	<u>-</u>	<u>-</u>	<u>870</u>	<u>870</u>
NET CHANGE IN FUND BALANCE	\$ <u>(1,100,018)</u>	\$ <u>(921,538)</u>	(815,108)	\$ <u>106,430</u>
FUND BALANCE - BEGINNING OF YEAR			<u>2,055,611</u>	
FUND BALANCE - END OF YEAR			\$ <u>1,240,503</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HIGHWAY FUND - PART TOWN
FOR THE YEAR ENDED DECEMBER 31, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Real Property Tax	\$ 2,181,736	\$ 2,181,736	\$ 2,181,736	\$ -
Other Tax Items	658,259	658,259	658,259	-
Use of Money & Property	5,000	20,750	21,865	1,115
Licenses & Permits	350	350	350	-
Sale of Property	17,000	50,450	50,468	18
State Aid	456,833	389,583	363,550	(26,033)
Miscellaneous Local Sources	-	61,190	61,194	4
TOTAL REVENUES	<u>3,319,178</u>	<u>3,362,318</u>	<u>3,337,422</u>	<u>(24,896)</u>
EXPENDITURES				
Transportation	3,308,192	2,941,192	2,866,885	74,307
Employee Benefits	537,750	508,600	507,285	1,315
Debt Service:				
Principal	42,400	42,400	42,399	1
Interest	4,836	4,836	4,540	296
TOTAL EXPENDITURES	<u>3,893,178</u>	<u>3,497,028</u>	<u>3,421,109</u>	<u>75,919</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(574,000)	(134,710)	(83,687)	51,023
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	<u>341,000</u>	<u>341,000</u>	<u>341,000</u>	-
NET CHANGE IN FUND BALANCE	\$ <u>(233,000)</u>	\$ <u>206,290</u>	257,313	\$ <u>51,023</u>
FUND BALANCE - BEGINNING OF YEAR			<u>665,584</u>	
FUND BALANCE - END OF YEAR			\$ <u>922,897</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2019**

	<u>CAPITAL PROJECTS</u>	<u>AMBULANCE</u>	<u>DRAINAGE</u>	<u>LIGHTING</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>TOTAL</u>
ASSETS						
Cash	\$ <u>13,982</u>	\$ <u>6,360</u>	\$ <u>27,186</u>	\$ <u>161,388</u>	\$ <u>156,166</u>	\$ <u>365,082</u>
TOTAL ASSETS	\$ <u>13,982</u>	\$ <u>6,360</u>	\$ <u>27,186</u>	\$ <u>161,388</u>	\$ <u>156,166</u>	\$ <u>365,082</u>
LIABILITIES & FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ 9,971	\$ -	\$ 9,971
Due To Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,415</u>	<u>2,415</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,971</u>	<u>2,415</u>	<u>12,386</u>
FUND BALANCE						
Assigned:						
Unappropriated	<u>13,982</u>	<u>6,360</u>	<u>27,186</u>	<u>151,417</u>	<u>153,751</u>	<u>352,696</u>
TOTAL FUND BALANCE	<u>13,982</u>	<u>6,360</u>	<u>27,186</u>	<u>151,417</u>	<u>153,751</u>	<u>352,696</u>
TOTAL LIABILITIES & FUND BALANCE	\$ <u>13,982</u>	\$ <u>6,360</u>	\$ <u>27,186</u>	\$ <u>161,388</u>	\$ <u>156,166</u>	\$ <u>365,082</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

TOWN OF THOMPSON, NEW YORK
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	CAPITAL PROJECTS	ROCK HILL AMBULANCE	ADELAAR DRAINAGE	LIGHTING	COMMUNITY DEVELOPMENT	TOTAL
REVENUES						
Real Property Taxes	\$ -	\$ 86,567	\$ 15,000	\$ 225,325	\$ -	\$ 326,892
Other Tax Items	-	-	333,112	248,355	-	581,467
Use of Money & Property	14	541	185	3,067	-	3,807
Insurance Recoveries	-	-	-	19,358	-	19,358
TOTAL REVENUES	14	87,108	348,297	496,105	-	931,524
EXPENDITURES						
Health	-	86,567	-	-	-	86,567
Transportation	-	-	333,111	413,873	-	746,984
Economic Assistance & Opportunity	-	-	-	-	11,998	11,998
Capital Outlay	38,828	-	-	-	-	38,828
TOTAL EXPENDITURES	38,828	86,567	333,111	413,873	11,998	884,377
Excess (Deficiency) of Revenues Over Expenditures	(38,814)	541	15,186	82,232	(11,998)	47,147
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	5,445	-	-	-	-	5,445
Operating Transfers Out	(8,370)	-	-	-	(26,136)	(34,506)
TOTAL OTHER FINANCING SOURCES (USES)	(2,925)	-	-	-	(26,136)	(29,061)
NET CHANGES IN FUND BALANCES	(41,739)	541	15,186	82,232	(38,134)	18,086
FUND BALANCES - BEGINNING OF YEAR	55,721	5,819	12,000	69,185	191,885	334,610
FUND BALANCES - END OF YEAR	\$ 13,982	\$ 6,360	\$ 27,186	\$ 151,417	\$ 153,751	\$ 352,696

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
COMBINING BALANCE SHEET
SPECIAL DISTRICTS - LIGHTING
AS OF DECEMBER 31, 2019**

	ROCK HILL	CORPORATE PARK	LUCKY LAKE	LAKE LOUISE MARIE	PATIO HOMES	KIAMESHA SHORES	EMERALD GREEN	TREASURE LAKE	CONGERO ROAD	YESHIVA/ KIAMESHA	ADELAAR	TOTAL
ASSETS												
Cash	\$ 6,381	\$ 27,426	\$ 3,851	\$ 6,069	\$ 4,964	\$ 6,696	\$ 6,691	\$ 1,863	\$ 2,446	\$ 8,424	\$ 86,577	\$ 161,388
TOTAL ASSETS	<u>\$ 6,381</u>	<u>\$ 27,426</u>	<u>\$ 3,851</u>	<u>\$ 6,069</u>	<u>\$ 4,964</u>	<u>\$ 6,696</u>	<u>\$ 6,691</u>	<u>\$ 1,863</u>	<u>\$ 2,446</u>	<u>\$ 8,424</u>	<u>\$ 86,577</u>	<u>\$ 161,388</u>
LIABILITIES & FUND BALANCE												
LIABILITIES												
Accounts Payable	\$ 664	\$ 269	\$ 177	\$ 490	\$ 1,196	\$ 151	\$ 5,917	\$ 33	\$ 101	\$ 973	\$ -	\$ 9,971
TOTAL LIABILITIES	<u>664</u>	<u>269</u>	<u>177</u>	<u>490</u>	<u>1,196</u>	<u>151</u>	<u>5,917</u>	<u>33</u>	<u>101</u>	<u>973</u>	<u>-</u>	<u>9,971</u>
FUND BALANCE												
Assigned:												
Unappropriated	<u>5,717</u>	<u>27,157</u>	<u>3,674</u>	<u>5,579</u>	<u>3,768</u>	<u>6,545</u>	<u>774</u>	<u>1,830</u>	<u>2,345</u>	<u>7,451</u>	<u>86,577</u>	<u>151,417</u>
TOTAL FUND BALANCE	<u>5,717</u>	<u>27,157</u>	<u>3,674</u>	<u>5,579</u>	<u>3,768</u>	<u>6,545</u>	<u>774</u>	<u>1,830</u>	<u>2,345</u>	<u>7,451</u>	<u>86,577</u>	<u>151,417</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 6,381</u>	<u>\$ 27,426</u>	<u>\$ 3,851</u>	<u>\$ 6,069</u>	<u>\$ 4,964</u>	<u>\$ 6,696</u>	<u>\$ 6,691</u>	<u>\$ 1,863</u>	<u>\$ 2,446</u>	<u>\$ 8,424</u>	<u>\$ 86,577</u>	<u>\$ 161,388</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - ROCK HILL LIGHTING
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 7,800	\$ 7,800	\$ -
Use of Money & Property	<u>-</u>	<u>121</u>	<u>121</u>
TOTAL REVENUES	<u>7,800</u>	<u>7,921</u>	<u>121</u>
EXPENDITURES			
Transportation	<u>7,800</u>	<u>7,516</u>	<u>284</u>
TOTAL EXPENDITURES	<u>7,800</u>	<u>7,516</u>	<u>284</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	405	\$ <u>405</u>
FUND BALANCE - BEGINNING OF YEAR		<u>5,312</u>	
FUND BALANCE - END OF YEAR		\$ <u>5,717</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - CORPORATE PARK LIGHTING
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 15,100	\$ 15,100	\$ -
Use of Money & Property		<u>378</u>	<u>378</u>
TOTAL REVENUES	<u>15,100</u>	<u>15,478</u>	<u>378</u>
EXPENDITURES			
Transportation	<u>7,500</u>	<u>3,035</u>	<u>4,465</u>
TOTAL EXPENDITURES	<u>7,500</u>	<u>3,035</u>	<u>4,465</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u><u>7,600</u></u>	12,443	\$ <u><u>4,843</u></u>
FUND BALANCE - BEGINNING OF YEAR		<u>14,714</u>	
FUND BALANCE - END OF YEAR		\$ <u><u>27,157</u></u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - LUCKY LAKE LIGHTING
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 2,400	\$ 2,400	\$ -
Use of Money & Property	<u>-</u>	<u>56</u>	<u>56</u>
TOTAL REVENUES	<u>2,400</u>	<u>2,456</u>	<u>56</u>
EXPENDITURES			
Transportation	<u>2,400</u>	<u>1,952</u>	<u>448</u>
TOTAL EXPENDITURES	<u>2,400</u>	<u>1,952</u>	<u>448</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u><u>-</u></u>	504	\$ <u><u>504</u></u>
FUND BALANCE - BEGINNING OF YEAR		<u>3,170</u>	
FUND BALANCE - END OF YEAR		\$ <u><u>3,674</u></u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - LAKE LOUISE MARIE LIGHTING
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 5,800	\$ 5,800	\$ -
Use of Money & Property	<u>-</u>	<u>105</u>	<u>105</u>
TOTAL REVENUES	<u>5,800</u>	<u>5,905</u>	<u>105</u>
EXPENDITURES			
Transportation	<u>5,800</u>	<u>5,476</u>	<u>324</u>
TOTAL EXPENDITURES	<u>5,800</u>	<u>5,476</u>	<u>324</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u><u>-</u></u>	429	\$ <u><u>429</u></u>
FUND BALANCE - BEGINNING OF YEAR		<u>5,150</u>	
FUND BALANCE - END OF YEAR		\$ <u><u>5,579</u></u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - PATIO HOMES LIGHTING
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 14,700	\$ 14,700	\$ -
Use of Money & Property		<u>136</u>	<u>136</u>
TOTAL REVENUES	<u>14,700</u>	<u>14,836</u>	<u>136</u>
EXPENDITURES			
Transportation	<u>14,700</u>	<u>13,994</u>	<u>706</u>
TOTAL EXPENDITURES	<u>14,700</u>	<u>13,994</u>	<u>706</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u><u>-</u></u>	842	\$ <u><u>842</u></u>
FUND BALANCE - BEGINNING OF YEAR		<u>2,926</u>	
FUND BALANCE - END OF YEAR		\$ <u><u>3,768</u></u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - KIAMESHA SHORES LIGHTING
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 2,200	\$ 2,200	\$ -
Use of Money & Property	<u>-</u>	<u>91</u>	<u>91</u>
TOTAL REVENUES	<u>2,200</u>	<u>2,291</u>	<u>91</u>
EXPENDITURES			
Transportation	<u>2,200</u>	<u>1,673</u>	<u>527</u>
TOTAL EXPENDITURES	<u>2,200</u>	<u>1,673</u>	<u>527</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u><u>-</u></u>	618	\$ <u><u>618</u></u>
FUND BALANCE - BEGINNING OF YEAR		<u>5,927</u>	
FUND BALANCE - END OF YEAR		\$ <u><u>6,545</u></u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - EMERALD GREEN LIGHTING
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 74,000	\$ 74,000	\$ -
Use of Money & Property	<u>-</u>	<u>457</u>	<u>457</u>
TOTAL REVENUES	<u>74,000</u>	<u>74,457</u>	<u>457</u>
EXPENDITURES			
Transportation	<u>74,000</u>	<u>69,222</u>	<u>4,778</u>
TOTAL EXPENDITURES	<u>74,000</u>	<u>69,222</u>	<u>4,778</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u><u>-</u></u>	5,235	\$ <u><u>5,235</u></u>
FUND BALANCE - BEGINNING OF YEAR		<u>(4,461)</u>	
FUND BALANCE - END OF YEAR		\$ <u><u>774</u></u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - TREASURE LAKE LIGHTING
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 500	\$ 500	\$ -
Use of Money & Property	<u>-</u>	<u>17</u>	<u>17</u>
TOTAL REVENUES	<u>500</u>	<u>517</u>	<u>17</u>
EXPENDITURES			
Transportation	<u>500</u>	<u>400</u>	<u>100</u>
TOTAL EXPENDITURES	<u>500</u>	<u>400</u>	<u>100</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	117	\$ <u>117</u>
FUND BALANCE - BEGINNING OF YEAR		<u>1,713</u>	
FUND BALANCE - END OF YEAR		\$ <u>1,830</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - CONGERO ROAD LIGHTING
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 1,325	\$ 1,325	\$ -
Use of Money & Property	<u>-</u>	<u>36</u>	<u>36</u>
TOTAL REVENUES	<u>1,325</u>	<u>1,361</u>	<u>36</u>
EXPENDITURES			
Transportation	<u>1,325</u>	<u>1,231</u>	<u>94</u>
TOTAL EXPENDITURES	<u>1,325</u>	<u>1,231</u>	<u>94</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	130	\$ <u>130</u>
FUND BALANCE - BEGINNING OF YEAR		<u>2,215</u>	
FUND BALANCE - END OF YEAR		\$ <u>2,345</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - YESHIVA / KIAMESHA LIGHTING
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 11,500	\$ 11,500	\$ -
Use of Money & Property		<u>171</u>	<u>171</u>
TOTAL REVENUES	<u>11,500</u>	<u>11,671</u>	<u>171</u>
EXPENDITURES			
Transportation	<u>11,500</u>	<u>11,414</u>	<u>86</u>
TOTAL EXPENDITURES	<u>11,500</u>	<u>11,414</u>	<u>86</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u><u>-</u></u>	257	\$ <u><u>257</u></u>
FUND BALANCE - BEGINNING OF YEAR		<u>7,194</u>	
FUND BALANCE - END OF YEAR		\$ <u><u>7,451</u></u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - ADELAAR LIGHTING
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 90,000	\$ 90,000	\$ -
Other Tax Items	248,355	248,355	-
Insurance Recoveries	-	19,358	19,358
Use of Money & Property	<u>-</u>	<u>1,499</u>	<u>1,499</u>
TOTAL REVENUES	<u>338,355</u>	<u>359,212</u>	<u>20,857</u>
EXPENDITURES			
Transportation	<u>338,355</u>	<u>297,960</u>	<u>40,395</u>
TOTAL EXPENDITURES	<u>338,355</u>	<u>297,960</u>	<u>40,395</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u><u>-</u></u>	61,252	\$ <u><u>61,252</u></u>
FUND BALANCE - BEGINNING OF YEAR		<u>25,325</u>	
FUND BALANCE - END OF YEAR		\$ <u><u>86,577</u></u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - ADELAAR DRAINAGE DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 15,000	\$ 15,000	\$ -
Other Tax Items	333,112	333,112	-
Use of Money & Property	<u>-</u>	<u>185</u>	<u>185</u>
TOTAL REVENUES	<u>348,112</u>	<u>348,297</u>	<u>185</u>
EXPENDITURES			
Transportation	<u>348,112</u>	<u>333,111</u>	<u>15,001</u>
TOTAL EXPENDITURES	<u>348,112</u>	<u>333,111</u>	<u>15,001</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u><u>-</u></u>	15,186	\$ <u><u>15,186</u></u>
FUND BALANCE - BEGINNING OF YEAR		<u>12,000</u>	
FUND BALANCE - END OF YEAR		\$ <u><u>27,186</u></u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - ROCK HILL AMBULANCE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Real Property Taxes	\$ 86,567	\$ 86,567	\$ -
Use of Money & Property	<u>-</u>	<u>541</u>	<u>541</u>
TOTAL REVENUES	<u>86,567</u>	<u>87,108</u>	<u>541</u>
EXPENDITURES			
Health	<u>86,567</u>	<u>86,567</u>	<u>-</u>
TOTAL EXPENDITURES	<u>86,567</u>	<u>86,567</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	541	\$ <u>541</u>
FUND BALANCE - BEGINNING OF YEAR		<u>5,819</u>	
FUND BALANCE - END OF YEAR		\$ <u>6,360</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
COMBINING BALANCE SHEET
SPECIAL DISTRICTS - SEWER
AS OF DECEMBER 31, 2019**

	HARRIS WOODS	ANAWANA LAKE	COLD SPRING	DILLON	EMERALD GREEN	HARRIS	KIAMESHA LAKE	MELODY LAKE	ROCK HILL	SACKETT LAKE	ADELAAR	TOTAL
ASSETS												
Cash	\$ 14,216	\$ 489,174	\$ 37,046	\$ 16,218	\$ 270,921	\$ 650,905	\$ 1,469,256	\$ 100,045	\$ 129,539	\$ 410,844	\$ 171,640	\$ 3,759,804
Sewer Rents Receivable	-	7,717	8,559	1,697	381,895	32,417	-	-	29,608	-	-	461,893
Due From Other Funds	-	-	-	-	-	-	29,750	-	-	-	-	29,750
Pre-Paid Expenditures	165	743	-	17	6,932	2,311	14,525	660	330	4,126	2,641	32,450
TOTAL ASSETS	<u>\$ 14,381</u>	<u>\$ 497,634</u>	<u>\$ 45,605</u>	<u>\$ 17,932</u>	<u>\$ 659,748</u>	<u>\$ 685,633</u>	<u>\$ 1,513,531</u>	<u>\$ 100,705</u>	<u>\$ 159,477</u>	<u>\$ 414,970</u>	<u>\$ 174,281</u>	<u>\$ 4,283,897</u>
LIABILITIES & FUND BALANCE												
LIABILITIES												
Accounts Payable	\$ 432	\$ 1,845	\$ -	\$ 19,303	\$ 20,822	\$ 4,400	\$ 57,752	\$ 4,067	\$ 551	\$ 4,250	\$ 2,836	\$ 116,258
Accrued Liabilities	136	613	-	14	5,720	1,907	11,984	545	272	3,405	2,179	26,775
Due to Other Funds	29,761	48	-	20,001	443	148	928	42	21	264	169	51,825
TOTAL LIABILITIES	<u>30,329</u>	<u>2,506</u>	<u>-</u>	<u>39,318</u>	<u>26,985</u>	<u>6,455</u>	<u>70,664</u>	<u>4,654</u>	<u>844</u>	<u>7,919</u>	<u>5,184</u>	<u>194,858</u>
FUND BALANCE												
Nonspendable	165	743	-	17	6,932	2,311	14,525	660	330	4,126	2,641	32,450
Assigned	-	-	-	-	-	-	50,000	5,000	-	30,000	-	85,000
Appropriated	(16,113)	494,385	45,605	(21,403)	625,831	676,867	1,378,342	90,391	158,303	372,925	166,456	3,971,589
Unappropriated												
TOTAL FUND BALANCE	<u>(15,948)</u>	<u>495,128</u>	<u>45,605</u>	<u>(21,386)</u>	<u>632,763</u>	<u>679,178</u>	<u>1,442,867</u>	<u>96,051</u>	<u>158,633</u>	<u>407,051</u>	<u>169,097</u>	<u>4,089,039</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 14,381</u>	<u>\$ 497,634</u>	<u>\$ 45,605</u>	<u>\$ 17,932</u>	<u>\$ 659,748</u>	<u>\$ 685,633</u>	<u>\$ 1,513,531</u>	<u>\$ 100,705</u>	<u>\$ 159,477</u>	<u>\$ 414,970</u>	<u>\$ 174,281</u>	<u>\$ 4,283,897</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - HARRIS WOODS SEWER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Real Property Taxes	\$ 83,300	\$ 83,300	\$ 83,300	\$ -
Use of Money & Property	-	-	751	751
Sales of Property & Compensation for Loss	<u>-</u>	<u>-</u>	<u>157</u>	<u>157</u>
TOTAL REVENUES	<u>83,300</u>	<u>83,300</u>	<u>84,208</u>	<u>908</u>
EXPENDITURES				
Home & Community Service	18,499	18,499	73,683	(55,184)
Employee Benefits	3,845	3,845	3,450	395
Debt Service:				
Principal	45,000	45,000	45,000	-
Interest	<u>27,000</u>	<u>27,000</u>	<u>26,943</u>	<u>57</u>
TOTAL EXPENDITURES	<u>94,344</u>	<u>94,344</u>	<u>149,076</u>	<u>(54,732)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(11,044)</u>	\$ <u>(11,044)</u>	(64,868)	\$ <u>(53,824)</u>
FUND BALANCE - BEGINNING OF YEAR			<u>48,920</u>	
FUND BALANCE - END OF YEAR			\$ <u>(15,948)</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - ANAWANA LAKE SEWER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Departmental Income	\$ 249,005	\$ 249,005	\$ 250,514	\$ 1,509
Use of Money & Property	-	-	8,059	8,059
Sales of Property & Compensation for Loss	<u>-</u>	<u>-</u>	<u>707</u>	<u>707</u>
TOTAL REVENUES	<u>249,005</u>	<u>249,005</u>	<u>259,280</u>	<u>10,275</u>
EXPENDITURES				
Home & Community Service	231,703	231,703	230,519	1,184
Employee Benefits	<u>17,302</u>	<u>17,302</u>	<u>15,590</u>	<u>1,712</u>
TOTAL EXPENDITURES	<u>249,005</u>	<u>249,005</u>	<u>246,109</u>	<u>2,896</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	\$ <u>-</u>	13,171	\$ <u>13,171</u>
FUND BALANCE - BEGINNING OF YEAR			<u>481,957</u>	
FUND BALANCE - END OF YEAR			\$ <u>495,128</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - COLD SPRING SEWER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Departmental Income	\$ 27,360	\$ 27,360	\$ 27,228	\$ (132)
Use of Money & Property	<u>-</u>	<u>-</u>	<u>1,742</u>	<u>1,742</u>
TOTAL REVENUES	<u>27,360</u>	<u>27,360</u>	<u>28,970</u>	<u>1,610</u>
EXPENDITURES				
Home & Community Service	<u>27,360</u>	<u>27,360</u>	<u>29,383</u>	<u>(2,023)</u>
TOTAL EXPENDITURES	<u>27,360</u>	<u>27,360</u>	<u>29,383</u>	<u>(2,023)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	\$ <u>-</u>	(413)	\$ <u>(413)</u>
FUND BALANCE - BEGINNING OF YEAR			<u>46,018</u>	
FUND BALANCE - END OF YEAR			\$ <u>45,605</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - DILLON SEWER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Departmental Income	\$ 8,778	\$ 8,778	\$ 8,778	\$ -
Use of Money & Property	-	-	428	428
Miscellaneous Local Sources	-	-	-	-
Sales of Property & Compensation for Loss	-	-	16	16
	<u>8,778</u>	<u>8,778</u>	<u>9,222</u>	<u>444</u>
TOTAL REVENUES				
EXPENDITURES				
Home & Community Service	8,393	83,393	26,205	57,188
Employee Benefits	385	385	345	40
	<u>8,778</u>	<u>83,778</u>	<u>26,550</u>	<u>57,228</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	\$ <u>(75,000)</u>	(17,328)	\$ <u>57,672</u>
FUND BALANCE - BEGINNING OF YEAR			<u>(4,058)</u>	
FUND BALANCE - END OF YEAR			\$ <u>(21,386)</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - EMERALD GREEN SEWER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Departmental Income	\$ 926,369	\$ 926,369	\$ 924,429	\$ (1,940)
Use of Money & Property	-	55,000	58,049	3,049
Licenses & Permits	-	-	505	505
Miscellaneous Local Sources	-	-	4,387	4,387
Sales of Property & Compensation for Loss	-	6,500	7,928	1,428
TOTAL REVENUES	<u>926,369</u>	<u>987,869</u>	<u>995,298</u>	<u>7,429</u>
EXPENDITURES				
Home & Community Service	530,359	457,359	455,939	1,420
Employee Benefits	161,490	152,490	145,955	6,535
Debt Service:				
Principal	152,000	152,000	151,775	225
Interest	82,520	82,520	81,761	759
TOTAL EXPENDITURES	<u>926,369</u>	<u>844,369</u>	<u>835,430</u>	<u>8,939</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	\$ <u>143,500</u>	159,868	\$ <u>16,368</u>
FUND BALANCE - BEGINNING OF YEAR			<u>472,895</u>	
FUND BALANCE - END OF YEAR			\$ <u>632,763</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - HARRIS SEWER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Departmental Income	\$ 448,729	\$ 448,729	\$ 448,733	\$ 4
Use of Money & Property	-	12,200	12,256	56
Sales of Property & Compensation for Loss	<u>-</u>	<u>-</u>	<u>2,198</u>	<u>2,198</u>
TOTAL REVENUES	<u>448,729</u>	<u>460,929</u>	<u>463,187</u>	<u>2,258</u>
EXPENDITURES				
Home & Community Service	394,899	254,899	247,983	6,916
Employee Benefits	<u>53,830</u>	<u>53,830</u>	<u>48,429</u>	<u>5,401</u>
TOTAL EXPENDITURES	<u>448,729</u>	<u>308,729</u>	<u>296,412</u>	<u>12,317</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	\$ <u>152,200</u>	166,775	\$ <u>14,575</u>
FUND BALANCE - BEGINNING OF YEAR			<u>512,403</u>	
FUND BALANCE - END OF YEAR			\$ <u>679,178</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - KIAMESHA LAKE SEWER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Real Property Taxes	\$ 759,120	\$ 759,120	\$ 759,120	\$ -
Departmental Income	700,998	645,800	644,287	(1,513)
Connection Charges	-	923,753	923,753	-
Use of Money & Property	-	15,100	17,657	2,557
State Aid	-	30,000	15,000	(15,000)
Miscellaneous Local Sources	-	209,000	209,530	530
Sales of Property & Compensation for Loss	-	13,815	13,816	1
TOTAL REVENUES	<u>1,460,118</u>	<u>2,596,588</u>	<u>2,583,163</u>	<u>(13,425)</u>
EXPENDITURES				
Home & Community Service	993,208	2,011,376	1,416,662	594,714
Employee Benefits	338,360	306,860	301,970	4,890
Debt Service:				
Principal	143,000	87,802	87,802	-
Interest	35,550	35,550	35,451	99
TOTAL EXPENDITURES	<u>1,510,118</u>	<u>2,441,588</u>	<u>1,841,885</u>	<u>599,703</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(50,000)</u>	<u>155,000</u>	<u>741,278</u>	<u>(586,278)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	44,301	44,301	-
NET CHANGE IN FUND BALANCE	<u>\$ (50,000)</u>	<u>\$ 199,301</u>	785,579	<u>\$ 586,278</u>
FUND BALANCE - BEGINNING OF YEAR			<u>657,288</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,442,867</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - MELODY LAKE SEWER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Real Property Taxes	\$ 67,369	\$ 67,369	\$ 67,369	\$ -
Use of Money & Property	-	-	1,178	1,178
Sales of Property & Compensation for Loss	<u>-</u>	<u>-</u>	<u>628</u>	<u>628</u>
TOTAL REVENUES	<u>67,369</u>	<u>67,369</u>	<u>69,175</u>	<u>1,806</u>
EXPENDITURES				
Home & Community Service	45,489	47,049	47,742	(693)
Employee Benefits	15,380	13,820	13,732	88
Debt Service:				
Principal	14,000	14,000	14,000	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>74,869</u>	<u>74,869</u>	<u>75,474</u>	<u>(605)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(7,500)</u>	\$ <u>(7,500)</u>	(6,299)	\$ <u>1,201</u>
FUND BALANCE - BEGINNING OF YEAR			<u>102,350</u>	
FUND BALANCE - END OF YEAR			\$ <u>96,051</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - ROCK HILL SEWER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Departmental Income	\$ 67,434	\$ 67,434	\$ 69,102	\$ 1,668
Use of Money & Property	-	-	6,015	6,015
Sales of Property & Compensation for Loss	<u>-</u>	<u>-</u>	<u>314</u>	<u>314</u>
TOTAL REVENUES	<u>67,434</u>	<u>67,434</u>	<u>75,431</u>	<u>7,997</u>
EXPENDITURES				
Home & Community Service	48,524	48,524	46,033	2,491
Employee Benefits	7,690	7,690	6,833	857
Debt Service:				
Principal	10,000	10,000	10,000	-
Interest	<u>1,220</u>	<u>1,220</u>	<u>1,232</u>	<u>(12)</u>
TOTAL EXPENDITURES	<u>67,434</u>	<u>67,434</u>	<u>64,098</u>	<u>3,336</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	\$ <u>-</u>	11,333	\$ <u>11,333</u>
FUND BALANCE - BEGINNING OF YEAR			<u>147,300</u>	
FUND BALANCE - END OF YEAR			\$ <u>158,633</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - SACKETT LAKE SEWER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Real Property Taxes	\$ 316,327	\$ 316,327	\$ 316,327	\$ -
Use of Money & Property	-	-	4,313	4,313
Miscellaneous Local Sources	-	-	70,510	70,510
State Aid	-	50,000	50,000	
Sales of Property & Compensation for Loss	-	-	3,925	3,925
	<u>316,327</u>	<u>366,327</u>	<u>445,075</u>	<u>78,748</u>
TOTAL REVENUES				
EXPENDITURES				
Home & Community Service	255,552	205,552	206,765	(1,213)
Employee Benefits	96,125	88,625	86,642	1,983
Debt Service:				
Principal	14,300	14,300	14,300	-
Interest	350	350	215	135
	<u>366,327</u>	<u>308,827</u>	<u>307,922</u>	<u>905</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,000)	57,500	137,153	79,653
OTHER FINANCING SOURCES (USES)				
Operating Transfer In	-	-	29,161	29,161
NET CHANGE IN FUND BALANCE	\$ <u>(50,000)</u>	\$ <u>57,500</u>	\$ 166,314	\$ <u>108,814</u>
FUND BALANCE - BEGINNING OF YEAR			<u>240,737</u>	
FUND BALANCE - END OF YEAR			\$ <u>407,051</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - ADELAAR SEWER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Real Property Taxes	\$ 718,782	\$ 718,782	\$ 718,782	\$ -
Other Tax Items	377,359	377,359	377,359	-
Use of Money & Property	-	6,000	6,042	42
Licenses & Permits			-	-
Sales of Property & Compensation for Loss	-	-	2,512	2,512
Miscellaneous Local Sources			-	-
State Aid			-	-
	<u>1,096,141</u>	<u>1,102,141</u>	<u>1,104,695</u>	<u>2,554</u>
TOTAL REVENUES				
EXPENDITURES				
Home & Community Service	979,423	953,423	951,798	1,625
Employee Benefits	61,520	61,520	54,661	6,859
Debt Service:				
Principal	<u>55,198</u>	<u>55,198</u>	<u>55,198</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,096,141</u>	<u>1,070,141</u>	<u>1,061,657</u>	<u>8,484</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	32,000	43,038	11,038
FUND BALANCE - BEGINNING OF YEAR			<u>126,059</u>	
FUND BALANCE - END OF YEAR			<u>\$ 169,097</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
COMBINING BALANCE SHEET
SPECIAL DISTRICTS - WATER
DECEMBER 31, 2019**

	<u>COLD SPRING</u>	<u>DILLON</u>	<u>ROUTE 42</u>	<u>LUCKY LAKE</u>	<u>MELODY LAKE</u>	<u>ADELAAR</u>	<u>TOTAL</u>
ASSETS							
Cash	\$ 68,255	\$ 212	\$ 61,150	\$ 32,259	\$ 161,746	\$ 25,022	\$ 348,644
Water Rents Receivable, Net of Allowance for Doubtful Accounts	7,795	1,100	2,112	3,544	22,678	8,701	45,930
Pre-Paid Expenditures	41	17	17	17	74	396	562
Due From Other Governments	-	56,855	-	-	-	-	56,855
Due From Other Funds	-	-	-	-	32,133	-	32,133
TOTAL ASSETS	<u>\$ 76,091</u>	<u>\$ 58,184</u>	<u>\$ 63,279</u>	<u>\$ 35,820</u>	<u>\$ 216,631</u>	<u>\$ 34,119</u>	<u>\$ 484,124</u>
LIABILITIES & FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ 298	\$ 326	\$ 12	\$ 347	\$ 32,954	\$ 1,789	\$ 35,726
Accrued Liabilities	34	14	14	14	61	327	464
Due to Other Funds	3	29,634	1	1	5	25	29,669
TOTAL LIABILITIES	<u>335</u>	<u>29,974</u>	<u>27</u>	<u>362</u>	<u>33,020</u>	<u>2,141</u>	<u>65,859</u>
FUND BALANCE							
Nonspendable	41	17	17	17	74	396	562
Assigned:							
Appropriated	-	-	-	-	-	-	-
Unappropriated	75,715	28,193	63,235	35,441	183,537	31,582	417,703
TOTAL FUND BALANCE	<u>75,756</u>	<u>28,210</u>	<u>63,252</u>	<u>35,458</u>	<u>183,611</u>	<u>31,978</u>	<u>418,265</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 76,091</u>	<u>\$ 58,184</u>	<u>\$ 63,279</u>	<u>\$ 35,820</u>	<u>\$ 216,631</u>	<u>\$ 34,119</u>	<u>\$ 484,124</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - COLD SPRING WATER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Departmental Income	\$ 27,324	\$ 24,445	\$ (2,879)
Use of Money & Property	-	1,815	1,815
Sales of Property & Compensation for Loss	<u>-</u>	<u>39</u>	<u>39</u>
TOTAL REVENUES	<u>27,324</u>	<u>26,299</u>	<u>(1,025)</u>
EXPENDITURES			
Home & Community Service	23,938	11,326	12,612
Employee Benefits	961	910	51
Debt Service:			
Principal	1,925	1,925	-
Interest	<u>500</u>	<u>484</u>	<u>16</u>
TOTAL EXPENDITURES	<u>27,324</u>	<u>14,645</u>	<u>12,679</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u><u>-</u></u>	11,654	\$ <u><u>11,654</u></u>
FUND BALANCE - BEGINNING OF YEAR		<u>64,102</u>	
FUND BALANCE - END OF YEAR		\$ <u><u>75,756</u></u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - DILLON WATER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Departmental Income	\$ 7,110	\$ 7,110	\$ -
Use of Money & Property	-	175	175
Sales of Property & Compensation for Loss	-	16	16
State Aid	-	56,855	56,855
	<u>7,110</u>	<u>64,156</u>	<u>57,046</u>
TOTAL REVENUES	<u>7,110</u>	<u>64,156</u>	<u>57,046</u>
EXPENDITURES			
Home & Community Service	6,726	19,122	(12,396)
Employee Benefits	7,110	345	6,765
	<u>13,836</u>	<u>19,467</u>	<u>(5,631)</u>
TOTAL EXPENDITURES	<u>13,836</u>	<u>19,467</u>	<u>(5,631)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,726)	44,689	51,415
OTHER FINANCING SOURCES			
Operating Transfer In	5,500	5,500	-
NET CHANGE IN FUND BALANCE	<u>\$ (1,226)</u>	50,189	<u>\$ 51,415</u>
FUND BALANCE - BEGINNING OF YEAR		<u>(21,979)</u>	
FUND BALANCE - END OF YEAR		<u>\$ 28,210</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - ROUTE 42 WATER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Departmental Income	\$ 5,942	\$ 5,144	\$ (798)
Use of Money & Property	-	646	646
Sales of Property & Compensation for Loss	-	16	16
Miscellaneous Local Sources	<u>-</u>	<u>25</u>	<u>25</u>
TOTAL REVENUES	<u>5,942</u>	<u>5,831</u>	<u>(111)</u>
EXPENDITURES			
Home & Community Service	5,558	1,409	4,149
Employee Benefits	<u>384</u>	<u>346</u>	<u>38</u>
TOTAL EXPENDITURES	<u>5,942</u>	<u>1,755</u>	<u>4,187</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	4,076	\$ <u>4,076</u>
FUND BALANCE - BEGINNING OF YEAR		<u>59,176</u>	
FUND BALANCE - END OF YEAR		\$ <u>63,252</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - LUCKY LAKE WATER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Departmental Income	\$ 11,000	\$ 11,608	\$ 608
Use of Money & Property	-	799	799
Sales of Property & Compensation for Loss	<u>-</u>	<u>16</u>	<u>16</u>
TOTAL REVENUES	<u>11,000</u>	<u>12,423</u>	<u>1,423</u>
EXPENDITURES			
Home & Community Service	10,615	4,180	6,435
Employee Benefits	<u>385</u>	<u>346</u>	<u>39</u>
TOTAL EXPENDITURES	<u>11,000</u>	<u>4,526</u>	<u>6,474</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	7,897	7,897
OTHER FINANCING SOURCES			
Operating Transfer In	<u>6,000</u>	<u>6,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,000</u>	13,897	<u>\$ 7,897</u>
FUND BALANCE - BEGINNING OF YEAR		<u>21,561</u>	
FUND BALANCE - END OF YEAR		<u>\$ 35,458</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - MELODY LAKE WATER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Departmental Income	\$ 44,784	\$ 44,784	\$ -
Use of Money & Property	-	1,545	1,545
Sales of Property & Compensation for Loss	-	71	71
Miscellaneous Local Sources	<u>-</u>	<u>2,500</u>	<u>2,500</u>
TOTAL REVENUES	<u>44,784</u>	<u>48,900</u>	<u>4,116</u>
EXPENDITURES			
Home & Community Service	73,054	56,793	16,261
Employee Benefits	<u>1,730</u>	<u>1,625</u>	<u>105</u>
TOTAL EXPENDITURES	<u>74,784</u>	<u>58,418</u>	<u>16,366</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u><u>(30,000)</u></u>	(9,518)	\$ <u><u>20,482</u></u>
FUND BALANCE - BEGINNING OF YEAR		<u>193,129</u>	
FUND BALANCE - END OF YEAR		\$ <u><u>183,611</u></u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS - ADELAAR WATER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Departmental Income	\$ 36,125	\$ 36,125	\$ -
Other Tax Items	391,945	391,945	-
Insurance Recoveries	-	13,051	13,051
Sales of Property & Compensation for Loss	-	377	377
Use of Money & Property	<u>-</u>	<u>100</u>	<u>100</u>
TOTAL REVENUES	<u>428,070</u>	<u>441,598</u>	<u>13,528</u>
EXPENDITURES			
Home & Community Service	418,842	416,967	1,875
Employee Benefits	<u>9,228</u>	<u>8,760</u>	<u>468</u>
TOTAL EXPENDITURES	<u>428,070</u>	<u>425,727</u>	<u>2,343</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	15,871	\$ <u>15,871</u>
FUND BALANCE - BEGINNING OF YEAR		<u>16,107</u>	
FUND BALANCE - END OF YEAR		\$ <u>31,978</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

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

To the Supervisor and Town Board
of the Town of Thompson, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Thompson, New York, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town of Thompson, New York's basic financial statements and have issued our report thereon dated October 2, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies as items 2019-1.

Compliance and Other Matters

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

Town of Thompson, New York's Response to Findings

The Town of Thompson, New York's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Thompson, New York's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Waschitz Pauloff CPA LLP

Monticello, New York

June 25, 2019

**TOWN OF THOMPSON, NEW YORK
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2018**

Significant Deficiencies

2019 - 1 Segregation of Duties

Criteria:	Proper internal control requires that one person not have uncontrolled access of an entire process cycle. Concentrating key duties (authorization, recordkeeping and custody) with one individual weakens internal control and significantly increases the risks that errors and/or irregularities might occur and go undetected.
Condition:	<p>The Comptroller performs substantially all functions for all of the Town's funds, including depositing funds, posting financial records, reviewing bank reconciliations, and has custody of blank check stocks.</p> <p>The Town has segregated the duties of its finance staff to a level that is practical. The Board members review and approve vouchers prior to payment of bills. The bank statements are opened by the Town Supervisor and the bank reconciliations are approved by someone other than the Comptroller.</p>
Cause:	The size of the Town Government and the limited number of employees imposes a limitation on the effectiveness of those internal control procedures that depend on segregation of duties.
Effect:	The risk that errors and/or irregularities might occur and go undetected by client personnel in a timely fashion is greatly increased.
Recommendation:	Review duties of the Town's accounting department in order to better segregate authorization, recordkeeping and custody functions.
Response:	We have hired a new employee to prepare bank reconciliations and are shifting the approval of bank reconciliations to Town Board members.

**TOWN OF THOMPSON, NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019**

2018 - 1 Segregation of Duties

Condition: The Comptroller performs substantially all functions for all of the Town's funds, including depositing funds, posting financial records, reviewing bank reconciliations, and has custody of blank check stocks.

The Town has segregated the duties of its finance staff to a level that is practical. The Board members review and approve vouchers prior to payment of bills. The bank statements are opened by the Town Supervisor and the bank reconciliations are approved by someone other than the Comptroller.

Recommendation: Review duties of the Town's accounting department in order to better segregate authorization, recordkeeping and custody functions.

Current Status: The Finding is not corrected, see current year finding 2019-1.

**TOWN OF THOMPSON, NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019**

2018 - 2 Accounting Control Procedures

Condition: General Record Keeping

Recommendation: Record transactions timely and perform all record keeping functions on a contemporaneous basis.

Maintain a calendar system to pay debt payments in a timely fashion and review accounting records on a regular basis to determine the accuracy of the records and compliance with regulations.

Current Status: The finding has been corrected.

**TOWN OF THOMPSON, NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019**

2018 - 3 Budget

Condition: The Town's 2018 budget presented appropriations significantly higher than actual results and estimated revenues significantly lower than actual results.

Recommendation: The Town should prepare and adopt budgets with a reasonable estimation of expenditures and use excess fund balance to benefit the residents in accordance with statutory requirements.

Current Status: The finding has been corrected.