

PRELIMINARY OFFICIAL STATEMENT DATED JULY 26, 2022

RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law and (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, and the Notes are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code and (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Notes may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "Tax Matters" herein.

The Town will designate the Notes as "qualified tax-exempt obligations" pursuant to the provision of Section 265(b)(3) of the Code.

**TOWN OF PLATTSBURGH
CLINTON COUNTY, NEW YORK
(the "Town")**

**\$8,000,000* BOND ANTICIPATION NOTES, SERIES 2022
(the "Notes")**

Dated Date: August 18, 2022

Maturity Date: August 18, 2023

Prior Redemption: The Notes will not be subject to redemption prior to their maturity.

Form and Denomination: At the option of the purchaser, the Notes may be either registered to the purchaser or registered in the name of Cede & Co., as nominee for the Depository Trust Company, Jersey City, New Jersey ("DTC") as book-entry notes.

For those Notes registered to the purchaser, a single note certificate shall be delivered to the purchaser, and each such note certificate shall bear a single rate of interest and shall be in a denomination equal to the aggregate principal amount awarded to such purchaser at such interest rate.

Security and Sources of Payment: The Notes are general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, without limitation as to rate or amount, subject to the applicable provisions of Chapter 97 of the Laws of 2011, as amended. (see *The Tax Levy Limit Law*, under TAX INFORMATION, herein).

Proposals for the Notes will be received at 11:00 A.M. (Prevailing Time) on August 4, 2022 at the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered subject to the final approving opinions of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Notes will be made on or about August 18, 2022 in New York, New York, or as otherwise agreed to by the Town and the purchaser.

THIS OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE TOWN FOR THE PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE NOTES, AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

*Preliminary, subject to change.

August , 2022

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstance shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.



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CLINTON COUNTY, NEW YORK**

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* * *

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No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof.

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OFFICIAL STATEMENT
TOWN OF PLATTSBURGH
CLINTON COUNTY, NEW YORK
\$8,000,000 BOND ANTICIPATION NOTES, SERIES 2022

This Official Statement and the appendices hereto present certain information relating to the Town of Plattsburgh, in the County of Clinton, in the State of New York (the “Town,” “Counties” and “State,” respectively) in connection with the sale of \$8,000,000 Bond Anticipation Notes, Series 2022 (the “Notes”) of the Town.

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

THE NOTES

Description

The Notes will be dated and will mature, without option of prior redemption, as reflected on the cover page hereof.

The Town will act as Paying Agent for the Notes. The Town’s contact information is as follows: Patrick Bowen, Finance Manager, Town of Plattsburgh, Town Hall, 151 Banker Road, Plattsburgh, New York 12901, telephone number 518/562-6837, email: patrickb@townofplattsburgh.org.

Optional Redemption

The Notes will not be subject to redemption prior to their maturity.

Authorization for and Purpose of Notes

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Town Law and the Local Finance Law, and various resolutions duly adopted by the Town Board.

Date Authorized	Project	Amount Outstanding	Amount to be Paid	Additional Amount to be Issued	Amount to be Issued
03/15/18	\$1,433,000 Serial Bond Resolution (Improvements to Base Sewer District)	\$ 266,904	\$ 13,345	\$ 766,561	\$ 1,020,120
03/15/18	\$4,567,944 Serial Bond Resolution (Improvements to Base Water District)	2,269,973	1,213,097	0	1,056,876
03/15/18	\$4,780,000 Serial Bond Resolution (Improvements to Consolidated Sewer District)	2,785,273	139,264	742,500	3,388,509
03/15/18	\$13,194,899 Serial Bond Resolution (Improvements to Consolidated Water District)	2,677,850	545,294	401,939	2,534,495
	Total	\$ 8,000,000	\$ 1,911,000	\$ 1,911,000	\$ 8,000,000

Disclosure Undertaking for the Notes

This Official Statement is in a form “deemed final” by the Town for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the time of the delivery of the Notes, the Town will provide an executed copy of its “Undertaking to Provide Notices of Events” (the “Undertaking”). Said Undertaking will constitute a written agreement or contract of the Town for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Notes:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material, (xv) incurrence of a “financial obligation” of the Town, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Town, if any, such event reflects financial difficulties.

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

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

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

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

The Town’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Town, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Town to comply with the Undertaking will not constitute a default with respect to the Notes.

The Town reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

BOOK-ENTRY SYSTEM

DTC, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each maturity of the Notes and deposited with DTC for all of the Notes bearing the same rate of interest.

DTC 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 certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Principal and interest payments on the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town on the payable date, 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 (nor its nominee) or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Source: The Depository Trust Company, New York, New York.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered to the Noteowners. The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In such event, note certificates will be printed and delivered to the Noteowners.

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the Town takes no responsibility for the accuracy thereof. In addition, the Town will not have any responsibility or obligation to participants, to indirect participants or to any beneficial owner with respect to: (i) the accuracy of any records maintained by DTC, any participant or any indirect participant; (ii) the payments by DTC or any participant or any indirect participant of any amount with respect to the principal of, or premium, if any, or interest on the Notes or (iii) any notice which is permitted or required to be given to Noteowners.

Security and Source of Payment

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

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to the applicable provisions of Chapter 97 of the laws of 2011, as amended (the "Tax Levy Limit Law" herein). The Tax Levy Limit Law imposes a statutory limit on the Town's power to increase its annual real property tax levy, including such taxes to pay the principal of and interest on the Notes.

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town's power to increase its annual tax levy. (See "Tax Levy Limit Law" herein).

Remedies Upon Default

Under current law, provision is made for contract creditors (including the Noteholders) of the Town to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. 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 to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy have been issued.

Remedies for enforcement of payment are not expressly included in the Town's contract with holders of its bonds and notes, although any permanent repeal by statute or constitutional amendment of a Noteholders remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

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

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders and noteholders, such courts might hold that future events, including financial crises as they may occur in the State and in municipalities of the State, require the exercise by the State of its emergency police powers to assure the continuation of essential public services.

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

THE TOWN

General Information

The Town, which is a First Class Town pursuant to State Law, encompasses an area of 48 square miles and has a population of 11,867 according to the 2020 U.S. Census, is located in the central eastern portion of the County and completely surrounds the City of Plattsburgh. It is bound on the north by the Town of Beekmantown, on the west by the Town of Saranac, on the south by the Towns of Schuyler Falls and Peru and on the east by Lake Champlain.

The Town is agricultural, industrial and residential in nature with residents finding employment in the industries in the Town and in the City of Plattsburgh, which is also the County Seat of the County.

While major portions of the County are rural and agricultural in character, the County includes the City of Plattsburgh and its surrounding area, which serve as the commercial, industrial, governmental and educational hub of the northern Adirondack region. Situated in the Plattsburgh area is the State University at Plattsburgh, the Clinton Correctional Facility at Dannemora, manufacturing facilities of Schluter Systems., Packaging Corporation of America, Bombardier Transit Corp. and Nova Bus, among others. The County has been involved in the development of Plattsburgh International Airport, following the closing of the Plattsburgh Air Force Base in 1995. See "Plattsburgh International Airport" herein.

Government

The Town was established in 1785. Three independently governed school districts are located wholly or partially within the Town which rely on their own taxing powers granted by the State to raise revenues. The school districts use the Town's assessment roll as their basis for taxation of property located with the Town.

Subject to the provisions of the State Constitution, the Town operates pursuant to the Town Law, the Local Finance Law, other laws generally applicable to the Town, and any special laws generally applicable to the Town. Under such laws, there is no authority for the Town to have a charter, but pursuant to the Town Law and other laws generally applicable to home rule, the Town may from time to time adopt local laws.

The legislative power of the Town is vested in the Town Board, which consists of five members including the Supervisor, who is the chief executive officer and chief fiscal officer of the Town, elected for a term of four years. The four other members of the Town Board are elected to four-year terms, which terms are staggered such that two councilmembers are elected every two years. All the Town Board members are elected at large and there is no limitation to the number of terms each may serve.

The Town Supervisor, Town Clerk and the Highway Superintendent are elected to four-year terms. The Town Board appoints the Assessor and the Town Attorney.

Utilities and Other Services

Electricity and natural gas is supplied to the Town by the New York State Electric and Gas (NYSEG). The Town supplies water to various special assessment water districts and is responsible for the financing and construction of water transmission lines as well as maintenance of the necessary facilities in such areas. Police protection is provided by the County Police Department and fire protection is provided by five Fire Districts which serve the entire Town.

Transportation

Greater Plattsburgh is centrally located and offers great access to some of the largest markets in the world. It is located one hour south of Montreal and within a five hour drive of New York City, Boston and Toronto. The County has highway access through Interstate 87 and Interstate 90 both allow all of northeastern U.S to be accessible within a day's drive. I-87 provides immediate access to the entire area and allows access to Canada which is twenty miles north of Plattsburgh. Due to recent renovations to the Champlain – Lacolle Port of Excellence along with Quebec's Highway 15, the port is now the Country's most modern northern border crossing. The port has an average of 2,000 vehicles crossing each day which makes it the sixth busiest Canada-U.S. border crossing.

Within the greater Plattsburgh area, there is a rail line for Canadian Pacific, which connects New York City with Montreal. A rail spur, already being used for industrial purposes, runs to Plattsburgh International Airport (see "Plattsburgh International Airport", herein). Passenger rails via Amtrak are used to provide daily connections between Montreal and New York City.

Plattsburgh International Airport

In February 2003, the Clinton County Legislature agreed to take title to the portion of the former Plattsburgh Air Force Base containing the aviation assets. On February 28, 2003, the Chairperson of the Clinton County Legislature executed a "Lease in Furtherance of Conveyance" agreement with the U.S. Air Force that allowed the County to assume control over 1,700 acres of land for the operation of an airport. The County also entered into an agreement with Plattsburgh Airbase Redevelopment Corp. ("PARC") on February 28, 2003 that obligated PARC to manage and operate the airport on behalf of the County for one year.

Over the past several years, the County has been engaged in several capital improvement projects to relocate Clinton County Airport to Plattsburgh International Airport. The projects include construction of a new passenger terminal, major renovations of the ILS (instrument landing system) and precision instrument approach, runway improvements and repairs, and construction of a new fuel farm. The projects are now complete, and the airport operates as a Part 139 certificate Commercial Service Airport, supporting activities of industrial tenants, general aviation, and passenger flights.

Plattsburgh International Airport – Terminal Expansion and Capacity Enhancement Project – This terminal expansion project at Plattsburgh International Airport is intended to accommodate current demand as well as forecast demand through 2030. The proposed expansion will address the passenger terminal (including ancillary functions such as fueling, aircraft boarding, etc.), vehicle parking, roadway, and utility enhancements needed to accommodate 2030 forecast demands. The project will include design for the following major terminal expansion elements:

- Approximately 60,000 +/- SF expansion of the existing terminal building including additional boarding gates, ticket counters, passenger screening facilities, concessions, baggage makeup and claim facilities, passenger circulation and waiting rooms and concessions.
- Re-configuration and expansion of vehicular access and circulation roadway system within the airport property.
- Re-configuration and expansion of existing terminal parking lot to accommodate future demand and replace parking capacity that will be lost due to the terminal building expansion.
- Convert the existing aircraft apron between nose docks 7 and 8 to vehicle parking lots to provide vehicle parking to accommodate 2030 forecast demand and replace parking capacity that will be lost due to terminal building expansion.
- Upgrade and reallocation of utilities, as needed.
- Storm water management measures needed to meet regulatory requirements for added impervious surface.
- Security enhancements as needed to comply with Transportation Security Administration requirements for perimeter and access control, monitoring, etc.

Education

Primary and secondary education is the responsibility of three public schools within the Town. Higher education is available within the County at SUNY Plattsburgh and Clinton County Community College.

Founded in 1890, SUNY Plattsburgh is a highly regarded institution that offers both undergraduate and graduate degree programs. The University has approximately 5,400 undergraduate students enrolled and offers programs in 59 disciplines. SUNY Plattsburgh has one of the largest international student populations per capita of any comprehensive college in the State University of New York system. Approximately 8% of its students come from different countries all around the world.

Established in 1956, Clinton County Community College is a two year school which offers over twenty different programs. The campus is located in the Town and allows students to complete the two year program then either pursue a career or transfer to another school. Other institutions surrounding the area include the University of Vermont, Concordia University, McGill University and The University of Quebec, all located within an hour drive.

Healthcare

Town residents are provided healthcare through one of two facilities located within the County. The Champlain Valley Physicians Hospital (CVPH) Medical Center is the region’s largest medical complex. It is located in the City of Plattsburgh and provides services to residents of Clinton, Essex, Franklin, and St. Lawrence counties of New York. The CVPH Medical Center was established in 1972 and has been expanding ever since. CVPH Medical Center is among the top 10 hospitals in New York State for overall cardiology services. CVPH Medical Center is licensed as a 341 bed acute care hospital and 70 bed skilled nursing facility. It has approximately 2,350 employees and 200 members of its medical staff.

Clinton County Nursing Home (CCNH) was established in 1874 and has been providing quality long term health care ever since. It is an 80 bed Medicare and Medicaid certified nursing facility located in the City of Plattsburgh and operated by Clinton County. CCNH provides services ranging from short-term restorative rehabilitation to long-term skilled nursing care.

Culture and Recreation

Within the Town there are many recreational activities to enjoy. Lake Champlain offers numerous water activities including sailing, power boating, fishing, water-skiing, sightseeing and scenic rivers. The Adirondack Mountains provide access to hiking, back-packing, skating, skiing, wildlife observation and canoeing. Lake Placid is a place where a number of competitive and recreational events occur. Including bike races and triathalons. Lake Placid annually host one of five ironman triathalons that take place throughout the U.S. Another annual event that brings a lot of tourists is the bass tournaments held in Lake Champlain. These tournaments bring about 1,500 anglers and co-anglers to Plattsburgh each year.

Surrounding areas of the Town include Montreal, Quebec, which has vibrant cultural and art scenes, diverse dining options, museums and big-city nightlife. Burlington, Vermont is another area located on the east shore of Lake Champlain, and it offers the charm and energy of church street shopping. Another popular destination is Lake George, which has recreational and historic activities that attract tourists.

Employees

The Town provides services through approximately 55 full-time employees and 20 part-time employees, some of which are represented by organized labor:

<u>Name of Union</u>	<u>Approximate Membership</u>	<u>Date Contract Expires</u>
Teamster Local 687	30	12/31/2025

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Characteristics

The Town has had a population trend, as compared to the County and the State as indicated below:

<u>Year</u>	<u>Town of Plattsburgh</u>	<u>Clinton County</u>	<u>State of New York</u>
1990	17,241	85,969	17,990,455
2000	11,190	79,894	18,976,457
2010	11,844	82,128	19,378,102
2020	11,867	80,320	19,514,849

Source: U.S. Bureau of the Census

Income Data

	Per Capita Money Income			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of Plattsburgh	\$11,283	\$19,385	\$26,094	34,212
County of Clinton	11,444	17,946	22,607	29,960
State of New York	16,501	23,389	30,791	40,898

	Median Family Income			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of Plattsburgh	\$26,019	\$41,713	\$53,610	62,834
County of Clinton	26,903	37,028	46,843	59,510
State of New York	32,965	43,393	55,603	71,117

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2016-2020)

Building Permits

<u>Year</u>	<u>Total</u>	<u>Estimated Costs</u>
2017	484	37,371,964
2018	342	17,112,404
2019	479	43,417,701
2020	491	26,144,820
2021	477	34,768,458
2022 (YTD)	104	11,799,167

Selected Listing of Larger Employers in the Town

<u>Name</u>	<u>Type</u>	<u>Estimated Number Of Employees</u>
Walmart Supercenter	Retail	357
Nova Bus	Manufacturer	350
Advocacy Resource Center	NFP Vocational/health	337
Champlain Valley Services	Vocational Services	265
Clinton Community College	Educational	200
Salerno	Manufacturer	199
BHSN	Health	180
Camso Manufacturing	Manufacturer	168
Sam' Club	Retail	150
Pactiv Evergreen	Manufacturer	135

Source: Town Officials.

Unemployment Rate Statistics

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

<u>Annual Averages:</u>	<u>County of Clinton (%)</u>	<u>New York State (%)</u>
2017	5.4	4.7
2018	4.4	4.1
2019	4.4	4.0
2020	8.0	10.0
2021	5.0	7.2
2022 (5 month average)	3.5	4.7

Source: Department of Labor, State of New York.

INDEBTEDNESS OF THE TOWN

Constitutional Requirements

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

Purpose and Pledge. 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 in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, 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 periods of probable usefulness of the objects or purposes as determined by statute or weighted average maturity thereof; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town has authorized the issuance of indebtedness having substantially level or declining annual debt service. 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 bond anticipation notes.

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Town so as to prevent abuses in the exercise of such powers; however, as has been noted under "*Security and Source of Payment*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town's power to increase its annual tax levy, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*," herein).

Statutory Procedure

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

Pursuant to the Local Finance Law, the Town authorizes the incurrence of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the Board of Trustees, except in the event that the Town determines to subject the bond resolution to voter approval by mandatory referendum, in which case only a three-fifths vote is required.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The Town has complied with such procedure for the bond resolution authorizing the issuance of the Notes.

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

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "*Payment and Maturity*" under "*Constitutional Requirements*").

In addition, under each bond resolution, the Board of Trustees may delegate, and has delegated, power to issue and sell notes, to the Town Treasurer, the chief fiscal officer of the Town.

In general, the Local Finance Law contains similar provisions providing the Town with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the aggregate outstanding principal amount thereof 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 and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the New York State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law, imposes a statutory limitation on the power of the Town to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*," herein).

The following pages set forth certain details with respect to the indebtedness of the Town.

Calculation Of Total Net Indebtedness and Net Debt Contracting Margin
(As of July 26, 2022)

Fiscal Year ending <u>December 31:</u>	<u>Assessed Valuation</u>	State Equalization <u>Rate (%)</u>	<u>Full Valuation</u>
2017	\$1,141,040,244	100.00	\$1,141,040,244
2018	1,159,078,074	100.00	1,159,078,074
2019	1,161,307,401	100.00	1,161,307,401
2020	1,195,107,290	90.00	1,327,896,989
2021	1,333,139,276	100.00	1,333,139,276
Total Five Year Full Valuation			\$6,122,461,984
Average Five Year Full Valuation			1,224,492,397
Debt Limit - 7% of Average Full Valuation			85,714,468
Inclusions:			
Various Purpose Debt			-
Sewer Purpose Debt			3,140,000
Water Purpose Debt			8,616,114
Bond Anticipation Notes			8,000,000
			<hr/>
Total Indebtedness			19,756,114
Exclusions:			
Appropriations for Bonds			141,594
Appropriations for Notes			1,911,000
Water Purpose Debt			8,616,114
Total Exclusions			10,668,708
			<hr/>
Total Net Indebtedness Before Issuing the Notes			9,087,406
			<hr/>
The Notes			8,000,000
Less: BANs Being Redeemed by the Notes			6,089,000
Net Effect of the Notes			1,911,000
			<hr/>
Total Net Indebtedness After Issuing the Notes			10,998,406
			<hr/>
Net Debt Contracting Margin			74,716,062
			<hr/> <hr/>
Per Cent of Debt Contracting Margin Exhausted			14.72%

Debt Service Requirements - Outstanding Bonds^a

Fiscal Year Ending <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 847,748	\$ 256,878	\$ 1,104,626
2023	540,975	245,518	786,493
2024	551,203	233,855	785,058
2025	561,430	221,835	783,265
2026	566,657	209,531	776,188
2027	581,884	197,193	779,077
2028	584,112	184,067	768,179
2029	589,339	171,442	760,781
2030	599,566	158,658	758,224
2031	614,793	145,689	760,482
2032	609,542	132,054	741,596
2033	624,880	118,218	743,098
2034	615,000	103,956	718,956
2035	630,000	89,494	719,494
2036	645,000	74,731	719,731
2037	655,000	59,488	714,488
2038	670,000	44,046	714,046
2039	685,000	28,173	713,173
2040	<u>600,000</u>	<u>12,000</u>	<u>612,000</u>
Totals	\$ <u>11,772,129</u>	\$ <u>2,686,826</u>	\$ <u>14,458,955</u>

a. Does not include payments made to date.

Details of Short-Term Indebtedness Outstanding (As of July 26, 2022)

The Town has outstanding bond anticipation notes in the amount of \$8,000,000 for water and sewer improvements to the Town that mature on August 19, 2022. The outstanding bond anticipation notes will be redeemed by the issuance of the Notes and available funds in the amount of \$1,911,000.

Capital Water and Wastewater Plan

The Town Board authorized a Capital Plan and report to determine how best to move forward with improvements to the existing water and sewer infrastructure in the Town as well as the addition of some new infrastructure that benefits the entire system. As part of the planning process, the way the Town charges outside Town users as well as how the costs between the Town districts are allocated was reviewed.

Overall, there has been \$17,763,000 of capital improvements identified for the water system between the Consolidated Water and Base Water Districts and another \$6,213,000 for the Consolidated Sewer and Base Sewer Districts. The overall total capital program is \$23,976,000.

Although this figure is significant, the Town is in a very good position to undertake a program of this magnitude. Some of the projects identified in the plan can be undertaken by funding them through the operating budget. This includes items such as water meter replacement and asset management systems. Some funds have already been set aside for the testing required at the potential water supply location at May Currier Park. Others can be funded with available surplus funds that are allocated to the various districts. The remainder of the projects are expected to be funded through bonds authorized by the Town Board.

The following is a listing of all the projects defined in this plan along with their estimated cost and funding mechanism.

CONSOLIDATED WATER DISTRICT

FUNDING

Existing Water storage Facilities	\$6,233,000	Bond/Surplus
Salmon River Road	750,000	Bond
Quarry Road	750,000	Bond

BASE WATER DISTRICT

Water Storage	1,500,000	Bond
Water Mains	2,750,000	Bond/Surplus

NON-DISTRICT SPECIFIC WATER

Source of Supply:		
Additional Supply Capacity	2,000,000	Bond/Grant
Bullis Road Pump Station	750,000	Bond/ARPA (\$370,000)
Well 2 Testing	50,000	Surplus
2,000,000 gallon storage tank at Kimberly Lane	1,750,000	Bond
Metering	1,200,000	Operating Budget
Asset Management System	<u>30,000</u>	Operating Budget

Total Water System Improvement Capital Required \$17,763,000

CONSOLIDATED SEWER DISTRICT

FUNDING

Water Lift Stations		
Route 9 North	\$ 500,000	Surplus
Trade Road (aka I-87)	1,000,000	Surplus
Cliff Haven	500,000	Bond/Surplus
Flannigan	150,000	Bond
Church Street	150,000	Bond
Singing Sands	150,000	Bond
Beach	300,000	Bond
Woodcliff	300,000	Bond
Lake Land	150,000	Bond
Carsons	150,000	Bond
Cadyville Wastewater Treatment Plant	500,000	Bond
Cliff Haven Sewer Lining	900,000	Bond

BASE SEWER DISTRICT

Manholes	433,000	Operating Budget
Connecticut Avenue Pump	1,000,000	Bond/Surplus

NON-DISTRICT SPECIFIC SEWER

Asset Management System	<u>30,000</u>	Operating Budget
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Total Sewer System Improvement Capital Required \$6,213,000

Authorized but Unissued Indebtedness

As of the date of this Official Statement, the Town has authorized but unissued debt in the aggregate amount of \$4,575,843.

Trend of Town Indebtedness

The following table represents the trend of outstanding indebtedness of the Town at the end of the last five preceding fiscal years.

	Fiscal Year Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Outstanding End of Year:					
Bonds	\$4,213,293	\$3,646,536	\$3,073,207	\$12,629,071	\$11,772,129
BANs	645,000	6,370,000	14,000,000	5,325,000	8,000,000
Other Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$4,858,293</u>	<u>\$10,016,536</u>	<u>\$17,073,207</u>	<u>\$17,954,071</u>	<u>\$19,772,129</u>

Calculation of Estimated Overlapping and Underlying Indebtedness

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

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
Clinton County	07/09/2021	31.40	\$16,405,996	\$15,436,436
Saranac CSD	06/23/2021	33.20	6,636,680	6,636,680
Beekmantown CSD	06/30/2021	69.30	12,221,894	12,221,894
Peru CSD	06/30/2021	25.60	5,698,560	5,698,560
Cumberland Head FD	12/31/2020	100.00	820,000	820,000
Fire District 3	12/31/2020	100.00	307,000	307,000
Cadyville FD	12/31/2020	53.00	589,461	589,461
Morrisonville FD	12/31/2020	57.00	0	0
South Plattsburgh FD	12/31/2020	83.00	3,286,800	3,286,800
Totals			<u><u>\$45,966,391</u></u>	<u><u>\$44,996,831</u></u>

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Statements.

Debt Ratios
(As of July 26, 2022)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage of Full Value (%)^b</u>
Total Direct Debt	\$19,756,114	\$1,665	1.482
Net Direct Debt	9,087,406	766	0.682
Total Direct & Applicable Total Overlapping Debt	65,722,505	5,538	4.930
Net Direct & Applicable Net Overlapping Debt	54,084,237	4,558	4.057

a. The estimated population of the Town is 11,867.

b. The full valuation of taxable real property in the Town is \$1,333,139,276.

FINANCES OF THE TOWN

Financial Statements and Accounting Procedures

The Town maintains its financial records in accordance with the Uniform System of Accounts for Towns prescribed by the State Comptroller. The financial records of the Town are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2021, such report is attached as Appendix B. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

Fund Structure and Accounts

The Town utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are two basic fund types: (1) governmental funds that are used to account for basic services and capital projects; and (2) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Town presently maintains the following governmental funds: General Fund, Highway Fund, Sewer Funds, Water Fund, Consolidated Ambulance, Consolidated Street lighting, Storm Drain and Capital Projects Fund. Fiduciary funds consist of a Custodial Fund. There are no proprietary funds. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 365 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, sanitary landfill post closure costs, installment purchases, judgments and claims, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Investment Policy

Pursuant to the statutes of the State of New York and its adopted Investment Policy, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller in tax anticipation notes or revenue anticipation notes issued by any municipalities, school district, or district corporation, other than those notes issued by the Town; (6) certificates of participation issued by political subdivisions of the State, as those terms are defined in the law; (7) obligations of a New York public corporation which are made lawful investments for the Town pursuant to the enabling laws of such public corporation; or (8) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. These statutes also require that the Town's investments, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law.

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

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

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

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

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

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

Budgetary Procedures

The head of each administrative unit of the Town is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the budget officer on or before August 15th. After reviewing these estimates, the budget officer prepares a tentative budget which includes his recommendations. A budget message explaining the main features of the budget is also prepared at this time. The tentative budget is filed with the Town Clerk not later than the 30th of September. Subsequently, the Town Clerk presents the tentative budget to the Town Board at the regular or special hearing which must be held on or before October 5th. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are not inconsistent with the provisions of the law. Following this review process, the tentative budget and such modifications, if any, as approved by the Board become the preliminary budget. A public hearing, notice of which must be duly published in the Town's official newspaper, on the preliminary budget is generally required to be held on the Thursday immediately following the general election. At such hearing, any person may express his opinion concerning the preliminary budget; however, there is no requirement or provision that the preliminary budget or any portion thereof be voted on by members of the public. After the public hearing, the Town Board may further change and revise the preliminary budget. The Town Board, by resolution, adopts the preliminary budget as submitted or amended no later than November 20th, at which time, the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year. Budgetary control during the year is the responsibility of the Supervisor who is assisted in this area by the Finance Manager. However, any changes or modifications to the annual budget including the transfer of appropriations among line items must be approved by resolution of the Town Board.

Budget Summaries for the 2021 and 2022 fiscal years may be found in Appendix A.

Financial Operations

The 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. Pursuant to Section 30 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

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

Town fund statements are classified as major and non-major governmental funds. Major funds consist of the General Fund, Capital Projects Fund, and Special Revenue Funds. Town finances are operated primarily through the General and Special Revenue Funds. The General Fund receives most of its revenue from sales tax and State aid. Current operating expenditures are paid from these funds subject to available appropriations. The Special Revenue Funds are made up of the Highway, Water/Sewer Administration & Ambulance, Sewer and Water. The primary source of income for these districts comes from property taxes and special assessments levied against district properties at the same time real estate taxes are levied. The Town also maintains non-major funds which include Storm Drainage, Street Lighting and Special Grant funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation". (Fiscal Score: 0.0%, Environmental Score: 13.3%).

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

In addition, the Office of the State Comptroller helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The Town has not been audited in the last five years.

Revenues

The Town receives most of its revenues from a real property tax on all non-exempt property situated within the Town and from State Aid. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A. See "Real Property Tax Information", herein.

State Aid

The Town receives financial assistance from the State. 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. Additionally, 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 this 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.

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, the outbreak of COVID-19 and the dramatic steps taken by the State to address it, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (see also "*Market Factors Affecting Financing of the State and Municipalities of the State*" herein).

Based on the audited financial statements of the Town, the Town received approximately 8.83% of its total General Fund operating revenue from State aid in 2021. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

Although the Town cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years, the Town may be able to mitigate the impact of any delays or reductions by reducing expenditures, increasing revenues appropriating other available funds on hand, and/or by any combination of the foregoing.

The following table sets forth the percentage of the Town's General Fund revenue (including transfers) comprised of State aid for each of the fiscal years 2017 through 2021, and budgeted for 2022.

Fiscal Year Ending <u>December 31:</u>	General Fund <u>Total Revenue</u>	<u>State Aid</u>	State Aid to <u>Revenues (%)</u>
2017	3,788,340	336,629	8.89
2018	3,854,575	380,914	9.88
2019	4,054,928	303,200	7.48
2020	4,099,124	297,015	7.25
2021	5,293,085	467,286	8.83
2022 (Budgeted)	4,489,732	495,803	11.04

Source: Audited financial statements (2017-2021), and the Adopted Budget for 2022.

a. Budgeted revenues include the use of appropriated fund balance.

Expenditures

The major categories of expenditures for the Town are General Government Support, Public Safety, Transportation, Economic Assistance and Opportunity, Home and Community Services, Culture and Recreation, Employee Benefits and Debt Service. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A.

Pension Systems

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System (the "Retirement System" or "ERS"). The Retirement Systems are a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability 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 the Retirement Systems are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, the Governor signed into law the creation of a new Tier 5, which is effective for new ERS employees hired after January 1, 2010. New ERS employees in Tier 5 will now contribute 3% of their salaries. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service. Additionally, on March 16, 2012, the Governor signed into law the new Tier 6 pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after five years of employment and will continue to make employee contributions throughout employment.

As a result of significant capital market declines in the recent past, in certain years the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, it is anticipated that the employer contribution rate for the State's Retirement System in future years may be higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the Retirement System. However, although these options reduce near term payments, it will require higher than normal contributions in later years. The Town has decided not to amortize any payments to the Retirement System.

Required Contributions to the Retirement Systems

Fiscal Year Ending <u>December 31:</u>	<u>ERS</u>
2017	456,846
2018	456,378
2019	446,116
2020	446,659
2021	543,536
2022 (Budgeted)	534,724

Other Post Employment Benefits

The Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education 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. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, 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. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended December 31, 2018, the Town adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the employer’s current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

For the fiscal year ended December 31, 2018, the Town implemented GASB 75. The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The Town’s total OPEB liability at December 31, 2021 is as follows:

Total OPEB Liability at January 1, 2021	\$4,829,973
Charges for the Year:	
Service Cost	159,157
Interest	135,481
Changes in Benefit Terms	0
Differences Between Expected and Actual Experience	(84,886)
Changes in Assumptions or Other Inputs	536,232
Benefit Payments	(89,124)
Net Changes	656,860
Total OPEB Liability at Dec 31, 2021	\$5,486,833

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

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

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

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

TAX INFORMATION

Real Property Taxes

The Town does not levy a General Fund Tax Levy. (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix B, herein.) On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town. See “Tax Levy Limit Law,” herein.

The Real Property Tax Revenue amounts in the Town’s financial statements are made up of PILOT payments and real property tax interest and penalties. PILOT payments are agreed upon for a certain period of time. There can be no assurance that the presently agreed upon payments will remain at the current amounts after the expiration of an agreement. A large portion of the Town’s General Fund revenues come from sales taxes. (See “Sales Tax” herein).

The following table sets forth the percentage of the Town’s General Fund revenue (excluding other financing sources) comprised of real property tax items for each of the fiscal years 2017 through 2021 inclusive and budgeted for the fiscal year 2022.

Fiscal Year Ending <u>December 31:</u>	<u>Total Revenue</u>	<u>Real Property Tax Items</u>	<u>Real Property Tax Items to Revenues (%)</u>
2017	3,788,340	80,143	2.12
2018	3,854,575	46,966	1.22
2019	4,054,928	36,181	0.89
2020	4,099,124	42,358	1.03
2021	5,293,085	46,395	0.88
2022 (Budgeted)	4,489,732	22,000	0.49

Source: Audited financial statements (2017-2021), and the Adopted Budget for 2022.

a. Budgeted revenues include the use of appropriated fund balance.

Tax Collection Procedure

The Tax Receiver or Deputy Tax Receiver is responsible for the collection of Town and County Real Property Taxes. The Tax Receiver provides a weekly payment to the Town Supervisor for collections from the previous week. The Tax Receiver makes payments to the Town Supervisor until the Town’s Tax Levy has been satisfied in full. The Tax Receiver then makes payment to the County for collections of County real property tax. The Tax Receiver and the County perform a collection settlement at the end of the tax season.

Sales Tax

Most counties in the State share some portion of the proceeds from their sales tax with cities, towns, villages, or school districts. These sales tax distributions are done in accordance with sharing agreements based on population, real property valuation and/or other factors, some of which are required by statute under certain circumstances and others or which are left to the discretion of the town. All of the sharing agreements must be approved by the Town Board, and any agreement between cities and counties that does not allocate revenues solely in proportion to population must also be approved by the State Comptroller.

The County presently imposes a sales tax and use tax of 4%, in addition to the 4% tax imposed by the State for a countywide sales tax rate of 8%. Such sales and use tax collections are administered by the State Tax Commission and paid at least monthly to the County. The County, pursuant to a Sales Tax Sharing Agreement shares the proceeds of the County's 4% sales and use tax with the one city, fourteen towns and four villages within the County. Under the terms of the Agreement, on the first 3%, the County retains 55% of the sales tax revenues up to \$27.1 million, 65% of the sales tax revenues over \$27.1 million with the balance disbursed quarterly to the municipalities on a formula basis. The additional 1% is retained by the County.

The following table sets forth the percentage of the Town's General Fund revenue (excluding other financing sources) comprised of sales tax for each of the fiscal years 2017 through 2021 and budgeted for 2022.

Fiscal Year Ending <u>December 31:</u>	<u>Total Revenue</u>	<u>Sales Taxes</u>	<u>Sales Taxes to Revenues (%)</u>
2017	3,788,340	2,902,360	76.61
2018	3,854,575	2,962,904	76.87
2019	4,054,928	2,984,673	73.61
2020	4,099,124	2,617,968	63.87
2021	5,293,085	3,855,214	72.83
2022 (Budgeted)	4,498,732	2,811,159	62.49

Source: Audited financial statements (2017-2021), and the Adopted Budget for 2022.

a. Budgeted revenues include the use of appropriated fund balance.

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Large Taxable Properties
2022 Assessment Roll^a

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Plattcon A, LLC	Industrial	\$32,000,000
Champlain Centre North LLC	Mall	25,000,000
Pyramid Company of Plattsburgh	Commercial	16,500,000
Fort Schuyler Mgmt Corp	Commercial	15,000,000
NYSEG	UTILITY	11,550,290
Target Corporation	Retail	8,500,000
NYSEG	UTILITY	8,046,727
Prevost Car Us Inc	Industrial	8,000,000
NYSEG	UTILITY	7,669,776
UMS Property LLC	Industrial	7,295,000
NYSEG	UTILITY	6,720,479
Lowe's	Retail	6,350,000
UMS Property LLC	Commercial	6,100,000
NYSEG	UTILITY	5,909,750
ARCP GSPLTNY01 LLC	Commercial	5,500,000
Nine Platt Corporation	Commercial	5,350,000
Schonbeck & Co. Inc	Industrial	4,500,000
City of Plattsburgh	Utility	4,207,854
Rt.3 Development	Commercial	4,200,000
Days Inn Plattsburgh	Hotel	4,100,000
	Total ^a	\$192,499,876

- a. Assessment Roll established in 2021 for levy and collection of taxes in 2022.
b. Represents 14.44% of the 2021 Taxable Assessed Valuation of the Town.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limit Law” or “TLLL”) was enacted. The Tax Levy Limitation Law imposes a tax levy limitation on the Town for any fiscal year each commencing after January 1, 2012 without providing an express exclusion for real property taxes levied for payment of principal of and interest on general obligations issued by the Town under the Local Finance Law. Accordingly, the power of the Town to levy real property taxes on all taxable real property within the Town without limitation as to rate or amount in furtherance of the pledge of its faith and credit as required in the New York Constitution is subject to statutory limitations pursuant to formulae set forth in the Tax Levy Limitation Law.

The Tax Levy Limit Law restricts the increase in the amount of the succeeding year’s tax levy to no more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. The TLLL also provides for certain adjustments for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. The 2% limit can be increased and overridden annually through a local law enacted by a 60% supermajority vote by the Town Board subject to referenda requirements, if any, set forth in the Municipal Home Rule Law. Express exclusions from the 2% limit of TLLL include (i) funds needed to pay judgments in excess of 5% of the prior year’s tax levy, and (ii) retirement systems growth in the average actuarial contribution rate in excess of 2%. The Town is also permitted to carry forward a certain portion of its unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the Office of the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The TLLL does not provide an express exclusion from the tax levy limitation for payment of principal and interest on general obligations authorized and issued by the Town under the Local Finance Law. A plain English reading of the TLLL compared with the applicable and corresponding provisions of Article VIII of the New York Constitution (Local Government Finance) could lead to the conclusion that the TLLL is contrary to and violative of certain provisions of Article VIII the New York Constitution.

In the opinion of bond counsel, under current law, the limitations imposed by TLLL on real property tax levies do not diminish the prior lien on the first revenues of the Town set forth in the New York State Constitution and established by the aforesaid pledge of the Town's faith and credit requiring the Town to raise the necessary moneys and to exceed normal real estate tax limitations to pay the principal of and interest on the Notes. Bond counsel expresses no opinion on the validity of Chapter 97 of the Laws of 2011 under the applicable provisions of Article VIII of the New York Constitution.

Tax Certiorari Claims

In common with other municipalities, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of Town taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money. Any outstanding tax certiorari claims are not expected to have an adverse effect on the financial condition of the Town. (See "*Tax Collection Procedure*" and "*LITIGATION*" herein).

LITIGATION

In common with other municipalities, the Town from time to time receives notices of claim and is party to litigation. In the opinion of the Town, after consultation with the Town Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Town has not asserted a substantial and adequate defense, nor which, if determined against the Town, would have an adverse material effect on the financial condition of the Town.

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. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will 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.

IMPACT OF COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses.

Efforts to contain the spread of COVID-19 has reduced the spread of the virus and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. While public health conditions related to COVID-19 have improved as wide-scale vaccinations commenced, there can be no assurances against a resurgence of the disease and an imposition of public health restrictions in response. Variants of the coronavirus responsible for COVID-19 could lead to greater disease rates. A resurgence of COVID-19 in the region could have a material adverse effect on the Town and the State. Any future impact of COVID-19 and its variants to the Town's operations and finances cannot be predicted at this time due to the dynamic nature of COVID-19. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act (“ARPA”), is a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

The Town received the \$1.3 million in ARPA funds. The Town received the funds in two installments in July 2021 (\$610,000) and July 2022 (\$612,000). According to the ARPA, the Town must obligate the funds by December 31, 2024 and expend them by December 31, 2026. It is the intent of the Town, to the extent allowable under the ARPA, to use these funds for expenditures incurred as a well as lost revenue related to COVID-19. The Town intends to use the ARPA funds to purchase a new plow truck, complete upgrades to the Bullis Road Pump station and convert approximately 390 street lights to LED lights.

Although the ARPA provides for funds to be paid to the State, it is not possible to predict whether any future federal legislation will contain reduction in other federal aid to the State. Any reduction in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules. The Town will continue to monitor closely the current economic environment and the global COVID-19 pandemic situation, and take the proactive measures as required to ensure the strong financial condition of the Town.

NOTEHOLDER RISKS AND MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE

There are certain potential risks associated with an investment in the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors.

The Town’s credit rating could be affected by circumstances beyond the Town’s control. Economic conditions such as rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of Town property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the Town’s credit rating could adversely affect the market value of the Notes.

In addition, if and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any Notes. The price or principal value of the Notes is dependent on the prevailing level of interest rates. If interest rates should increase, the price of a note may decline causing the noteholder to potentially incur a capital loss if such note is sold prior to its maturity.

The financial condition of the Town as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the Town’s control. There can be no assurance that adverse events in the State including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or 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 borrowing and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The Town is dependent in part on financial assistance from the State in the form of State aid (“State Aid”). State aid accounts for a 11.04% portion of the Town’s 2022 budgeted revenues. The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State’s economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefore. Should the Town fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Town is authorized pursuant to the Local Finance Law (“LFL”) to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Town will have market access for any such borrowing on a cost effective basis. (See also “*State Aid*” herein.)

Future amendments to applicable statutes affecting the treatment of interest paid on municipal notes, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see “*Tax Matters*” herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire district in the State, including the Town, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the Town, may have an impact upon the market price for the Notes. (See “*Tax Levy Limit Law*,” herein).

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax and the Notes are qualified tax tax-exempt obligations as defined in Section 265(b)(3) of the Code; and (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Bond Counsel expresses no opinion as to any other tax consequences regarding the Notes.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Town contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Town’s certifications and representations or the continuing compliance with the Town’s covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Town may cause loss of such status and result in the interest on the Notes being included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. The Town has covenanted to take the actions required of it for the interest on the Notes to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Notes, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Notes or the market value of the Notes.

Interest on the Notes may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Notes. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Note owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel’s engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Town or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Town as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in

judicial review of such audit. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

Prospective purchasers of the Notes upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Notes at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Notes should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be affected and the ability of holders to sell their Notes in the secondary market may be reduced.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Notes (“Discount Notes”) as indicated on the cover of this Official Statement may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Notes. The issue price of a Discount Notes is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Notes of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Notes over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Notes (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Notes, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Notes. The amount of OID that accrues each year to a corporate owner of a Discount Notes is taken into account in computing the corporation’s liability for federal alternative minimum tax. A purchaser of a Discount Notes in the initial public offering at the price for that Discount Notes stated on the cover of this Official Statement who holds that Discount Notes to maturity will realize no gain or loss upon the retirement of that Discount Notes.

Certain of the Notes (“Premium Notes”) as indicated on the cover of this Official Statement may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes note premium. For federal income tax purposes, note premium is amortized over the period to maturity of a Premium Notes, based on the yield to maturity of that Premium Note (or, in the case of a Premium Note callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Note), compounded semiannually. No portion of that note premium is deductible by the owner of a Premium Note. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Note, the owner’s tax basis in the Premium Note is reduced by the amount of note premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Note for an amount equal to or less than the amount paid by the owner for that Premium Note. A purchaser of a Premium Note in the initial public offering at the price for that Premium Note stated on the cover of this Official Statement who holds that Premium Note to maturity (or, in the case of a callable Premium Note, to its earlier call date that results in the lowest yield on that Premium Note) will realize no gain or loss upon the retirement of that Premium Note.

Owners of Discount and Premium Notes should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or note premium properly accruable or amortizable in any period with respect to the Discount or Notes and as to other federal tax consequences and the treatment of OID and note premium for purposes of state and local taxes on, or based on, income.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

Upon delivery of the Notes, the Town shall furnish a certificate of the Town Attorney, dated the date of delivery of the Notes, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the e Notes, and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the Town wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Town or adversely affect the power of the Town to levy, collect and enforce the collection of taxes or other revenues for the payment of the Notes, which has not been disclosed in this Official Statement.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinion of the law firm of Squire Patton Boggs (US) LLP, Bond Counsel to the Town with respect to the Notes, which will be available at the time of delivery of the Notes. Such opinion will be to the effect that the Notes are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Town is subject to the levy of ad valorem real estate taxes to pay the Notes and interest thereon, subject to the limitations imposed by the Tax Levy Limit Law. The opinion shall also discuss the treatment of interest on the Notes under applicable tax laws, as further described in the section entitled "Tax Matters" and shall also contain further statements to the effect that (a) the enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and (b) said law firm gives no assurances and expresses no opinion as to the adequacy, sufficiency or completeness of the Official Statement of the Town relating to the Notes, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Notes which have been or may be furnished or disclosed to purchasers of the Notes.

Closing Certificates

Upon the delivery of the Notes, the Purchaser will be furnished with the following items: (i) a Certificate of the Town Supervisor of the Town to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Notes, this Official Statement did not and does 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, and further stating that there has been no adverse material change in the financial condition of the Town since the date of this Official Statement up to and including the time of delivery of the Notes, and having attached thereto a copy of this Official Statement; (ii) a Certificate signed by the Town Supervisor evidencing payment for the Notes; (iii) a Signature Certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending or threatened, restraining or enjoining the issuance and delivery of the Notes or the levy and collection of taxes to pay the principal thereof and interest thereon, nor in any manner questioning the proceedings and authority under which the Notes were authorized or affecting the validity of the Notes thereunder, (b) neither the corporate existence or boundaries of the Town nor the title of any of the officers thereof to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (iv) a Tax Certificate executed by the Town Supervisor, as described under "Tax Matters."

RATING

The Notes are not rated. Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761, has assigned a rating of "Aa3" to the outstanding bonds of the Town. This rating will reflect only the view of Moody's, and any desired explanation of the significance of such rating should be obtained from such Moody's. Generally, Moody's bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the 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 Moody's, circumstances so warrant. Any downward revision or withdrawal of such rating could have an adverse affect on the market price of the Notes or the availability of a secondary market for such Notes. Such rating should not be taken as a recommendation to put or hold the Notes.

MUNICIPAL ADVISOR

Munistat Services, 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 municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of Patrick Bowen, Finance Manager, Town of Plattsburgh, Town Hall, 151 Banker Road, Plattsburgh, New York 12901, telephone number 518/562-6839, email patrickb@townofplattsburgh.org or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888 and website: <http://www.munistat.com>.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.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. Munistat Services, 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 Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, 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. Munistat Services, Inc. and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Squire Patton Boggs (US) LLP expresses no opinion regarding the accuracy or completeness of any document prepared by or on behalf of the Town for use in connection with the offer and sale of the Notes, including this Official Statement and the appendices thereto.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be, in fact, realized. This Official Statement is not to be construed as a contract or agreement between the Town and the original purchasers or owners of any of the Notes.

The preparation and distribution of this Official Statement has been authorized by various resolutions of the Town which delegates to the Town Supervisor the power to sell and issue the Notes.

By: s/s MICHAEL S. CASHMEN
Town Supervisor and Chief Fiscal Officer
Town of Plattsburgh
Plattsburgh, New York

August , 2022

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund

	Fiscal Year Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 80,143	\$ 46,966	\$ 36,181	\$ 42,358	\$ 46,395
Non-property Taxes	2,902,360	2,962,904	2,984,673	2,941,326	3,855,214
Departmental Income	45,288	41,705	85,747	48,394	116,066
Intergovernmental Charges	4,592	5,392	5,057		2,245
Use of Money and Property	17,997	19,231	42,226	27,004	17,839
Licenses and Permits	100,535	65,860	191,905	170,267	320,285
Fines and Forfeitures	277,962	290,098	297,094	218,715	233,654
Sale of Property and Comp. for Loss		26,987			314
Miscellaneous	22,834	14,518	108,845	354,045	233,787
State Aid	336,629	380,914	303,200	297,015	467,286
Federal Aid					
Total Revenues	<u>3,788,340</u>	<u>3,854,575</u>	<u>4,054,928</u>	<u>4,099,124</u>	<u>5,293,085</u>
Other Financing Sources:					
Proceeds of Obligations					
Operating Transfers In	<u>34,435</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Total Revenues and Other Financing Sources	<u>3,822,775</u>	<u>3,869,575</u>	<u>4,069,928</u>	<u>4,114,124</u>	<u>5,308,085</u>
Expenditures:					
General Government Support	1,470,489	1,548,040	1,557,486	1,593,953	1,683,008
Public Safety	23,407	20,477	20,581	23,084	21,317
Health	600	600	600	600	600
Transportation	81,199	84,807	83,956	97,308	87,252
Economic Assistance and Opportunity	32,578	34,764	48,709	32,998	33,566
Culture and Recreation	155,466	157,893	170,734	145,948	157,737
Home and Community Services	460,527	483,645	645,182	680,143	679,747
Employee Benefits	854,399	824,895	793,650	850,028	853,985
Debt Service	146,995				
Capital Outlay	<u>113,063</u>	<u>96,324</u>	<u>242,042</u>	<u>82,761</u>	<u>174,991</u>
Total Expenditures	<u>3,338,723</u>	<u>3,251,445</u>	<u>3,562,940</u>	<u>3,506,823</u>	<u>3,692,203</u>
Other Financing Uses:					
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(597,308)</u>
Total Expenditures and Other Financing Uses	<u>3,338,723</u>	<u>3,251,445</u>	<u>3,562,940</u>	<u>3,506,823</u>	<u>4,289,511</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>484,052</u>	<u>618,130</u>	<u>506,988</u>	<u>607,301</u>	<u>1,018,574</u>
Fund Balance Beginning of Year Adjustment	1,783,589	2,267,641	2,885,771	3,392,759	4,000,060
Fund Balance, Restated	<u>1,783,589</u>	<u>2,267,641</u>	<u>2,885,771</u>	<u>3,392,759</u>	<u>4,000,060</u>
Fund Balance End of Year	<u>\$ 2,267,641</u>	<u>\$ 2,885,771</u>	<u>\$ 3,392,759</u>	<u>\$ 4,000,060</u>	<u>\$ 5,018,634</u>

Sources: Audited Annual Financial Reports (2017-2021)
This Schedule Not Audited.

Statement of Revenues, Expenditures and Changes in Fund Balances
Highway Fund

	Fiscal Year Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 1,179,257	\$ 1,197,670	\$ 1,146,358	\$ 1,068,959	\$ 1,086,202
Non Property Taxes	1,071,396	1,192,763	1,249,077	1,101,335	938,102
Intergovernmental Charges	71,622	75,221	76,346	77,498	78,654
Use of Money and Property	1,684	2,403	12,520	4,947	846
Sale of Property and Comp. for Loss	1,102	20,061	27,105	17,120	16,153
Miscellaneous	21,638	1,406	989		39,848
State Aid	210,433	217,660	200,332	177,798	310,843
Federal Aid		36,581			
Total Revenues	<u>2,557,132</u>	<u>2,743,765</u>	<u>2,712,727</u>	<u>2,447,657</u>	<u>2,470,648</u>
Other Financing Sources:					
Debt Proceeds					
Operating Transfers In					
Total Revenues and Other Financing Sources	<u>2,557,132</u>	<u>2,743,765</u>	<u>2,712,727</u>	<u>2,447,657</u>	<u>2,470,648</u>
Expenditures:					
General Government Support					
Transportation	1,355,494	1,339,309	1,432,859	1,378,811	1,373,205
Home and Community Services					
Employee Benefits	510,775	509,891	480,778	484,738	511,883
Debt Service	146,138	142,425	138,692		
Capital Outlay	478,081	363,771	627,131	393,262	491,163
Total Expenditures	<u>2,490,488</u>	<u>2,355,396</u>	<u>2,679,460</u>	<u>2,256,811</u>	<u>2,376,251</u>
Other Financing Uses:					
Operating Transfers Out					
Total Expenditures and Other Financing Uses	<u>2,490,488</u>	<u>2,355,396</u>	<u>2,679,460</u>	<u>2,256,811</u>	<u>2,376,251</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>66,644</u>	<u>388,369</u>	<u>33,267</u>	<u>190,846</u>	<u>94,397</u>
Fund Balances Beginning of Year	1,078,671	1,145,315	1,533,684	1,566,951	1,757,797
Prior Period Adjustment					
Fund Balances, Restated	<u>1,078,671</u>	<u>1,145,315</u>	<u>1,533,684</u>	<u>1,566,951</u>	<u>1,757,797</u>
Fund Balances End of Year	<u>\$ 1,145,315</u>	<u>\$ 1,533,684</u>	<u>\$ 1,566,951</u>	<u>\$ 1,757,797</u>	<u>\$ 1,852,194</u>

1. Includes the following funds: Community Development, Municipal Parking Lot, Recreation Complex, Water, Sewer, Public Library, and Self Insurance.

Sources: Audited Annual Financial Reports (2017-2021)

Note: This Schedule Not Audited.

Statement of Revenues, Expenditures and Changes in Fund Balances
Sewer Fund

	Fiscal Year Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 557,051	\$ 643,022	\$ 661,694	\$ 700,004	\$ 677,655
Departmental Income	1,150,802	1,378,498	1,511,906	1,569,153	1,634,880
Use of Money and Property	13,370	25,529	50,995	17,819	8,154
Sale of Property and Comp. for Loss	214,077	1,075			
Miscellaneous	34,924	44,866	50,641	61,771	46,649
State Aid					
Federal Aid					
Total Revenues	<u>1,970,224</u>	<u>2,092,990</u>	<u>2,275,236</u>	<u>2,348,747</u>	<u>2,367,338</u>
Other Financing Sources:					
Proceeds of Obligations				60,662	
Operating Transfers In	54,172	78,658			180,499
Total Revenues and Other Financing Sources	<u>2,024,396</u>	<u>2,171,648</u>	<u>2,275,236</u>	<u>2,409,409</u>	<u>2,547,837</u>
Expenditures:					
Home and Community Services	889,756	979,886	858,022	916,956	870,091
Debt Service	123,143	104,474	251,353	298,368	342,605
Capital Outlay	12,700	21,286	34,493	3,557	8,498
Total Expenditures	<u>1,025,599</u>	<u>1,105,646</u>	<u>1,143,868</u>	<u>1,218,881</u>	<u>1,221,194</u>
Other Financing Uses:					
Operating Transfers Out	(974,318)	(765,144)	(498,868)	(406,051)	(351,369)
Total Expenditures and Other Financing Uses	<u>1,999,917</u>	<u>1,870,790</u>	<u>1,642,736</u>	<u>1,624,932</u>	<u>1,572,563</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>24,479</u>	<u>300,858</u>	<u>632,500</u>	<u>784,477</u>	<u>975,274</u>
Fund Balance Beginning of Year	3,112,786	3,137,265	3,438,123	4,070,623	4,855,100
Adjustment					
Fund Balance, Restated	<u>3,112,786</u>	<u>3,137,265</u>	<u>3,438,123</u>	<u>4,070,623</u>	<u>4,855,100</u>
Fund Balance End of Year	<u>\$ 3,137,265</u>	<u>\$ 3,438,123</u>	<u>\$ 4,070,623</u>	<u>\$ 4,855,100</u>	<u>\$ 5,830,374</u>

Sources: Audited Annual Financial Reports (2017-2021)
This Schedule Not Audited.

**Statement of Revenues, Expenditures and Changes in Fund Balances
Water Fund**

	Fiscal Year Ending December 31:				
	2017	2018	2019	2020	2021
Revenues:					
Real Property Taxes	\$ 1,498,921	\$ 1,560,732	\$ 1,757,085	\$ 1,914,677	\$ 1,742,899
Departmental Income	941,037	1,089,496	1,195,251	1,327,120	1,464,696
Use of Money and Property	14,966	106,881	120,890	98,328	93,253
Licenses and Permits	73,183				
Fines and Forfeitures		75	15		
Miscellaneous		32,034	107,422	54,331	
State Aid	14,975				
Total Revenues	2,543,082	2,789,218	3,180,663	3,394,456	3,300,848
Other Financing Sources:					
Proceeds of Obligations				368,803	
Operating Transfers In	3		10,607		176,514
Total Revenues and Other Financing Sources	2,543,085	2,789,218	3,191,270	3,763,259	3,477,362
Expenditures:					
Home and Community Services	327,769	338,107	346,236	335,284	372,712
Debt Service	652,724	631,378	1,179,612	1,208,228	1,212,229
Capital Outlay	38,750	14,759	12,300	13,337	29,611
Total Expenditures	1,019,243	984,244	1,538,148	1,556,849	1,614,552
Other Financing Uses:					
Operating Transfers Out	(910,604)	(2,669,372)	(1,129,580)	(899,997)	(1,612,231)
Total Expenditures and Other Financing Uses	1,929,847	3,653,616	2,667,728	2,456,846	3,226,783
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	613,238	(864,398)	523,542	1,306,413	250,579
Fund Balance Beginning of Year	3,049,860	3,663,098	2,798,700	3,322,242	4,628,655
Adjustment					
Fund Balance, Restated	3,049,860	3,663,098	2,798,700	3,322,242	4,628,655
Fund Balance End of Year	\$ 3,663,098	\$ 2,798,700	\$ 3,322,242	\$ 4,628,655	\$ 4,879,234

Sources: Audited Annual Financial Reports (2017-2021)
This Schedule Not Audited.

Balance Sheets

Fiscal Year Ending December 31, 2021

	<u>General Fund</u>	<u>Highway Funds</u>	<u>Sewer Funds</u>	<u>Water Funds</u>
Assets:				
Cash	\$ 4,711,599	\$ 1,687,677	\$ 5,582,975	\$ 4,729,073
Other Receivables	119,116	5,120	176,557	165,118
Due from Other Funds	776		64,000	10,000
State & Federal Receivables		310,843		
Due from Other Governments	1,103,228	200,000	136,843	106,312
Prepaid Expenses	<u>70,815</u>	<u>31,609</u>		
Total Assets	<u>\$ 6,005,534</u>	<u>\$ 2,235,249</u>	<u>\$ 5,960,375</u>	<u>\$ 5,010,503</u>
Liabilities:				
Accounts Payable	\$ 241,031	\$ 42,932	\$ 108,146	\$ 15,716
Accrued Liabilities	30,220	43,480		
Other Liabilities				
Bond Anticipation Notes Payable				
Due to Other Funds	497,308			
Due to Other Governments	211,095	16,246	9,635	22,437
Deferred Revenues	<u>7,246</u>	<u>280,397</u>	<u>12,220</u>	<u>93,116</u>
Total Liabilities	<u>986,900</u>	<u>383,055</u>	<u>130,001</u>	<u>131,269</u>
Fund Balances:				
Committed			125,000	125,000
Nonspendable	70,815	31,609		
Restricted	354,758			
Assigned	358,376	1,820,585	5,705,374	4,754,234
Unassigned	<u>4,234,685</u>			
Total Fund Balances	<u>5,018,634</u>	<u>1,852,194</u>	<u>5,830,374</u>	<u>4,879,234</u>
Total Liabilities & Fund Balances	<u>\$ 6,005,534</u>	<u>\$ 2,235,249</u>	<u>\$ 5,960,375</u>	<u>\$ 5,010,503</u>

Sources: Audited Financial Statements (2021)

Note: This Schedule Not Audited.

Balance Sheets

	Fiscal Year Ending December 31, 2020			
	General <u>Fund</u>	Highway <u>Funds</u>	Sewer <u>Funds</u>	Water <u>Funds</u>
Assets:				
Cash	\$ 3,156,066	\$ 1,044,806	\$ 4,668,268	\$ 4,446,348
Due from Other Funds	8,940	177,798		
State & Federal Receivables				
Due from Other Governments	840,370	478,658	150,793	119,895
Other Receivables	156,160	6,450	199,424	180,000
Prepaid Expenses	<u>99,219</u>	<u>119,243</u>		
Total Assets	<u>\$ 4,260,755</u>	<u>\$ 1,826,955</u>	<u>\$ 5,018,485</u>	<u>\$ 4,746,243</u>
Liabilities:				
Accounts Payable	\$ 142,043	\$ 21,070	\$ 151,165	\$ 29,058
Accrued Liabilities	25,848	31,472		
Bond Anticipation Notes Payable				
Due to Other Funds				
Due to Other Governments	84,124			
Deferred Revenues				
Total Liabilities	<u>252,015</u>	<u>52,542</u>	<u>151,165</u>	<u>29,058</u>
Fund Balances:				
Nonspendable	99,219	119,243		
Restricted	347,850			
Assigned	721,658	560,443	4,855,100	4,628,655
Unassigned	<u>2,831,333</u>	<u>1,078,111</u>		
Total Fund Balances	<u>4,000,060</u>	<u>1,757,797</u>	<u>4,855,100</u>	<u>4,628,655</u>
Total Liabilities & Fund Balances	<u>\$ 4,252,075</u>	<u>\$ 1,810,339</u>	<u>\$ 5,006,265</u>	<u>\$ 4,657,713</u>

Sources: Audited Financial Statements (2020)

Note: This Schedule Not Audited.

**ADOPTED BUDGETS
GENERAL FUND**

	Fiscal Years Ending December 31:	
	2021	2022
Revenues:		
Real Property Taxes	\$ 21,000	\$ 22,000
Other Property Tax Items	10,000	17,000
Non-Property Tax items	2,152,539	2,811,159
Departmental Income	279,500	279,000
Use of Money and Property	29,700	20,830
Licenses and Permits	94,550	139,550
Fines and Forfeitures	250,000	275,000
Miscellaneous	5,000	80,000
Interfund Revenues	89,242	15,000
State and Other Local Government Aid	379,000	495,803
Appropriated Fund Balance	654,311	343,390
Total Revenues	3,964,842	4,498,732
Expenditures:		
General Government Support	2,450,037	2,740,006
Public Safety	35,200	40,968
Health	698	714
Transportation	153,525	155,906
Economic Assistance & Opportunity	49,407	59,906
Culture and Recreation	246,075	311,297
Home & Community Services	1,029,900	1,189,935
Debt Service		
Operating Transfers Out		
Total Expenditures	3,964,842	4,498,732

Source: Adopted Budgets of the Town of Plattsburgh

TOWN OF PLATTSBURGH

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT

TOWN OF PLATTSBURGH, NEW YORK

Basic Financial Statements
Supplementary Information and
Independent Auditors' Report

December 31, 2021

TOWN OF PLATTSBURGH, NEW YORK

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TOWN OF PLATTSBURGH, NEW YORK

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INDEPENDENT AUDITORS' REPORT

Town Board and Supervisor
Town of Plattsburgh, New York:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional information as listed in the table of contents on pages 43 through 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining 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 April 26, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 26, 2022

TOWN OF PLATTSBURGH, NEW YORK

Management's Discussion and Analysis

December 31, 2021

As management of the Town of Plattsburgh (the Town), this narrative is an overview and analysis of the financial activities of the Town for the year ended December 31, 2021. This is presented here in conjunction with additional information that the Town has furnished in the financial statements that follows this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of 2021 by \$50,069,500; an increase of \$5,121,212 from 2020.
- At the close of the current year, the Town's funds reported a total ending fund balance of \$19,500,170, a decrease of \$4,182 from the previous year. Approximately 92.6% is available for spending at the government's discretion (assigned-unappropriated and unassigned fund balance).
- At the end of the current year, the unassigned fund balance for the General Fund was \$4,234,685. This represents a \$1,403,352 increase from 2020.
- The Town's total long-term liabilities decreased by \$3,301,861 during the current year which consists of other postemployment benefits, net pension liability - proportionate share, bonds payable - long-term portion and compensated absences.

Overview of the Financial Statements

The Town's basic financial statements consist of three components; 1) government-wide financial statements 2) fund financial statements and 3) notes to financial statements. The basic financial statements present two different views of the Town's fiscal positions through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplementary information that will enhance the understanding of the financial condition of the Town.

Basic Financial Statements

The first two statements in the basic financial statements are the government-wide financial statements. They provide both short and long-term information about the Town's financial status. The next statements are fund financial statements. These statements focus on the activities of the individual parts of the Town's government.

The next section of the basic financial statements are the notes. The notes to financial statements help explain the information contained in the statements.

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole. The two government-wide statements report the Town's net position and how it has changed from the previous year. Net position is the difference between the total assets, deferred outflows of resources, liabilities and deferred inflows of resources. Measuring net position is one way to gauge the financial condition of the Town.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The Town uses fund accounting to ensure and reflect compliance with finance related legal requirements such as General Statutes or Laws. All funds of the Town can be divided into two categories: governmental funds or fiduciary funds.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using the modified accrual method of accounting that provides a short-term spending focus. As a result, the governmental fund financial statements give a detailed short-term view that helps determine if there are more or less financial resources available to finance the Town's programs. The relationship between governmental activities reported in the government-wide financial statements and the fund financial statements is described in two reconciliations that are part of the basic financial statements.

The Town adopts an annual budget for its General Fund as required by General Statutes. The budget is a legally adopted document that incorporates input from the citizens, the management of the Town and the decisions of the Town Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund that follows the notes to the financial statements demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting in the same format and classifications as the legal budget document.

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

The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual revenue and expenditures; and 4) the difference between the final budget and the actual revenue and expenditures.

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

Government-wide Financial Analysis

<u>Statements of Net Position</u>		<u>2021</u>	<u>2020</u>
Current assets		\$ 30,041,337	28,712,251
Capital assets, net		<u>50,199,253</u>	<u>46,112,471</u>
Total assets		80,240,590	74,824,722
Deferred outflows of resources		<u>3,898,791</u>	<u>3,163,489</u>
Total assets and deferred outflows of resources		<u>\$ 84,139,381</u>	<u>77,988,211</u>
Current liabilities		10,739,409	10,063,812
Long-term liabilities		<u>17,691,744</u>	<u>20,993,605</u>
Total liabilities		<u>28,431,153</u>	<u>31,057,417</u>
Deferred inflows of resources		<u>5,638,728</u>	<u>1,982,506</u>
Net position:			
Net investment in capital assets		30,019,132	27,728,935
Restricted		15,025,484	13,786,237
Unrestricted		<u>5,024,884</u>	<u>3,433,116</u>
Total net position		<u>50,069,500</u>	<u>44,948,288</u>
Total liabilities, deferred inflows of resources and net position		<u>\$ 84,139,381</u>	<u>77,988,211</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources by \$50,069,500 as of December 31, 2021. The Town's net position increased by \$5,121,212 for the year ended December 31, 2021. However, the largest portion (60.0%) of net position reflects the Town's net investment in capital assets (e.g. land, buildings, machinery and equipment); less any related debt still outstanding that was issued to acquire those items. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities.

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

Several aspects of the Town's financial operations that positively influenced the total unrestricted governmental net position are:

- Sales tax revenue continues to remain steady despite the COVID-19 pandemic.
- Continued low cost of debt due to the current interest rate structure.
- Review by the Town Board of all expenditures to control unnecessary spending, including financial analysis of the town funds.

Below are comparative statements of activities for the Town's years ended December 2021 and 2020.

	<u>2021</u>	<u>2020</u>
<u>Statements of Activities</u>		
Functions and programs:		
Program revenue:		
Charges for services	\$ 4,156,245	3,730,922
Operating grants and contributions	<u>2,291,835</u>	<u>474,813</u>
	<u>6,448,080</u>	<u>4,205,735</u>
Program expenses:		
General government support	4,103,514	4,527,828
Public safety	27,489	33,708
Health	484,786	478,307
Transportation	2,511,535	2,940,526
Economic assistance and opportunity	39,614	41,801
Culture and recreation	243,480	262,338
Home and community services	3,191,358	3,209,774
Interest	<u>340,134</u>	<u>375,261</u>
Total expenses	<u>10,941,910</u>	<u>11,869,543</u>
Total functions and programs, net of program revenue	<u>(4,493,830)</u>	<u>(7,663,808)</u>
General revenue:		
Real property taxes	4,285,992	4,445,748
Non-property tax items	4,793,316	4,042,661
Mausoleum converted to Town	-	1,785,000
Use of money and property	141,651	215,830
Sale of property and compensation for loss	-	56,197
Miscellaneous	<u>394,083</u>	<u>472,518</u>
Total general revenue	<u>9,615,042</u>	<u>11,017,954</u>
Change in net position	5,121,212	3,354,146
Net position at beginning of year	<u>44,948,288</u>	<u>41,594,142</u>
Net position at end of year	\$ <u>50,069,500</u>	<u>44,948,288</u>

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

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

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

The General Fund is the main operating fund of the Town. At the end of the current year, the unassigned fund balance of the General Fund was \$4,234,685. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 114.7% of the total General Fund expenditures.

General Fund budgetary highlights: During the year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts; and 3) increases in appropriations that become necessary to maintain services.

Capital Assets and Debt Administration

The Town's net investment in capital assets for its governmental activities as of December 31, 2021 total \$50,199,253. These assets include buildings, roads, land, machinery, equipment, park facilities and vehicles. Major transactions during the year include improvements in the Water and Sewer Districts and continuing road paving projects.

	<u>Capital Assets, Net</u>	
	<u>2021</u>	<u>2020</u>
Land	\$ 1,019,224	1,019,224
Construction-in-progress	3,422,369	3,931,249
Building and infrastructure	43,886,534	39,312,804
Furniture and equipment	<u>1,871,126</u>	<u>1,849,194</u>
Total capital assets, net	\$ <u>50,199,253</u>	<u>46,112,471</u>

As of December 31, 2021 the Town had total bonded debt outstanding of \$12,180,121, a decrease of \$878,415 in debt when compared to the end of 2020 of \$13,058,536. The general statutes limit the amount of general obligation debt that the Town can issue up to seven percent of the five-year average total assessed value taxable property located within that government's boundaries. The legal debt limit for the Town in 2021 was approximately \$82,011,860.

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

	<u>Outstanding Debt</u>	
	<u>2021</u>	<u>2020</u>
Serial bonds outstanding including premium	\$ 12,180,121	13,058,536
BANs outstanding	<u>8,000,000</u>	<u>5,325,000</u>
Total outstanding debt	<u>\$ 20,180,121</u>	<u>18,383,536</u>

Economic Factors and Next Year's Budget and Rates

Budget highlights for the year ended December 31, 2021:

- Actual revenue in the general fund was \$1,997,554 more than budgeted mainly due to non-property tax items resulting from an increase in sales tax revenue as well as licenses and permits resulting from building permits.
- General government support as well as home and community services, expenditures in the general fund were \$100,031 and \$181,702, respectively, less than budgeted due to strong budgetary controls.
- Employee benefits in the general fund were \$67,502 less than budgeted due to retirement and health insurance costs being less than anticipated.

Governmental Activities: Economic development in the Town continues to expand providing for economic growth in the Town. The Town is experiencing growth in both the residential and commercial sectors which will have a positive change in the Town's assessed property values. Sales tax revenue, which make up a significant portion of the general fund revenue and a moderate portion of the highway revenue, are expected to increase slightly due to the current economic trend. State Aid is expected to remain constant. Property taxes in the special districts continue to be supplemented with payments in lieu of taxes from Saranac Power Partners. The Highway Fund will continue to fund expenditures with a highway Town-wide real property tax and sales tax revenue. The Town will use these revenues to keep programs currently in place running.

Health insurance rates, retirement system employer contributions, fuel costs, road salt and the improvement and maintenance of infrastructure will be the major factors in any increases in the budget.

We continue to take a very conservative spending approach to maintaining our financial health. This is achieved in partnership with our Department Heads. Each year utilizing a modified zero based budgeting methodology. The global pandemic has had both short and long term impacts. Thus we will continue to monitor these fiscal impacts and recalibrate as necessary using the best information from the Office of the NYS Comptroller, Association of Towns and Clinton County. With the pre-pandemic behaviors returning, such as the Canadian border reopening, this will further strengthen our financial landscape. The Town of Plattsburgh continues to prioritize investments in our infrastructure. Couple this strong planning to support onboarding new businesses as well as those businesses looking to reinvest in our municipality.

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

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information should be directed to Patrick Bowen, Finance Manager, 151 Banker Road, Plattsburgh, New York 12901 or call 518-562-6825.

TOWN OF PLATTSBURG, NEW YORK
Statement of Net Position - Governmental Activities
December 31, 2021

Assets:	
Current assets:	
Cash - unrestricted	\$ 27,107,956
Cash - restricted	354,758
Receivables:	
Due from fiduciary funds	776
State and Federal aid	410,420
Due from other governments	1,548,276
Other	480,307
Prepaid expenses	<u>138,844</u>
Total current assets	<u>30,041,337</u>
Capital assets:	
Land	1,019,224
Construction-in-progress	3,422,369
Buildings	23,046,668
Infrastructure	70,651,601
Furniture and equipment	<u>6,843,662</u>
	104,983,524
Less accumulated depreciation	<u>(54,784,271)</u>
Capital assets, net	<u>50,199,253</u>
Total assets	<u>80,240,590</u>
Deferred outflows of resources:	
Pension	2,612,381
Other postemployment benefits	<u>1,286,410</u>
Total deferred outflows of resources	<u>3,898,791</u>
Liabilities, deferred inflows of resources and net position:	
Current liabilities:	
Accounts payable	1,386,752
Accrued liabilities	106,133
Accrued interest	108,509
Due to other governments	268,794
Bond anticipation notes payable	8,000,000
Bonds payable - current portion, including bond premium	<u>869,221</u>
Total current liabilities	<u>10,739,409</u>
Long-term liabilities:	
Total OPEB liability	5,486,833
Net pension liability-proportionate share	11,196
Bonds payable - long-term portion, including bond premium	11,310,900
Compensated absences	<u>882,815</u>
Total long-term liabilities	<u>17,691,744</u>
Total liabilities	<u>28,431,153</u>
Deferred inflows of resources:	
Unearned revenue	777,207
Pension	3,340,639
Other postemployment benefits	<u>1,520,882</u>
Total deferred inflows of resources	<u>5,638,728</u>
Net position:	
Net investment in capital assets	30,019,132
Restricted	15,025,484
Unrestricted	<u>5,024,884</u>
Total net position	<u>\$ 50,069,500</u>

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK
Statement of Activities - Governmental Activities
Year ended December 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net Revenue</u> <u>(Expense) and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	
Governmental activities:				
General government support	\$ 4,103,514	333,887	463,260	(3,306,367)
Public safety	27,489	-	-	(27,489)
Health	484,786	-	-	(484,786)
Transportation	2,511,535	78,654	310,843	(2,122,038)
Economic assistance and opportunity	39,614	-	-	(39,614)
Culture and recreation	243,480	28,654	4,025	(210,801)
Home and community services	3,191,358	3,715,050	1,513,707	2,037,399
Interest	340,134	-	-	(340,134)
Total governmental activities	\$ 10,941,910	4,156,245	2,291,835	(4,493,830)
General revenue:				
				4,285,992
				4,793,316
				141,651
				394,083
				9,615,042
				5,121,212
				44,948,288
				\$ 50,069,500

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK
Balance Sheet - Governmental Funds
December 31, 2021

	General	Capital Projects	Major Special Revenue				Nonmajor Special Revenue	Total Governmental Funds
			Highway	Water/Sewer Administration & Ambulance	Sewer	Water		
Assets:								
Cash - unrestricted	\$ 4,356,841	8,582,699	1,687,677	965,409	5,582,975	4,729,073	1,203,282	27,107,956
Cash - restricted	354,758	-	-	-	-	-	-	354,758
Receivables:								
Due from other funds	776	497,308	-	-	64,000	10,000	-	572,084
State and Federal aid	-	99,577	310,843	-	-	-	-	410,420
Due from other governments	1,103,228	-	200,000	1,894	136,843	106,311	-	1,548,276
Other	119,116	-	5,120	11,016	176,557	165,119	3,379	480,307
Prepaid expenditures	70,815	-	31,609	34,655	-	-	1,765	138,844
Total assets	\$ 6,005,534	9,179,584	2,235,249	1,012,974	5,960,375	5,010,503	1,208,426	30,612,645
Liabilities, deferred inflows of resources and fund balances:								
Liabilities:								
Accounts payable	241,031	924,515	42,932	38,572	108,146	15,715	15,841	1,386,752
Accrued liabilities	30,220	-	43,480	30,916	-	-	1,517	106,133
Due to other funds	497,308	74,000	-	-	-	-	-	571,308
Due to other governments	211,095	-	16,246	6,533	9,635	22,438	2,847	268,794
Bond anticipation notes payable	-	8,000,000	-	-	-	-	-	8,000,000
Total liabilities	979,654	8,998,515	102,658	76,021	117,781	38,153	20,205	10,332,987
Deferred inflows of resources								
Unearned revenue	4,965	370,259	280,397	16,250	12,220	93,116	-	777,207
Unavailable revenue	2,281	-	-	-	-	-	-	2,281
Total deferred inflows of resources	7,246	370,259	280,397	16,250	12,220	93,116	-	779,488
Fund balances (deficit):								
Nonspendable	70,815	-	31,609	34,655	-	-	1,765	138,844
Restricted	354,758	-	-	-	-	-	-	354,758
Committed	-	-	-	-	125,000	125,000	-	250,000
Assigned - appropriated	358,376	-	195,297	120,945	-	9,700	21,890	706,208
Assigned - unappropriated	-	-	1,625,288	765,103	5,705,374	4,744,534	1,164,566	14,004,865
Unassigned	4,234,685	(189,190)	-	-	-	-	-	4,045,495
Total fund balances (deficit)	5,018,634	(189,190)	1,852,194	920,703	5,830,374	4,879,234	1,188,221	19,500,170
Total liabilities, deferred inflows and fund balances (deficit)	\$ 6,005,534	9,179,584	2,235,249	1,012,974	5,960,375	5,010,503	1,208,426	30,612,645

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK
 Reconciliation of the Balance Sheet - Governmental Funds
 to the Statement of Net Position
 December 31, 2021

Total governmental fund balance	\$ 19,500,170
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are included as assets in the government-wide financial statements, net of accumulated depreciation.	50,199,253
Deferred outflows and inflows of resources related to the net pension liability are included in the government-wide financial statements.	(728,258)
Deferred outflows and inflows of resources related to OPEB are included in the government-wide financial statements.	(234,472)
Deferred revenue from receivables not available to pay for current period expenditures and is therefore deferred in the funds.	2,281
Long-term liabilities for bonded debt, including bond premiums, are included in the government-wide financial statements as liabilities.	(12,180,121)
Current liabilities for interest payable on long-term debt are included in the government-wide financial statements as liabilities.	(108,509)
Long-term liabilities for compensated absences are included in the government-wide financial statements as liabilities.	(882,815)
Long-term liabilities for other postemployment benefits are included in the government-wide financial statements as liabilities.	(5,486,833)
Long-term liabilities for the proportionate share of the net pension liability is included in the government-wide financial statements as liabilities.	<u>(11,196)</u>
Total net position	<u>\$ 50,069,500</u>

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended December 31, 2021

	Major Special Revenue						Nonmajor Special Revenue	Total Governmental Funds
	<u>General</u>	<u>Capital Projects</u>	<u>Highway</u>	<u>Water/Sewer Administration & Ambulance</u>	<u>Sewer</u>	<u>Water</u>		
Revenue:								
Real property taxes	\$ 46,395	-	1,086,202	480,968	677,655	1,742,899	251,873	4,285,992
Non-property tax items	3,855,214	-	938,102	-	-	-	-	4,793,316
Departmental income	116,066	-	-	73,000	1,634,880	1,464,696	-	3,288,642
Intergovernmental charges	2,245	-	78,654	232,765	-	-	-	313,664
Use of money and property	17,839	5,276	14,635	1,992	8,154	93,254	501	141,651
Licenses and permits	320,285	-	-	-	-	-	-	320,285
Fines and forfeitures	233,654	-	-	-	-	-	-	233,654
Sale of property and compensation for loss	314	-	2,364	929	-	-	5,185	8,792
State aid	467,286	1,513,706	310,843	-	-	-	-	2,291,835
Miscellaneous	233,787	-	39,848	76,516	46,649	-	455	397,255
Total revenue	<u>5,293,085</u>	<u>1,518,982</u>	<u>2,470,648</u>	<u>866,170</u>	<u>2,367,338</u>	<u>3,300,849</u>	<u>258,014</u>	<u>16,075,086</u>
Expenditures:								
General government support	1,683,008	-	-	1,102,965	-	-	19,964	2,805,937
Public safety	21,317	-	-	-	-	-	-	21,317
Health	600	-	-	483,894	-	-	-	484,494
Transportation	87,252	-	1,373,205	-	-	-	162,232	1,622,689
Economic assistance and opportunity	33,566	-	-	-	-	-	-	33,566
Culture and recreation	157,737	-	-	-	-	-	-	157,737
Home and community services	679,747	-	-	-	870,091	372,712	-	1,922,550
Employee benefits	853,985	-	511,883	505,290	-	-	29,977	1,901,135
Debt service:								
Principal	-	-	-	-	227,527	954,415	-	1,181,942
Interest	-	-	-	-	115,078	257,814	-	372,892
Capital outlay	174,991	5,174,976	491,163	5,999	8,498	29,611	14,771	5,900,009
Total expenditures	<u>3,692,203</u>	<u>5,174,976</u>	<u>2,376,251</u>	<u>2,098,148</u>	<u>1,221,194</u>	<u>1,614,552</u>	<u>226,944</u>	<u>16,404,268</u>
Excess (deficiency) revenue over expenditures	<u>1,600,882</u>	<u>(3,655,994)</u>	<u>94,397</u>	<u>(1,231,978)</u>	<u>1,146,144</u>	<u>1,686,297</u>	<u>31,070</u>	<u>(329,182)</u>

(Continued)

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds, Continued

	Major Special Revenue						Nonmajor Special Revenue	Total Governmental Funds
	<u>General</u>	<u>Capital Projects</u>	<u>Highway</u>	<u>Water/Sewer Administration & Ambulance</u>	<u>Sewer</u>	<u>Water</u>		
Other financing sources (uses):								
BANS redeemed from appropriations	\$ -	325,000	-	-	-	-	-	325,000
Transfers in	15,000	1,432,912	-	1,127,997	180,499	176,514	-	2,932,922
Transfers out	(597,308)	(357,013)	-	(15,000)	(351,369)	(1,612,232)	-	(2,932,922)
Total other financing sources (uses)	<u>(582,308)</u>	<u>1,400,899</u>	<u>-</u>	<u>1,112,997</u>	<u>(170,870)</u>	<u>(1,435,718)</u>	<u>-</u>	<u>325,000</u>
Net change in fund balances	1,018,574	(2,255,095)	94,397	(118,981)	975,274	250,579	31,070	(4,182)
Fund balances beginning of year	<u>4,000,060</u>	<u>2,065,905</u>	<u>1,757,797</u>	<u>1,039,684</u>	<u>4,855,100</u>	<u>4,628,655</u>	<u>1,157,151</u>	<u>19,504,352</u>
Fund balances (deficit) at end of year	<u><u>\$ 5,018,634</u></u>	<u><u>(189,190)</u></u>	<u><u>1,852,194</u></u>	<u><u>920,703</u></u>	<u><u>5,830,374</u></u>	<u><u>4,879,234</u></u>	<u><u>1,188,221</u></u>	<u><u>19,500,170</u></u>

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK
 Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances
 - Governmental Funds to the Statement of Activities
 Year ended December 31, 2021

Net change in fund balances	\$ (4,182)
Amounts reported for governmental activities in the statement of activities are different because:	
Current year capital outlay reported as expenditures in the governmental fund financial statements are shown as an increase in capital assets in the government-wide financial statements.	5,885,728
Bond premiums provide current financial resources to governmental funds, however these are amortized over the life of the bond in the statement of net position.	21,473
Current year debt principal payments reported as expenditures in the governmental fund financial statements are shown as a reduction in debt in the government-wide financial statements.	856,942
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due.	11,285
Compensated absences are expensed on the government-wide financial statements when earned, whereas in the governmental fund financial statements, an expenditure is reported when compensated absences time is used.	(28,963)
Other postemployment benefits are expensed on the government-wide financial statements when earned, whereas in the governmental fund financial statements, an expenditure is reported when benefits are paid.	(102,795)
Current year change in proportionate share of the net pension liability and the related deferred inflows and deferred outflows of resources on the government-wide financial statements are not recognized in governmental funds since it does not provide for current financial resources.	283,694
Some revenues are reported in the statement of activities that do not result in current financial resources and therefore are not reported as revenue in the governmental funds.	(3,024)
Current year loss on sale of capital assets is reported as a decrease in revenue on the government-wide financial statements and is not recorded on the governmental fund financial statements and the related proceeds are reported as a revenue on the governmental fund financial statements and are not reported on the government-wide financial statements.	(8,940)
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The effect of the current year's depreciation decreases net position.	<u>(1,790,006)</u>
Change in net position of governmental activities	<u>\$ 5,121,212</u>

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK
Statement of Fiduciary Net Position - Fiduciary Funds
December 31, 2021

	<u>Custodial Funds</u>
Assets:	
Cash	\$ 4,968
Cash - escrow accounts	<u>105,848</u>
Total assets	110,816
Liabilities - due to other funds	<u>776</u>
Fiduciary net position - restricted	<u><u>\$ 110,040</u></u>

See accompanying notes to the financial statements.

TOWN OF PLATTSBURGH, NEW YORK
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended December 31, 2021

	<u>Custodial Funds</u>
Additions:	
Property taxes collected:	
County	\$ 7,983,320
Fire districts	<u>2,018,002</u>
Total property taxes collected	10,001,322
Health insurance premiums	604
Escrow collections	<u>81,720</u>
Total additions	<u>10,083,646</u>
Deductions:	
Payment of property taxes	10,001,322
Health insurance premiums	10,523
Escrow payments	45,399
Parkland payments	<u>71,885</u>
Total deductions	<u>10,129,129</u>
Change in fiduciary net position	(45,483)
Fiduciary net position at beginning of year	<u>155,523</u>
Fiduciary net position at end of year	<u>\$ 110,040</u>

See accompanying notes to the financial statements.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements

December 31, 2021

(1) Summary of Significant Accounting Policies

The financial statements of the Town of Plattsburgh, New York (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standard setting body for establishing governmental accounting and financial reporting principles. Certain significant accounting principles and policies utilized by the Town are described below.

(a) Financial Reporting Entity

The Town was incorporated in 1785, is governed by the town law and other general laws of the State of New York (the State) and various local laws and ordinances. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of the supervisor and five councilors. The supervisor serves as chief executive officer and the chief fiscal officer of the Town.

The following basic services are provided:

Highways and streets
Water and sewage
Street lighting
Culture and recreation
Planning and zoning
General administrative services

The reporting entity of the Town is based upon criteria set forth by GASB Statement No. 14 - "The Financial Reporting Entity." The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and 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 accompanying financial statements present the activities of the Town and any component unit or other organizational entity determined to be includable in the Town's financial reporting entity. The decision to include a potential component unit or other organizational entity in the Town's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. The Town does not have any reportable component units or other organizational entities. The Town is not a component unit of another reporting entity.

(b) Basis of Presentation

(i) Government-wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the Town's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal

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

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

(i) Government-wide Statements, Continued

transactions. Governmental activities generally are financed through taxes, intergovernmental revenue, and other exchange and non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenue for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function, and, therefore are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenue include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that are not classified as program revenue, including all taxes, are presented as general revenue.

Proprietary fund operating revenue, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenue, such as subsidies, result from non-exchange transactions. Other non-operating revenue are ancillary activities such as investment earnings. The Town had no proprietary funds for the year ended December 31, 2021.

(ii) Fund Financial Statements

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

The Town reports the following major governmental funds:

General Fund - This is the Town's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Capital Projects Funds - These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Highway Special Revenue - This fund is used to account for revenue and expenditures for highway purposes in accordance with Section 141 of the Highway Law.

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

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

(ii) Fund Financial Statements, Continued

Water/Sewer Administration & Ambulance Special Revenue Fund - This fund is used to account for revenue and expenditures for the administration of the Town's water and sewer departments as well as the Town's ambulance district.

Sewer Special Revenue - This fund is used to account for taxes or other revenue, which are raised or received to provide sewage disposal services to the Town's residents and businesses.

Water Special Revenue - This fund is used to account for taxes or other revenue, which are raised or received to provide water distribution services to the Town's residents and businesses.

The other funds, which do not meet the major fund criteria, are aggregated and reported as nonmajor Governmental Funds. The following are reported as nonmajor Governmental Funds:

Storm Drainage - This fund is used to account for revenue and expenditures for drainage purposes.

Street Lighting - This fund is used to account for revenue and expenditures for lighting purposes.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the local government in a trustee or custodial capacity. The following are the Town's fiduciary funds.

Custodial Funds - Used to account for all other funds held by the Town in a custodial capacity.

(c) Measurement Focus and Basis of Accounting

(i) Government-wide Financial Statements

The Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

(1) Summary of Significant Accounting Policies, Continued

(c) Measurement Focus and Basis of Accounting, Continued

(ii) Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year-end. A 90 day availability period is used for recognition of all other governmental fund revenue.

The revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are accrued based on anticipated sales tax revenue due to the Town.

In applying the susceptible-to-accrual concept to state and federal aid, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenues at the time of receipt.

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

(d) 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 Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The Town is authorized to use demand accounts, time deposit accounts and certificates of deposit.

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

At December 31, 2021, the carrying amount of the Town’s demand and savings deposits was \$27,573,530 and the bank balance was \$27,613,339. Of the bank balance, \$750,000 was covered by FDIC insurance and \$26,863,339 was covered by collateral held by the pledging bank in the Town’s name. There were no uninsured deposits.

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

(1) Summary of Significant Accounting Policies, Continued

(d) Cash and Investments, Continued

Cash and cash equivalents include cash on hand, demand deposits and short-term investments. The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(e) Receivables

Receivables are shown gross, with uncollectible amounts written off under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

(f) Inventories and Prepaid Items

Purchases of inventorial items are recorded as expenditures at the time of purchase and are considered immaterial in amount. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and governmental fund financial statements, which are expensed as the items are used.

(g) Capital Assets

Capital assets, which include property, buildings, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than the capitalization thresholds below and an estimated useful life of two years or more. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Building and improvements	\$ 1,000	20 - 40 years
Infrastructure	1,000	20 - 50 years
Furniture and equipment	250 - 500	5 - 25 years

(h) Compensated Absences

The Town employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Sick leave eligibility and accumulation is specified in negotiated labor contracts and Town policy.

Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB Statement No. 16 - "Accounting for Compensated Absences," an accrual for accumulated sick leave calculated using the vesting method is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the pay rates in effect at year-end.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(i) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(j) Unearned Revenue

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

(k) Deferred Compensation

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

(l) Postemployment Benefits

The Town provides health insurance coverage for retired employees and their dependents. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age and retire under the State Employees Retirement System while working for the Town. The cost of providing postemployment benefits is shared between the Town and the retired employee. The Town recognizes the cost of providing health insurance by recording its share of insurance premiums for retirees and their dependents, as an expenditure in the year paid.

(m) Property Taxes

Real property taxes are collected solely through the Highway Fund and the Special Districts (ambulance, sewer, lighting, water and drainage). Other property tax items, such as penalties, are collected in the general fund. The tax rates are determined by dividing each district levy amount by its assessment value. Revenues for the Highway Fund are received from all Town residents and revenues for special districts are received from Town residents based on whether a particular service is available in their district. The taxes collected are used strictly to extinguish debt attributable to each district.

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

(1) Summary of Significant Accounting Policies, Continued

(m) Property Taxes, Continued

Real property taxes are levied annually by the Town no later than January 1. Taxes are collected during the period January 1 to April 30.

Uncollected real property taxes are subsequently enforced by the County of Clinton (the County) in which the Town is located. The County pays an amount representing uncollected real property taxes, transmitted to the County for enforcement, to the Town no later than the following April 1.

(n) Net Position/Fund Balances

Net position in government-wide financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. Special revenue funds fund balance is included in restricted net position on the government-wide financial statements.

In the governmental fund financial statements, fund balances, as required by GASB Statement No. 54, are classified as follows:

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of Town law, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed - Amounts that can be used only for specific purposes determined by formal action by Town ordinance or resolution.
- Assigned - Amounts that are designated by the Town for a particular purpose but do not meet the criteria to be classified as restricted or committed.
- Unassigned - All amounts not included in other spendable classifications.

For the year ended December 31, 2021, the Town committed fund balance of \$125,000 each from the sewer fund and the water fund through Town Board resolution for infrastructure at the Old County Airport.

The purpose of GASB Statement No. 54 is to improve the usefulness, including the understandability, of governmental fund balance information by establishing criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

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

(1) Summary of Significant Accounting Policies, Continued

(o) Budgetary Procedures and Accounting

(i) General Budget Policies - No later than September 30, the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for the general and special revenue funds. After public hearings are conducted to obtain taxpayer comments, but no later than November 20, the Town Board adopts the Town budget. Any revisions that alter total appropriations of any department or fund must be approved by the Town Board. Budgetary controls are established for the capital projects fund through resolutions authorizing individual projects, which remain in effect for the life of the project.

(ii) Budget Basis of Accounting - Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

(iii) Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental fund types. For budgetary purposes, appropriations lapse at fiscal year-end except for that portion related to encumbered amounts. Open encumbrances at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

(p) Deferred Outflows and Inflows of Resources

Deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has four items that qualify for reporting in this category. The first item is related to the pension reported in the Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item relates to the Town's contributions to the pension system subsequent to the measurement date. The third item is related to other postemployment benefits reported in the Statement of Net Position. This represents changes of assumptions in the calculation of the liability. The fourth item relates to the Town's contributions of other postemployment benefits subsequent to the measurement date.

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

(1) Summary of Significant Accounting Policies, Continued

(p) Deferred Outflows and Inflows of Resources, Continued

Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has four items that qualify for reporting in this category. The first is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement periods between the Town's contributions and its proportional share of total contributions to the pension system not included in the pension expense. The second item represents differences between expected and actual experience related to the other postemployment liability as well as changes in assumptions. The third is reported in the Statement of Net Position and the Balance Sheet - Governmental Funds and relates to unearned revenue. The fourth item is reported on the Balance Sheet - Governmental Funds and relates to unavailable revenue for receivables not collected within 90 days of year end.

(q) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including compensated absences, other postemployment benefits, potential contingent liabilities and useful lives of long-lived assets.

(r) Impact of Recently Issued Accounting Pronouncements

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

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

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

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

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

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

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

(1) Summary of Significant Accounting Policies, Continued

(r) Impact of Recently Issued Accounting Pronouncements, Continued

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

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

(s) Risks and Uncertainties

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

(t) Subsequent Events

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

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

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

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

Total fund balances of the Town's governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

(b) Statement of Revenue, Expenditures and Changes in Fund Balances vs. Statement of Activities

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

(i) Long-term revenue differences

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

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

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

(b) Statement of Revenue, Expenditures and Changes in Fund Balances vs. Statement of Activities, Continued

(ii) Capital related differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

(iii) Long-term debt transaction differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position. Also, additions to long-term debt are recorded as revenue in the governmental fund statements and increases in liabilities in the Statement of Net Position.

(3) Capital Assets

A summary of capital asset balances and activity is as follows:

	Balance January 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2021</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,019,224	-	-	1,019,224
Construction-in-progress	<u>3,931,249</u>	<u>5,491,775</u>	<u>(6,000,655)</u>	<u>3,422,369</u>
Total nondepreciable, historical cost	<u>4,950,473</u>	<u>5,491,775</u>	<u>(6,000,655)</u>	<u>4,441,593</u>
Capital assets, being depreciated:				
Buildings and improvements	17,379,400	5,667,268	-	23,046,668
Infrastructure	70,318,214	333,387	-	70,651,601
Furniture and equipment	<u>6,663,065</u>	<u>393,953</u>	<u>(213,356)</u>	<u>6,843,662</u>
Total depreciable historical cost	<u>94,360,679</u>	<u>6,394,608</u>	<u>(213,356)</u>	<u>100,541,931</u>

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

(3) Capital Assets, Continued

	Balance January 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2021</u>
Less accumulated depreciation:				
Buildings, infrastructure and improvements	\$ 48,384,810	1,426,925	-	49,811,735
Furniture and equipment	<u>4,813,871</u>	<u>363,081</u>	<u>(204,416)</u>	<u>4,972,536</u>
Total accumulated depreciation	<u>53,198,681</u>	<u>1,790,006</u>	<u>(204,416)</u>	<u>54,784,271</u>
Net depreciable historical cost	<u>41,161,998</u>	<u>4,604,602</u>	<u>(8,940)</u>	<u>45,757,660</u>
Governmental activities capital assets, net	<u>\$ 46,112,471</u>	<u>10,096,377</u>	<u>(6,009,595)</u>	<u>50,199,253</u>

(4) Indebtedness

(a) Long-Term Debt

The following is a summary of changes in long-term debt:

	Balance at December 31, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance at December 31, <u>2021</u>	Amounts due within <u>one year</u>
Serial bonds	\$ 12,629,071	-	856,942	11,772,129	847,748
Bond premium	429,465	-	21,473	407,992	21,473
Compensated absences	<u>853,852</u>	<u>28,963</u>	<u>-</u>	<u>882,815</u>	<u>-</u>
Total	<u>\$ 13,912,388</u>	<u>28,963</u>	<u>878,415</u>	<u>13,062,936</u>	<u>869,221</u>

Additions and deletions to compensated absences are shown net since it is impracticable to determine these amounts separately.

Bonds are comprised of the following:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding 12/31/21</u>
Cadyville WD Construction	10/1986	10/2025	6.000%	\$ 20,000
Treadwell Mills WD Improvements	9/1988	9/2027	6.375%	47,000
Wallace Hill WD #2 Phase II - NYSEFC	7/2001	5/2031	0.000%	154,790
Wallace Hill SD #3 - NYSEFC	7/2003	7/2033	0.000%	222,339
Cumberland Head WD - NYSEFC	7/2003	7/2022	0.000%	318,000
Champlain Park Sewer Closure - NYSEFC	10/2010	10/2039	2.132%	1,425,000
Public Improvement Bonds	8/2020	8/2040	2.000%	<u>9,585,000</u>
Total serial bonds				<u>\$ 11,772,129</u>

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

(4) Indebtedness, Continued

(a) Long-Term Debt, Continued

The following is a summary of maturing debt service requirements for serial bonds:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 847,748	215,752	1,063,500
2023	540,975	205,554	746,529
2024	551,203	194,924	746,127
2025	561,430	184,358	745,788
2026	556,657	173,523	730,180
2027-2031	2,969,694	699,573	3,669,267
2032-2036	3,124,422	405,244	3,529,666
2037-2040	<u>2,610,000</u>	<u>100,579</u>	<u>2,710,579</u>
	\$ <u>11,762,129</u>	<u>2,179,507</u>	<u>13,941,636</u>

(b) Bond Anticipation Notes

Liabilities for the bond anticipation notes (BANs) are accounted for in the capital projects fund. BANs must be renewed annually. Generally, BANs issued for assessable improvements may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. General capital purpose BANs must be converted to long-term obligations within five years after the original issue date. The following is an analysis of BANs outstanding at December 31, 2021:

<u>Description of Issue</u>	<u>Interest Rate</u>	<u>Balance at December 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2021</u>
Sewer and Water Improvements, due August 20, 2021	2.00%	\$ 5,325,000	-	5,325,000	-
Sewer and Water Improvements, due August 19, 2022	1.00%	-	8,000,000	-	8,000,000
		\$ <u>5,325,000</u>	<u>8,000,000</u>	<u>5,325,000</u>	<u>8,000,000</u>

Debt service expenditures are recorded in the fund that benefited from the capital project financed by the bonds or notes, i.e. the general fund or the appropriate special revenue fund.

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

(4) Indebtedness, Continued

(c) Interest Expense

Interest expense incurred on serial bonds and BANs for the year ended December 31, 2021 is as follows:

Interest paid	\$ 372,892
Less bond premium amortized in the current year	(21,473)
Less interest accrued in the prior year	(119,794)
Plus interest accrued in the current year	<u>108,509</u>
Total expense	\$ <u>340,134</u>

(5) Pension Plan

(a) Plan Descriptions and Benefits Provided

Employees' Retirement System

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

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

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

(5) Pension Plan, Continued

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

At December 31, 2021, the Town reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportionate share of the net pension liability was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Town.

Measurement date	March 31, 2021
Valuation date	April 1, 2020
Net pension liability	\$11,196
 Town's proportion of the Plan's net pension liability	 0.0112441%
 Change in proportionate share from prior year	 (0.0005746)

For the year ended December 31, 2021, the Town's recognized pension expense of \$235,873 in the Statement of Activities. At December 31, 2021, the Town's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 136,736	-
Changes of assumptions	2,058,620	38,826
Net difference between projected and actual investment earnings on pension plan investments	-	3,216,207
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	9,373	85,606
Town's contributions subsequent to the measurement date	<u>407,652</u>	<u>-</u>
Total	\$ <u>2,612,381</u>	<u>3,340,639</u>

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

(5) Pension Plan, Continued

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

Town contributions subsequent to the March 31, 2021 measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ending</u>	
2022	\$ (208,820)
2023	(93,623)
2024	(197,985)
2025	<u>(635,482)</u>
	\$ <u>(1,135,910)</u>

(c) Actuarial Assumptions

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

Measurement date	March 31, 2021
Actuarial valuation date	April 1, 2020
Investment rate of return (net of investment expense, including inflation)	5.9%
Salary increases	4.4%
Inflation	2.7%
Cost-of-living adjustments	1.4%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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

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

(5) Pension Plan, Continued

(c) Actuarial Assumptions, Continued

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic equity	32.00%	4.05%
International equity	15.00%	6.30%
Private equity	10.00%	6.75%
Real estate	9.00%	4.95%
Opportunistic/ARS portfolio	3.00%	4.50%
Credit	4.00%	3.63%
Real assets	3.00%	5.95%
Fixed income	23.00%	0.00%
Cash	<u>1.00%</u>	0.50%
	<u>100.00%</u>	

*The real rate of return is net of the long-term inflation assumption of 2.0%.

(d) Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate:

	1% Decrease <u>(4.9%)</u>	Current Assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ <u>(3,107,631)</u>	<u>(11,196)</u>	<u>2,844,442</u>

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

(5) Pension Plan, Continued

(f) Pension Plan Fiduciary Net Position

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

	(Dollars in Millions)
Measurement date	3/31/2021
Employers' total pension liability	\$ (220,680)
Plan fiduciary net position	<u>220,580</u>
Employers' net pension liability	\$ <u>(100)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	99.95%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of December 31, 2021 represent the projected employer contribution for the period of April 1, 2021 through March 31, 2022 based on paid employee wages multiplied by the employer's contribution rate, by tier. The retirement contribution paid to the System for the year ended December 31, 2021 was \$519,566.

(6) Other Postemployment Benefits

(a) Plan Description and Benefits

The Town administers the plan as a single-employer defined benefit other postemployment benefit (OPEB) plan. The plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the Town subject to the applicable collective bargaining and Town policy. The plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The Town provides certain health insurance benefits to retired employees and their families. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working. Policy has been to account for and fund these benefits on a pay-as-you-go basis.

The Town pays for 50% of the cost of the current active employee rate for health care benefits paid to qualified retirees while the retiree pays the remaining 50%. The Town has chosen to fund the healthcare benefits as costs are incurred.

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

(6) Other Postemployment Benefits, Continued

(b) Employees covered by benefit terms

At December 31, 2021, the following employees were covered by the benefit terms:

Current retirees	17
Active employees	<u>55</u>
	<u>72</u>

(c) Total OPEB Liability

The Town's total OPEB liability of \$5,486,833 was measured as of January 1, 2021 and was determined by an actuarial valuation as of January 1, 2020.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary scale	2.25%
Discount rate	2.12%
Inflation	2.20%
Healthcare cost trend rates	5.00% for 2021, decreasing to an ultimate rate of 3.94% for 2090

Mortality rates were based on the SOA RPH-2014 adjusted back to 2006 using Scale MP-2014 and projected forward using scale MP-2019.

(e) Changes in the Total OPEB Liability

Total OPEB liability as of January 1, 2021	\$ 4,829,973
Changes for the year:	
Service cost	159,157
Interest	135,481
Differences between actual and expected experience	(84,886)
Changes in assumptions and other inputs	536,232
Benefit payments (including implicit subsidy)	<u>(89,124)</u>
Total changes	<u>656,860</u>
Total OPEB liability as of December 31, 2021	\$ <u>5,486,833</u>

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

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

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

(6) Other Postemployment Benefits, Continued

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

	1% Decrease <u>(1.12 %)</u>	Current Discount Rate <u>(2.12%)</u>	1% Increase <u>(3.12%)</u>
Total OPEB liability	\$ <u>6,528,918</u>	<u>5,486,833</u>	<u>4,656,766</u>

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

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

	1% <u>Decrease</u>	Current Trend Rate <u>Rate</u>	1% <u>Increase</u>
Total OPEB liability	\$ <u>4,508,766</u>	<u>5,486,833</u>	<u>6,757,323</u>

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

For the year ended December 31, 2021, the Town recognized OPEB expense of \$200,073. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	1,198,842
Changes in assumptions and other inputs	1,189,132	322,040
Town's contributions subsequent to the measurement date	<u>97,278</u>	<u>-</u>
Total	\$ <u>1,286,410</u>	<u>1,520,882</u>

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

<u>Year ending</u>	
2022	\$ (94,565)
2023	(94,565)
2024	(94,565)
2025	(94,565)
2026	(40,637)
Thereafter	<u>87,147</u>
	\$ <u>(331,750)</u>

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

(7) Interfund Transactions

The operations of the Town give rise to certain transactions between funds including expenditures and transfers of resources to provide services. These transactions are recorded as interfund revenue, interfund transfers and expenditures in the respective funds.

Individual fund interfund receivable and payable balances at December 31, 2021, arising from these transactions and interfund revenue and expenditures are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenue</u>	<u>Interfund Expenditures</u>
General	\$ 776	497,308	15,000	597,308
Major special revenue:				
Capital	497,308	74,000	1,432,912	357,013
Water/sewer administration & ambulance	-	-	1,127,997	15,000
Sewer	64,000	-	180,499	351,369
Water	<u>10,000</u>	<u>-</u>	<u>176,514</u>	<u>1,612,232</u>
Total governmental activity	572,084	571,308	2,932,922	2,932,922
Custodial	<u>-</u>	<u>776</u>	<u>-</u>	<u>-</u>
Total	\$ <u>572,084</u>	<u>572,084</u>	<u>2,932,922</u>	<u>2,932,922</u>

(8) Commitments and Contingencies

(a) Risk Financing and Related Insurance

The Town is exposed to the risk of various types of loss which includes torts; theft of, damage to, and destruction of assets; and injuries to employees. These risks are covered by commercial insurance purchased from independent third parties. All claims are routinely turned over to the insurance carriers.

(b) Litigation

The Town is exposed to various risks of loss arising principally in the normal course of operations. These claims are being handled by the Town's attorneys and insurance companies. In the opinion of the attorneys, the outcome of these claims are either indeterminable, or will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

The Town also has open tax certiorari proceedings with a potential liability. The outcome of these proceedings is undeterminable and no provision for loss has been recorded.

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

(8) Commitments and Contingencies, Continued

(c) Grant Programs

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

(d) Environmental Concerns

In the normal course of operations, the Town is engaged in activities (i.e. gasoline storage) that are potentially hazardous to the environment. As of December 31, 2021, the Town has not experienced any instances of significant environmental problems.

(e) Encumbrances

The Town has outstanding commitments related to unperformed contracts for goods and services at December 31, 2021 as follows:

General fund	\$ 14,986
Highway fund	16,297
Water/Sewer administration and ambulance fund	99,791
Water fund	9,700
Street lighting	<u>1,890</u>
	\$ <u>142,664</u>

(f) Tax Abatements

As of December 31, 2021 the Town abatement programs include abatements on property taxes. All abatement agreements are made by Clinton County Industrial Development Agency (CCIDA), a component unit of the County.

All property tax abatements are performed through Payment in Lieu of Tax (PILOT) agreements made by CCIDA. The PILOT agreements are made to support construction, utilities and housing/hotels. Total taxes abated by CCIDA in each of these categories for the year ended December 31, 2021 is as follows:

Construction	\$ 184,896
Housing/hotels	13,606
Utilities	<u>141,547</u>
	\$ <u>340,049</u>

(g) Remedies for Default

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

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

(9) Net Position and Fund Balances

The following is a summary of fund balances at December 31, 2021:

	General Fund	Capital Projects Fund	Major Special Revenue Funds	Nonmajor Special Revenue Funds	Total
Nonspendable - prepaid expenditures	\$ 70,815	-	66,264	1,765	138,844
Restricted	354,758	-	-	-	354,758
Committed	-	-	250,000	-	250,000
Assigned - appropriated:					
Outstanding purchase orders	14,986	-	125,788	1,890	142,664
2022 budget appropriations	343,390	-	200,154	20,000	563,544
Assigned - unappropriated	-	-	12,840,299	1,164,566	14,004,865
Unassigned	<u>4,234,685</u>	<u>(189,190)</u>	<u>-</u>	<u>-</u>	<u>4,045,495</u>
	<u>\$ 5,018,634</u>	<u>(189,190)</u>	<u>13,482,505</u>	<u>1,188,221</u>	<u>19,500,170</u>

The following is a summary of net position at December 31, 2021:

Net investment in capital assets	\$ 30,019,132
Restricted (special revenue funds and restricted general fund)	15,025,484
Unrestricted	<u>5,024,884</u>
	<u>\$ 50,069,500</u>

TOWN OF PLATTSBURG, NEW YORK
Required Supplementary Information
Schedule of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
Year ended December 31, 2021

	Original <u>budget</u>	Final <u>budget</u>	<u>Actual</u>	Variance with final budget positive <u>(negative)</u>
Revenue:				
Real property taxes	\$ 36,000	36,000	46,395	10,395
Non-property tax items	2,348,539	2,348,539	3,855,214	1,506,675
Departmental income	72,500	72,500	116,066	43,566
Intergovernmental charges	6,000	6,000	2,245	(3,755)
Use of money and property	29,700	29,700	17,839	(11,861)
Licenses and permits	94,550	94,550	320,285	225,735
Fines and forfeitures	250,000	250,000	233,654	(16,346)
Sale of property and compensation for loss	-	-	314	314
State aid	379,000	379,000	467,286	88,286
Miscellaneous	79,242	79,242	233,787	154,545
Total revenue	<u>3,295,531</u>	<u>3,295,531</u>	<u>5,293,085</u>	<u>1,997,554</u>
Expenditures:				
General government support	1,740,498	1,783,039	1,683,008	100,031
Public safety	26,725	26,525	21,317	5,208
Health	695	695	600	95
Transportation	87,415	87,390	87,252	138
Economic assistance and opportunity	42,823	42,773	33,566	9,207
Culture and recreation	179,300	179,300	157,737	21,563
Home and community services	748,400	861,449	679,747	181,702
Employee benefits	951,597	921,487	853,985	67,502
Capital outlay	98,850	372,668	174,991	197,677
Total expenditures	<u>3,876,303</u>	<u>4,275,326</u>	<u>3,692,203</u>	<u>583,123</u>
Excess (deficiency) of revenue over expenditures	<u>(580,772)</u>	<u>(979,795)</u>	<u>1,600,882</u>	<u>2,580,677</u>
Other financing sources (uses):				
Transfers in	15,000	15,000	15,000	-
Transfers out	<u>(50,000)</u>	<u>(815,840)</u>	<u>(597,308)</u>	<u>218,532</u>
Total other financing sources (uses)	<u>(35,000)</u>	<u>(800,840)</u>	<u>(582,308)</u>	<u>218,532</u>
Net change in fund balance	(615,772)	(1,780,635)	1,018,574	2,799,209
Fund balance at beginning of year	<u>4,000,060</u>	<u>4,000,060</u>	<u>4,000,060</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,384,288</u>	<u>2,219,425</u>	<u>5,018,634</u>	<u>2,799,209</u>

TOWN OF PLATTSBURG, NEW YORK
 Required Supplementary Information
 Schedule of Revenue, Expenditures and Changes in Fund Balance -
 Budget and Actual - Highway Special Revenue Fund
 Year ended December 31, 2021

	Original <u>budget</u>	Final <u>budget</u>	<u>Actual</u>	Variance with final budget positive <u>(negative)</u>
Revenue:				
Real property taxes	\$ 1,097,553	1,097,553	1,086,202	(11,351)
Non-property tax items	797,935	797,935	938,102	140,167
Intergovernmental charges	79,000	79,000	78,654	(346)
Use of money and property	3,212	3,212	14,635	11,423
Sale of property and compensation for loss	-	-	2,364	2,364
State aid	120,000	236,680	310,843	74,163
Miscellaneous	-	-	39,848	39,848
Total revenue	<u>2,097,700</u>	<u>2,214,380</u>	<u>2,470,648</u>	<u>256,268</u>
Expenditures:				
Transportation	1,654,400	1,582,853	1,373,205	209,648
Employee benefits	538,300	538,300	511,883	26,417
Capital outlay	280,000	648,670	491,163	157,507
Total expenditures	<u>2,472,700</u>	<u>2,769,823</u>	<u>2,376,251</u>	<u>393,572</u>
Net change in fund balance	(375,000)	(555,443)	94,397	649,840
Fund balance at beginning of year	<u>1,757,797</u>	<u>1,757,797</u>	<u>1,757,797</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,382,797</u>	<u>1,202,354</u>	<u>1,852,194</u>	<u>649,840</u>

TOWN OF PLATTSBURG, NEW YORK
Required Supplementary Information
Schedule of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual - Water/Sewer Administration & Ambulance Special Revenue Fund
Year ended December 31, 2021

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget positive <u>(negative)</u>
Revenue:				
Real property taxes	\$ 487,500	487,500	480,968	(6,532)
Departmental income	51,400	51,400	73,000	21,600
Intergovernmental charges	232,765	232,765	232,765	-
Use of money and property	2,500	2,500	1,992	(508)
Sale of property and compensation for loss	-	-	929	929
Miscellaneous	-	-	76,516	76,516
Total revenue	<u>774,165</u>	<u>774,165</u>	<u>866,170</u>	<u>92,005</u>
Expenditures:				
General government support	1,230,650	1,238,769	1,102,965	135,804
Health	489,000	489,000	483,894	5,106
Employee benefits	525,400	525,400	505,290	20,110
Capital outlay	250,000	242,300	5,999	236,301
Total expenditures	<u>2,495,050</u>	<u>2,495,469</u>	<u>2,098,148</u>	<u>397,321</u>
Excess of expenditures over revenue	<u>(1,720,885)</u>	<u>(1,721,304)</u>	<u>(1,231,978)</u>	<u>489,326</u>
Other financing sources (uses):				
Transfers in	1,735,885	1,735,885	1,127,997	(607,888)
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,720,885</u>	<u>1,720,885</u>	<u>1,112,997</u>	<u>(607,888)</u>
Net change in fund balance	-	(419)	(118,981)	(118,562)
Fund balance at beginning of year	<u>1,039,684</u>	<u>1,039,684</u>	<u>1,039,684</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,039,684</u>	<u>1,039,265</u>	<u>920,703</u>	<u>(118,562)</u>

TOWN OF PLATTSBURG, NEW YORK
 Required Supplementary Information
 Schedule of Revenue, Expenditures and Changes in Fund Balance -
 Budget and Actual - Sewer Special Revenue Fund
 Year ended December 31, 2021

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenue:				
Real property taxes	\$ 687,289	687,289	677,655	(9,634)
Departmental income	1,262,100	1,262,100	1,634,880	372,780
Use of money and property	11,671	11,671	8,154	(3,517)
Miscellaneous	<u>57,114</u>	<u>57,114</u>	<u>46,649</u>	<u>(10,465)</u>
Total revenue	<u>2,018,174</u>	<u>2,018,174</u>	<u>2,367,338</u>	<u>349,164</u>
Expenditures:				
Home and community services	1,054,900	1,100,120	870,091	230,029
Debt service:				
Principal	227,527	227,527	227,527	-
Interest	70,066	133,527	115,078	18,449
Capital outlay	<u>68,000</u>	<u>64,370</u>	<u>8,498</u>	<u>55,872</u>
Total expenditures	<u>1,420,493</u>	<u>1,525,544</u>	<u>1,221,194</u>	<u>304,350</u>
Excess of revenue over expenditures	<u>597,681</u>	<u>492,630</u>	<u>1,146,144</u>	<u>653,514</u>
Other financing sources (uses):				
Transfers in	-	-	180,499	180,499
Transfers out	<u>(597,681)</u>	<u>(492,630)</u>	<u>(351,369)</u>	<u>141,261</u>
Total other financing sources (uses)	<u>(597,681)</u>	<u>(492,630)</u>	<u>(170,870)</u>	<u>321,760</u>
Net change in fund balance	-	-	975,274	975,274
Fund balance at beginning of year	<u>4,855,100</u>	<u>4,855,100</u>	<u>4,855,100</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,855,100</u>	<u>4,855,100</u>	<u>5,830,374</u>	<u>975,274</u>

TOWN OF PLATTSBURG, NEW YORK
 Required Supplementary Information
 Schedule of Revenue, Expenditures and Changes in Fund Balance -
 Budget and Actual - Water Special Revenue Fund
 Year ended December 31, 2021

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenue:				
Real property taxes	\$ 1,765,336	1,765,336	1,742,899	(22,437)
Departmental income	989,750	989,750	1,464,696	474,946
Use of money and property	<u>96,486</u>	<u>96,486</u>	<u>93,254</u>	<u>(3,232)</u>
Total revenue	<u>2,851,572</u>	<u>2,851,572</u>	<u>3,300,849</u>	<u>449,277</u>
Expenditures:				
Home and community services	630,165	630,165	372,712	257,453
Debt service:				
Principal	954,415	954,415	954,415	-
Interest	23,976	273,673	257,814	15,859
Capital outlay	<u>85,000</u>	<u>85,000</u>	<u>29,611</u>	<u>55,389</u>
Total expenditures	<u>1,693,556</u>	<u>1,943,253</u>	<u>1,614,552</u>	<u>328,701</u>
Excess of revenue over expenditures	<u>1,158,016</u>	<u>908,319</u>	<u>1,686,297</u>	<u>777,978</u>
Other financing sources (uses)				
Transfers in	-	-	176,514	176,514
Transfers out	<u>(1,418,510)</u>	<u>(1,979,416)</u>	<u>(1,612,232)</u>	<u>367,184</u>
Total other financing sources (uses)	<u>(1,418,510)</u>	<u>(1,979,416)</u>	<u>(1,435,718)</u>	<u>543,698</u>
Net change in fund balance	(260,494)	(1,071,097)	250,579	1,321,676
Fund balance at beginning of year	<u>4,628,655</u>	<u>4,628,655</u>	<u>4,628,655</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,368,161</u>	<u>3,557,558</u>	<u>4,879,234</u>	<u>1,321,676</u>

TOWN OF PLATTSBURG, NEW YORK
Required Supplementary Information
Schedule of Changes in the Town's
Total OPEB Liability and Related Ratios
December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 159,157	128,056	164,765	175,833
Interest	135,481	184,919	177,849	203,742
Change in benefit terms	-	57,689	-	-
Differences between expected and actual experience	(84,886)	(553,858)	(366,190)	(958,663)
Changes in assumptions and other inputs	536,232	670,558	(510,368)	454,726
Benefit payments (including implicit subsidy)	<u>(89,124)</u>	<u>(79,090)</u>	<u>(99,231)</u>	<u>(69,887)</u>
Net change in total OPEB liability	656,860	408,274	(633,175)	(194,249)
Total OPEB liability - beginning	<u>4,829,973</u>	<u>4,421,699</u>	<u>5,054,874</u>	<u>5,249,123</u>
Total OPEB liability- ending	<u>\$ 5,486,833</u>	<u>4,829,973</u>	<u>4,421,699</u>	<u>5,054,874</u>
Covered payroll	<u>\$ 3,150,983</u>	<u>2,999,264</u>	<u>2,763,845</u>	<u>3,191,180</u>
 Total OPEB liability as a percentage of covered payroll	 174.13%	 161.04%	 159.98%	 158.40%

Notes to schedule:

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

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
2.12%	2.74%	4.10%	3.44%

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

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

TOWN OF PLATTSBURG, NEW YORK
 Required Supplementary Information
 Schedule of Town's Proportionate Share of the Net Position Liability
 Year ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0112441%	0.0118187%	0.0120204%	0.0119818%	0.0112063%	0.0118562%	0.1280020%
The Town's proportionate share of the net pension liability	\$ 11,196	3,129,659	851,681	386,706	1,052,971	1,902,958	432,422
The Town's covered payroll	\$ 3,443,824	3,151,499	3,135,169	3,167,658	3,139,774	2,859,793	3,121,832
The Town's proportionate share of the net pension liability as a percentage of covered payroll	0.33%	99.31%	27.17%	12.21%	33.54%	66.54%	13.85%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Town is presenting information for those years for which information is available from the New York State Retirement System.

TOWN OF PLATTSBURG, NEW YORK
 Required Supplementary Information
 Schedule of the Town's Pension Contributions
 Year ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 519,566	446,659	446,116	456,378	456,846	437,184	481,977	603,063	605,904	516,950
Contribution in relation to the contractually required contribution	<u>519,566</u>	<u>446,659</u>	<u>446,116</u>	<u>456,378</u>	<u>456,846</u>	<u>437,184</u>	<u>481,977</u>	<u>603,063</u>	<u>605,904</u>	<u>516,950</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Town's covered payroll	\$ 3,443,824	3,151,499	3,135,169	3,167,658	3,139,774	2,859,793	3,121,832	3,006,999	2,888,651	N/A
Contribution as a percentage of covered payroll	15.09%	14.17%	14.23%	14.41%	14.55%	15.29%	15.44%	20.06%	20.98%	N/A

TOWN OF PLATTSBURG, NEW YORK
 Other Supplementary Information
 Combining Balance Sheet - Nonmajor Governmental Funds
 December 31, 2021

	<u>Storm Drainage</u>	<u>Street Lighting</u>	<u>Total</u>
Assets:			
Cash - unrestricted	\$ 741,292	461,990	1,203,282
Accounts receivable	-	3,379	3,379
Prepaid expenses	-	1,765	1,765
Total assets	<u>\$ 741,292</u>	<u>467,134</u>	<u>1,208,426</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	-	15,841	15,841
Accrued liabilities	-	1,517	1,517
Due to other governments	-	2,847	2,847
Total liabilities	<u>-</u>	<u>20,205</u>	<u>20,205</u>
Fund balances:			
Nonspendable	-	1,765	1,765
Assigned - appropriated	-	21,890	21,890
Assigned - unappropriated	741,292	423,274	1,164,566
Total fund balances	<u>741,292</u>	<u>446,929</u>	<u>1,188,221</u>
Total liabilities and fund balances	<u>\$ 741,292</u>	<u>467,134</u>	<u>1,208,426</u>

TOWN OF PLATTSBURG, NEW YORK
Other Supplementary Information
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended December 31, 2021

	<u>Storm Drainage</u>	<u>Street Lighting</u>	<u>Total</u>
Revenue:			
Real property taxes	\$ 49,000	202,873	251,873
Use of money and property	284	217	501
Sale of property and compensation for loss	-	5,185	5,185
Miscellaneous	-	455	455
	<u>49,284</u>	<u>208,730</u>	<u>258,014</u>
Expenditures:			
General government support	19,964	-	19,964
Transportation	-	162,232	162,232
Employee benefits	-	29,977	29,977
Capital outlay	-	14,771	14,771
	<u>19,964</u>	<u>206,980</u>	<u>226,944</u>
Net change in fund balances	29,320	1,750	31,070
Fund balances at beginning of year	<u>711,972</u>	<u>445,179</u>	<u>1,157,151</u>
Fund balances at end of year	<u>\$ 741,292</u>	<u>446,929</u>	<u>1,188,221</u>

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

Town Board and the Supervisor
Town of Plattsburgh, New York:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plattsburgh, New York (the Town), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated April 26, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

EFPR Group, CPAs, PLLC

Williamsville, New York
April 26, 2022