

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 30, 2025

RENEWAL ISSUE

BOND ANTICIPATION NOTES

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

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



\$3,941,600
TOWN OF UNION
BROOME COUNTY, NEW YORK
GENERAL OBLIGATIONS

\$3,941,600 Bond Anticipation Notes, 2025 (Renewals)
(referred to herein as the "Notes")

Dated: February 20, 2025

Due: February 20, 2026

The Notes are general obligations of the Town of Union, Broome County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. **The Notes shall not be subject to redemption prior to maturity.**

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

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

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes \$6,600. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey, or as may be agreed upon, on or about February 20, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on February 6, 2025 until 10:30 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

February __, 2025

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

TOWN OF UNION BROOME COUNTY, NEW YORK



TOWN OFFICIALS

ROBERT MACK
Supervisor

THOMAS AUGOSTINI
Deputy Supervisor

TOWN BOARD

THOMAS R. AUGOSTINI
FRANK J. BERTONI
ROBERT MACK
JOSEPH P. NIRCHI
DAVID KUDGUS

ADMINISTRATION

LEONARD J. PERFETTI
Town Clerk

JENNIFER LINDSAY
Comptroller

HEIDI RANGER
Deputy Comptroller

ALAN J. POPE, ESQ.
Coughlin & Gerhart, LLP
Attorney to the Town


ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel


FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

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

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
THE NOTES	1	SPECIAL PROVISIONS AFFECTING	
Description of the Notes.....	1	REMEDIES UPON DEFAULT	25
No Optional Redemption for the Notes.....	1	MARKET AND RISK FACTORS	28
Purposes of Issue.....	2	Cybersecurity	29
NATURE OF THE OBLIGATION	3	COVID-19.....	29
BOOK-ENTRY-ONLY SYSTEM	4	TAX MATTERS	30
Certificated Notes.....	5	LEGAL MATTERS	31
THE TOWN	6	LITIGATION	32
General Information.....	6	CONTINUING DISCLOSURE	32
Recent Economic Updates.....	6	Historical Continuing Disclosure Compliance	32
Banking Facilities.....	9	MUNICIPAL ADVISOR	32
Population Trends	9	CUSIP IDENTIFICATION NUMBERS	32
Selected Wealth & Income Indicators	10	RATINGS	33
Unemployment Rate Statistics	10	MISCELLANEOUS	33
Larger Employers.....	11	APPENDIX - A	
Post-Secondary Education.....	11	GENERAL FUND - Balance Sheets	
Form of Town Government.....	12	APPENDIX - A1	
Financial Organization	12	GENERAL FUND – Revenues, Expenditures and	
Budgetary Procedures and Recent Budget Votes	12	Changes in Fund Balance	
Investment Policy.....	12	APPENDIX - A2	
State and Federal Aid.....	13	GENERAL FUND – Revenues, Expenditures and	
Town Employees.....	14	Changes in Fund Balance - Budget and Actual	
Status and Financing of Employee Pension Benefits	14	APPENDIX – B-B1	
Other Post-Employment Benefits.....	15	BONDED DEBT SERVICE AND CURRENT BONDS	
Financial Statements	16	OUTSTANDING	
New York State Comptroller Reports of Examination.....	16	APPENDIX – C	
Fiscal Stress and Monitoring System	17	MATERIAL EVENT NOTICES	
Other Information.....	18	APPENDIX – D	
TAX INFORMATION	18	FORM OF BOND COUNSEL OPINION	
Valuations	18	APPENDIX – E	
Tax Rate Per \$1,000 (Assessed).....	18	AUDITED FINANCIAL REPORT –	
Tax Collection Procedure.....	18	Fiscal Year Ended December 31, 2023	
Tax Levy and Tax Collection Record.....	19		
Ten Largest Taxpayers- 2024 Assessment Roll	19		
Sales Tax Revenue	19		
Additional Tax Information.....	20		
TAX LEVY LIMITATION LAW	20		
STATUS OF INDEBTEDNESS	21		
Constitutional Requirements.....	21		
Statutory Procedure.....	21		
Debt Outstanding End of Fiscal Year.....	22		
Details of Outstanding Indebtedness	22		
Debt Statement Summary.....	23		
Bonded Debt Service.....	23		
Cash Flow Borrowings.....	23		
Installment Purchase Obligations.....	23		
Authorized but Unissued Items	23		
Estimated Overlapping Indebtedness	24		
Debt Ratios.....	24		

PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051

www.fiscaladvisors.com

OFFICIAL STATEMENT
of the
TOWN OF UNION
BROOME COUNTY, NEW YORK

Relating To
\$3,941,600 Bond Anticipation Notes, 2025 (Renewals)

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Union, Broome County, New York (the “Town”, “County”, and “State”, respectively), in connection with the sale by the Town of the principal amount of \$3,941,600 Bond Anticipation Notes, 2025 (Renewals) (referred to herein as the “Notes”).

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

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

THE NOTES

Description of the Notes

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

Under Article VIII of the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and the State is specifically precluded from restricting the power of the Town to levy taxes on real property for the payment of such indebtedness.

The Notes are dated February 20, 2025 and mature, without option of prior redemption, on February 20, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

No Optional Redemption for the Notes

The Notes are to be issued without the option of prior redemption.

Purposes of Issue

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

Purpose	Authorization Date	Amount Authorized	Amount Outstanding	Principal Paydown	Issue Amount
Mack CV713 Dump Truck	12/01/21	\$ 260,000	\$ 211,396	\$ 17,333	\$ 194,063
Ingersoll Rand DD90HF Roller	12/01/21	150,000	128,868	10,000	118,868
Volvo Wasco 20 Dump Truck	12/01/21	140,000	121,334	9,333	112,001
Ford F-350 4WD Pickup	12/01/21	55,000	47,666	3,667	43,999
Chevrolet 2500 WD Pickup w/ Plow	12/01/21	50,000	43,334	3,333	40,001
Chevrolet 2500 WD Pickup w/ Plow	12/01/21	50,000	43,334	3,333	40,001
Case 580M 4WD Backhoe	12/01/21	180,000	156,000	12,000	144,000
Server & Software Upgrades	12/01/21	50,000	30,000	10,000	20,000
Chevrolet Malibu or Similar	12/01/21	22,900	7,667	7,667	-
Curb, Gutter, Sidewalk	12/01/21	100,000	80,000	10,000	70,000
Refuse Packer	12/01/21	245,000	44,947	16,333	28,614
Recycling Truck	12/01/21	234,000	202,800	15,600	187,200
3/4 Ton Pickup - 4 Door	12/01/21	42,000	36,400	2,800	33,600
Fuel Tank Rehab	12/01/21	17,000	10,200	3,400	6,800
Roof Repair - Rec Center	12/01/21	50,000	46,000	2,000	44,000
Building Repairs (Various)	12/01/21	34,100	31,372	1,364	30,008
Parking Lots Patch & Crack Seal	12/01/21	20,000	16,000	2,000	14,000
2023 Projects					
Mack Granite 64FR/M Plow Dump Truck	12/21/22	\$ 295,000	\$ 275,333	\$ 19,667	\$ 255,666
Mack Granite 42FR Plow Dump Truck	12/21/22	289,000	269,733	19,267	250,466
Repaving of Town Streets and Roads	12/21/22	200,000	180,000	20,000	160,000
81x73 Scarborough Dr. Salt Shed Roof	12/21/22	100,000	96,000	5,000	91,000
Tandem Axle Refuse Packer	12/21/22	276,000	257,600	18,400	239,200
Curb, Gutter, Sidewalks	12/21/22	250,000	225,000	25,000	200,000
2024 Projects					
Street Sweeper with s/s bon	01/03/24	\$ 347,235	\$ 347,235	\$ 23,149	\$ 324,086
New Vactor Truck	01/03/24	545,387	545,387	36,359	509,028
Capital Paving	01/03/24	200,000	200,000	13,333	186,667
Road Reconstructon	01/03/24	400,000	400,000	25,000	375,000
Curb & Gutter Repair	01/03/24	250,000	250,000	26,667	223,333
		Total:	\$ 4,303,606	\$ 362,006	\$ 3,941,600

The proceeds of the Notes together with \$362,006 available funds of the Town will be used to redeem and renew, in part, \$4,303,606 bond anticipation notes maturing February 21, 2025, and issued for the aforementioned projects.

NATURE OF THE OBLIGATION

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

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

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town subject to such taxation by the Town, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended.

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

If the Notes are issued in book-entry form, the Depository Trust Company (“DTC”), New York, NY, 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 notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

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 and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes \$6,600. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the Town. The Notes will remain not subject to redemption prior to their stated final maturity date or earlier redemption.

THE TOWN

General Information

The Town of Union was established in 1791 and is classified as a Suburban Town. There are two incorporated Villages located within the Town both of whom have an independent form of government. There are three independent school districts, all of whom have properties in neighboring towns as well as the Town of Union. These school districts utilize the Town's assessment roll as the basis for taxation of the apportioned levy in the Town.

The Town is in Upstate New York in the geographical location known as the Southern Tier. Located in Broome County, adjacent to and west of the City of Binghamton, the Town encompasses 35.1 square miles. It makes up approximately one-third of the County of Broome, based on real property valuations. The Villages of Endicott and Johnson City are located within the Town. Their 2023 populations are 13,211 and 14,874, respectively.

Major expressways in and around the Town include State highway #17, and Interstate highways #86, #88, and #81, which extends from Canada to Tennessee and connects to the national Interstate System at various locations. The major highways provide easy access to Scranton, PA. Albany, NY, Rochester, NY, Syracuse, NY, New York City and Buffalo, NY.

Air transportation through the Greater Binghamton Airport (BGM) is centrally located in Broome County about 8-miles north of the city of Binghamton. BGM offers daily, commercial, non-stop flights on Delta Airlines and nonstop service to Orlando Florida. Greater Binghamton Airport is owned by Broome County and operated by the Department of Aviation. The Town is also served by Tri-Cities Airport which is a village-owned, public-use airport located southwest of the central business district of Endicott.

The Central New York Railroad (CNYK) operates 123 miles of railroad between Binghamton, NY and Port Jervis, NY. CNYK began operation of this line on December 31, 2004. The line is leased from Norfolk Southern Corporation (NS). CNYK operates local freight services on this line. The New York Susquehanna & Western Railway (NYSW) operates overhead trains from Binghamton to Port Jervis. CNYK and NYSW are both subsidiaries of the Delaware Otsego Corporation. CNYK interchanges with the NS at Binghamton NY, with the NYSW at Binghamton NY, and with the Stourbridge Railroad at Lackawaxen, PA. There are other spurs all along the corridor.

The following basic services are provided: public safety, transportation (streets and highway), culture and recreation, home and community services, public improvements, and general administration. Town parks are operated and maintained in a separate tax district known as the Town of Union Park District, which encompasses that area of the Town outside the villages. The Town has two full-town districts for ambulance and library services. The Ambulance District funds a small amount of the operating budget for the Union Volunteer Emergency Squad. The Library District funds the operating budgets for the George F. Johnson and Your Home libraries located in the Villages of Endicott and Johnson City, respectively. Water and sewer service in the Town outside the villages is provided in district funds or as a part-town function.

Source: Town officials.

Recent Economic Developments

The Town is within the borders of the Southern Tier Regional Economic Development Council (the "Southern Tier REDC"), which was awarded in 2015 an Upstate Revitalization Initiative investment of \$500 million over a five period from the State. As part of the \$500 million Upstate Revitalization Initiative fund, \$20 million was set aside for the Greater Binghamton Fund for investment in public and private sector projects in designated Innovation Districts (iDistricts). In 2018, the Town, together with the Villages of Endicott & Johnson City, were recipients of \$15,223,000 of Greater Binghamton grant funding for a number of both public and private sector projects, ranging from street scape & gateway improvements to redevelopment of exterior and interior space of mixed use commercial buildings, new proposed construction of mixed use market rate housing project, and affordable housing projects, in the designated iDistricts.

The Town continues to utilize the \$31.4 million in ARPA funds to address infrastructure challenges, parks improvements, economic development opportunities and operational efficiencies in an effort to create long-term solutions to decades old problems.

Town of Union LDC. The Town Board authorized and allocated \$1.5 million in ARPA funds to the Town of Union Local Development Corporation for various business-related projects. The Town of Union Local Development Corporation created the Reimagine Union Demolition & Site Preparation Grant Program in which some of the ARPA funds allocated are being used to pay for these projects. Major demolition has occurred on several dilapidated buildings and made them shovel ready by using the awards given to such companies as North & Main Street LLC, Ramco Development Holdings LLC, and Tioga Learning LLC., in addition to assisting over twenty-four other projects of varied sizes and from all levels of the industry spectrum.

Broome County Land Bank and IDA. Regarding the demolition of dilapidated buildings, the Town continues to work with the Broome County Land Bank Corporation to demolish run-down residential homes and utilize the land bank's tipping fee waiver program for non-residential demolition.

The Broome County Industrial Development Agency and the Broome County Local Development Corporation, together with the Town, have been reviewing on-going proposals for the redevelopment of the 20+ acre site at 600 Main Street, Johnson City (Union), NY, which was formally occupied by BAE Systems.

Binghamton University. Binghamton University's new School of Pharmacy and Pharmaceutical Sciences is operational with staff occupying offices and students taking classes at the Johnson City campus. Groundbreaking on the \$15 million Pharmacy R&D facility, which will be adjacent and connected to the School of Pharmacy, has opened and is operational. That started with the 2021 spring semester when staff and students started to occupy the new Decker College of Nursing and Health Sciences, which is across the street from the School of Pharmacy, in a renovated 1917 Endicott-Johnson shoe factory. The relocation of Decker College includes the Ford Family Wellness Center for Seniors, which provides healthcare and health and wellness services to seniors in the community.

Village of Endicott. On December 8, 2021, the Village of Endicott was awarded \$10 million from the Fifth-Round Downtown Revitalization Initiative. In response to the growth of their Advanced Manufacturing I-District, the Village of Endicott aims to create a synergistic and complementary relationship between the downtown area and the companies in the district by creating a downtown suited for 21st century jobs. The Village of Endicott is already well-underway with this plan as they have seen over \$600 million invested in the Village in the past 10 years and have public and private projects ongoing or expected within the next 3 years that total \$300 million in investment. Building on this momentum, the Village of Endicott wants to create new food and entertainment opportunities, improve connectivity, and increase mixed-use space.

Spark JC, LLC. The company entered into a PILOT agreement in December 2021 for funding for an over \$116 million project to convert the Oakdale Mall from a traditional shopping center into a multi-purpose space, now known as Oakdale Commons. In August 2023, a 140,000 square foot (largest of its kind) Dick's House of Sports opened at the main entrance to the Commons; in September 2023 two newly constructed outlying buildings on the site opened for the popular national restaurant chains, Panera & Chipotle. Additionally, BJ's Wholesale and Dave & Buster's Restaurant both opened in 2024. The reimaging of the former Oakdale Mall has already spurred additional redevelopment efforts, off the site, with completion of a Tioga State Bank branch in 2024. Matthews had already purchased and renovated the former Sears building which is the home for the Beer Tree Brew Co., and Lourdes Hospital Wellness Center (transferring ownership to Pennsylvania-based Guthrie Clinic in early 2024), and Broome-Tioga Workforce NY offices. In 2024 Guthrie announced the construction of the Southern Tier Orthopedic & Spine Ambulatory Surgery Center in 85,000 square feet of space. Additionally, there was an announcement of the construction of a 22,000 square foot Childcare Center, and a 125-unit Workforce Housing Complex to be owned by the SEPP Group, which continue the rejuvenation of the Oakdale Commons. The overall cost of the projects are upwards of \$200 million and is being assisted with an \$18 million dollar grant from New York's Upstate Revitalization Initiative (URI) funds. Construction is already underway and expected to be completed by 2026.

Former IBM Campus Development. In September of 2021, Phoenix Investors acquired the former IBM Campus, now known as Huron Campus. The "Campus" comprises approximately four million square feet, twenty-nine buildings, and 130 acres in the Village of Endicott. BAE Systems has been the most notable tenant with 2,800 people employed on the campus and significant new hires planned in the coming months. Recent lease agreements with high-tech firms Imperium3, a pioneer in the lithium-ion battery space, and Ubiquity Solar, an innovative firm in the solar space. The lithium-ion battery industry is estimated to reach a market value of \$93.1 billion by 2025. The solar industry is estimated to reach a market value of \$200 billion by 2026. Going forward, Phoenix Investors plans to apply its disciplined renovation and marketing approach and expand the complex's offerings through Phoenix Logistics to attract further tenants to the campus. The complex offers a unique opportunity to provide tenants with a plethora of amenities at an affordable price. In December 2022, the Village of Endicott – under a Special Project Designation was awarded a \$6 million RESTORE NY Round 6 Grant for the demolition of the old IBM North Street 550,000 vacant industrial/commercial building by Phoenix Investors for structures that can no longer accommodate modern manufacturing needs. The demolition of the antiquated structures officially started in the last quarter of 2024, with completion expected in 2025. The project will create a 10-acre shovel ready site for anticipated new development in the Industrial Park. Broome County has also allocated \$2 million in American Rescue Plan Act (ARPA) funds to support the demolition of the vacant and archaic former IBM buildings. A large battery storage facility, known as GlidePath, has been approved so that energy can be reserved and then utilized during peak times and to help costs stabilize. This project will be located on Robinson Hill Road, which is part of the existing Homestead Village PUD. The entrance will be directly across from the NYSEG Oakdale Substation, and GlidePath will interconnect to that substation.

Former IBM Country Club Development. On January 18, 2022, the Broome County Local Development Corporation approved an option for purchase of the former IBM Country Club. The option was awarded to Conifer Realty and LeChase Construction, with a proposed sale price of \$300,000. Conifer's proposed development will transform the site into a 75-unit affordable housing complex. The project includes 75-units of affordable or "workforce" housing between 30% and 90% of AMI, or area-median income. The new three-story apartment complex will include fully ADA compliant with eighteen one-bedroom apartments, thirty-eight two-bedroom apartments, and nineteen three-bedroom apartments. Ten percent of the units will be fully adapted for those with mobility impairments, and 4% will be adapted for those with hearing and/or visual impairments. The proposed design also includes designs that will make the facility completely carbon neutral. Demolition of the old facility has occurred, and the site is shovel ready once a decision is made on the financing. Conifer Development has applied for State funding and awards should be announced by the NYS Housing and Community Renewal (HCR) on the pending funding request. Once the funding is approved and awarded, the project can go forward. The project did not receive the expected grant award in the 2024 announcement but is expected to resubmit the grant request for a new round of funding that should be announced in 2025.

Apartment Complex and Residential Housing Developments. CDS Monarch has acquired property on Hooper Road, a main roadway in the Town, for an 80-unit housing project applied for financing through NYS and was awarded an appropriate level of financing. CDS Monarch has partnered with SEPP, Inc to manage the facility as SEPP, Inc., which currently owns six housing facilities in the Town: Cardinal Cove, Carolyn Arms, Fairmont Park, Marian Apartments, Nichols Notch, and Wells Apartments. Groundbreaking has taken place, with the expected housing to be completed in 2026.

On March 3, 2022, Paulus Development and local partner LeChase Construction partnered up for the groundbreaking for the transformation of a dilapidated and vacant multi-story 275,000 square foot former Endicott Johnson Victory Building Project at 59 Lester Avenue, Johnson City, NY Johnson City, NY into a 156-unit market-rate housing project expected to be completed in 2023 with anticipated overall investment of \$30 million. During the last quarter of 2023, the project was officially completed and is close to being 100% fully occupied.

In September of 2023, there was an announcement of a \$32,000,000 proposal to construct a 72-unit (including 27 one-three bedroom, 40 two-bedroom, and 4 three-bedroom apartments) housing project on vacant land at 333 Grand Avenue, Johnson City, NY in the Town of Union by the group Regan Development Corporation, the project wide would also include a 6,200 square foot daycare facility. The project has started and has a completion date that will probably extend into 2026.

In December of 2024, it was announced that Square Deal, LLC., as Riverside Gardens, will be converting the shuttered Davis College on Riverside Drive in Johnson City, York former dormitories and offices into modern apartments that meet today's demands. The soon to be fully renovated facility and property will blend residential living with commercial spaces into a vibrant and inviting environment. The proposed development will feature sixty-seven housing units equipped with fitness, gaming, and recreation centers, as well as amenities open to the public, including a restaurant, gymnasium, and outdoor grilling area.

Village of Johnson City Downtown Developments. The Village of Johnson City was awarded a \$10 million Downtown Revitalization Initiative (DRI) Grant by NYS Governor Hochul on February 22, 2023, in response to their on-going growth in their Health & Cultural District. During the last quarter of 2023, the Village of Johnson City, DRI Local Planning Committee (LPC) has completed their DRI grant submittal request for almost \$13,239,000 in projects to NYS, which if approved, would leverage approximately \$58,625,000 in additional private and public sector funding. If projects are awarded funding by NYS, many of the proposed projects will start in 2025 with expected completion dates anywhere from 1-3 years from their respective start dates. Projects range from the conversion of an underutilized 100,000 square foot former school into fifty market-rate and twelve affordable housing units with an estimated overall project cost of \$15.5 million, to a number of redevelopment proposals of mixed-used commercial buildings on Main Street in the heart of Johnson City DRI.

Battery Technology Research and Development. In September 2022, Binghamton University was named a winner of the Build Back Better Regional Challenge for their New Energy New York Project. New Energy New York, developed by the university and NY-Best, has been awarded more than \$113 million to establish a hub for battery technology innovation in upstate New York. The U.S. Economic Development Administration announced that the region will receive \$63.7 million; the State of New York will support the project with an additional \$50 million. Binghamton University will develop a battery technology and manufacturing center in an Opportunity Zone in Endicott. Additional projects will support the battery industry and its supply chain. The entire initiative is expected to have a \$2 billion economic impact. Binghamton University has acquired several additional properties over the past year in the vicinity of the Johnson City campus with expectations to further their footprint in the downtown area.

In October of 2023, the Federal Government has designated the Southern Tier of New York as a US Tech Hub for battery innovation which is a compliment to Binghamton University’s New Energy New York initiative centered around Endicott’s Phoenix (a/k/a Huron) Campus. The federal designation, which is only one of thirty-one regions throughout the US to secure Tech Hub designation. The designation will allow the region to compete for a portion of a \$500 million in Phase 2 grant funding offered through the federal program and will open up other major funding opportunities in coming years.

In September of 2024, Battery-NY and Binghamton University discussed specifics on a plan for a battery manufacturing and testing facility in the Southern Tier at the former Gannett printing press facility in Johnson City, New York, which was first announced in June of 2024. The project was spurred by Binghamton’s classification as a Battery Tech Hub in 2023. The planned facility will be the first of its kind in the United States and could be a large part of uplifting domestic battery production. The facility is expected to draw different customers to the area with its the ability to fulfill a variety of customer needs, which will be unique to the Johnson City, New York facility in the Town of Union. The goal is to have batteries coming off the line in 2026.

Proposed Broome Technology Park. In 2024, the Broome County Industrial Development Agency has proposed a 526-acre Broome Technology Park located on contiguous underutilized land situated in the Town of Union and Town of Maine, New York. Once all regulatory approvals have been received the park is expected to draw new construction and could host businesses in advanced electronics, semi-conductors test packaging, and other related industries.

Source: Town officials.

Banking Facilities

The following banks are located in the Town:

- | | |
|------------------------------------|-------------------------------|
| M&T Bank | KeyBank, N.A. |
| NBT Bank, N.A. | Tioga State Bank |
| Bank of America, N.A. | RBS Citizens, N.A. |
| Chemung Canal Trust Company | Visions Federal Credit Union |
| UHS Employees Federal Credit Union | Horizons Federal Credit Union |
| Community Bank, N.A. | Empower Federal Credit Union |
| Citizens Bank | |

Source: Town officials.

Population Trends

	<u>Town of Union</u>	<u>Broome County</u>	<u>New York State</u>
1970	64,490	221,815	18,236,882
1980	61,179	213,648	17,558,072
1990	59,786	212,160	17,990,455
2000	56,298	200,536	18,976,457
2010	56,346	200,600	19,378,102
2020	56,138	198,683	20,201,249
2023 (Estimated)	54,385	196,077	19,571,216

Source: U.S. Census Bureau, Population Estimates Program (PEP).

Selected Wealth and Income Indicators

Per capita income statistics are available for the Town, County and State. Listed below are select figures from the 2006-2010 census, 2016-2020, and 2019-2023 American Community Survey reports.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Town of:						
Union	\$ 20,077	\$ 30,896	\$ 36,026	\$ 46,170	\$ 69,039	\$ 80,570
County of:						
Broome	19,168	29,721	35,116	45,422	69,596	83,422
State of:						
New York	23,389	40,898	49,520	51,691	87,270	105,060

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau; 2006-2010, 2016-2020, 2019-2023 American Community Survey 5-Year Estimates.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Town of Union	4.6%	4.2%	8.4%	5.1%	3.5%	3.7%	N/A
Broome County	4.8%	4.5%	8.3%	5.2%	3.8%	3.9%	N/A
New York State	4.1%	3.8%	9.8%	7.1%	4.3%	4.2%	N/A

	<u>2024 Monthly Figures</u>											
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Town of Union	4.5%	4.4%	4.1%	3.7%	4.0%	3.9%	4.5%	4.3%	3.4%	3.5%	3.6%	N/A
Broome County	5.0%	4.9%	4.5%	3.9%	4.1%	4.1%	4.6%	4.5%	3.4%	3.6%	3.6%	N/A
New York State	4.3%	4.5%	4.2%	3.9%	4.2%	4.3%	4.9%	4.9%	4.0%	4.1%	4.2%	N/A

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

Note: Unemployment rates for December 2024 and annual averages for 2024 are unavailable as of the date of this Official Statement.

Larger Employers

Many residents of the Town find employment with major employers located within Broome County and surrounding areas.

Some of the major employers located within the Binghamton, NY Metropolitan Statistical Area (MSA):

Binghamton University	Vestal	5,943	Education
United Health Services	Binghamton	5,428	Healthcare
Lockheed Martin*	Owego	2,700	Systems Integration
Broome County Government	Binghamton	2,500	Government
Lourdes Hospital	Binghamton	2,311	Healthcare
New York State	Binghamton	2,034	Government
Raymond Corp.	Greene	1,500	Electric Products
Amphenol Aerospace	Sidney	1,000	Electronic Devices
BAE Systems	Endicott	1,300	Mission Systems
Chobani	Norwich	1,300	Food Products
Broome-Tioga BOCES	Binghamton	1,049	Education
NBT Bank	Binghamton	1,039	Financial Institution
Weis Markets	Binghamton	1,000	Food Products
MeadWestvaco	Sidney	900	Office Products
NYSEG	Binghamton	800	Electricity & Natural Gas
United Methodist Homes	Binghamton	621	Senior Living
Frito-Lay	Kirkwood	540	Food Distribution
Spectrum	Vestal	500	Communications
Wegmans	Johnson City	774	Food Products
SUNY Broome	Binghamton	454	Education
Visions Federal Credit Union	Endwell	250	Credit Union
Dicks Sporting Goods Distribution	Conklin	200	Retail Distribution

* Physically located in Tioga County (part of the Binghamton MSA), but employs many County residents.

Source: Town officials and Broome County Industrial Development Agency. (www.bcida.com) Reference to this website implies no warranty of accuracy of information therein.

Post-Secondary Education

Binghamton University. Binghamton University began as a “Triple Cities” College in 1946, joining the State University System in 1950 as Harpur College. In 1965, the campus was formally designated the State University of New York at Binghamton. Today, the University consists of the Harpur College of Arts & Sciences, the School of Management, the Decker School of Nursing, the College of Community and Public Affairs and the Thomas J. Watson School of Engineering & Applied Science and the School of Pharmacy and Pharmaceutical Sciences. Binghamton University had an enrollment of approximately 14,400+ undergraduates and 4,000+ graduate students for the 2023 Fall semester.

SUNY Broome. SUNY Broome, formerly named Broome County Community College, is a comprehensive academic institution supervised by the State University of New York, sponsored by Broome County, and accredited by both professional and educational organizations. The college was chartered as the New York State Institute of Applied Arts and Sciences at Binghamton in 1946. It became Broome Community College in 1971 and, in September 2013, it underwent its final name change to SUNY Broome Community College to highlight its long history as a State University of New York Institution. SUNY Broome had an enrollment of 2,462 full-time and 3,006 part-time students for the Fall 2023 semester. The college offers 50 degree programs and various certificate programs designed to prepare graduates for immediate employment or transfer to four year colleges and universities.

The expansion of Binghamton University and SUNY Broome has led to increased demand for off-campus student housing, creating a boom in housing for students, young professionals and others in downtown Binghamton and surrounding neighborhoods. There have been several multi-million dollar student housing projects, including new construction projects, such as 20 Hawley St. and Twin River Commons, and the renovation of multiple historic buildings, such as Chenango Place, The Printing House and University Lofts.

Form of Town Government

The Town is governed by the provisions of the Town Law.

The chief executive officer of the Town is the Supervisor who is elected for a term of two years and is eligible to succeed him/herself. The Supervisor is also a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected to four-year terms. Each term is staggered so that every two years the Supervisor and two councilmembers run. There is no limitation as to the number of terms which may be served by members of the Town Board. Both the Supervisor and councilmembers are elected at large.

The Town Board appoints its Assessor to a six-year term. The Town Board appoints the Comptroller and the Town Attorney whose terms are fixed by Town Law. The Town Clerk is elected to four-year terms. The Town Board appoints a Zoning Board, Planning Board, Assessment Board of Review, Ethics Committee, Citizens Advisory Council for Community Development, Wellhead Advisory Protection Committee, Street Lighting Commission, Wetlands Advisory Commission, Industrial Commercial Advisory Board, Constables, and Conservation Advisory Council.

Financial Organization

Pursuant to Local Law No. 2 of 1972, certain of the financial functions of the Town are the responsibility of the Comptroller. The Supervisor is, however, the chief fiscal officer of the Town.

The Comptroller, who is responsible to the Town Board, also is head of the Department of Audit and Control. Besides controlling all appropriation expenses, countersigning checks and auditing all claims against the Town, the Comptroller assists the Supervisor in the preparation of the annual budget and is the Accounting officer of the Town.

The duties of the Comptroller include administrative control of the following divisions: Accounting, Accounts Payable, Accounts Receivable, Payroll, Audit and Control, Data Processing, Insurance, IT and Personnel.

Budgetary Procedures and Recent Budget Votes

The Supervisor, with the assistance of the Comptroller, prepares a tentative budget each year. Pursuant to various laws of the State of New York, the Town Board receives, amends, and holds a public hearing on a preliminary budget. Subsequent to the public hearing, revisions, if any, are made and the budget is then adopted by the Town Board as its final budget for the coming fiscal year. The budget is not subject to referendum.

Recent Budget Results

The Town's adopted 2024 budget included a 1.80% increase in the tax levy, which was within the maximum allowable statutory tax cap for the Town's 2024 fiscal year.

The Town's adopted 2025 budget included a 0.30% increase in the tax levy, which was within the maximum allowable statutory tax cap for the Town's 2025 fiscal year.

Investment Policy

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

In addition, the Town has its own written investment policy. The Town's monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit equal to all deposits not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the state and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least equal to the cost of the repurchase agreement.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town's investment policies, as discussed previously in these notes. GASB Statement Number 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Town's name.

State and Federal Aid

The Town receives financial assistance from the State. In its budget for the 2025 fiscal year, approximately 4.3% of the General Fund revenues of the Town are estimated to be received in the form of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town during its current fiscal year as well as in the future, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts and municipalities in the State.

Should the Town fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.\

On March 27, 2020, The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was signed into law, creating the Coronavirus Relief Fund (CRF), a \$150 billion emergency assistance fund for states, territories, tribes, and local governments to purchase protective equipment and improve efforts to contain the spread of coronavirus.

The Town received CARES Act funding in the amount of \$1,231,157 to be utilized to assist small businesses with rent and utility costs. As of the date of this Official Statement, the Town has utilized approximately \$561,539 of said funds to assist 9 businesses, 5 non-profit entities, and 52 COVID Rental Assistance participants with back-rent and utility costs. Some of the projects included two fitness courts, three HVAC System upgrades, replacement of two generators and food pantry assistance to both CHOW and Meals on Wheels.

On March 11, 2021, the American Rescue Plan Act ("ARPA") was signed into law and established the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program, which is intended to provide support to State, territorial, local and tribal governments in response to the economic and public health impacts of COVID-19. The objectives of such funding include the following: Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control, replace lost revenue for eligible state, local, territorial, and Tribal governments to strengthen support for vital public services and help retain jobs, support immediate economic stabilization for households and businesses, and address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic. The SLFRF funds provide for flexibility in the use of said funds, including among others, utilize the funds for the following purposes:

support for households, small businesses, impacted industries, essential workers, the communities hardest hit by the crisis, and for the purpose of investments in water, sewer, and broadband infrastructure. Additional information regarding ARPA and SLFRF funding may be obtained from the Department of the Treasury.

The Town was allocated \$30,477,638 in Coronavirus State and Local Fiscal Recovery Funds (SLFRF) which has been received by the Town in full. The Town has obligated all \$30,477,638 of such funds and has spent \$19,292,409 to date. The unspent balance of \$11,185,229 must be spent no later than December 31, 2026, per the guidelines set forth by the US Treasury Department. Until that time, it remains a Deferred Revenue item on the Town’s General Fund Balance Sheet.

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 foreseeable 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.

Town Employees

The Town currently employs approximately 109 full-time and 14 part-time employees. The following are the bargaining units representing employees of the Town:

<u>Unit</u>	<u>Number of Members</u>	<u>Expiration Date</u>
CSEA (40-hour)	67	December 31, 2025
CSEA (35-hour)	15	December 31, 2024 ⁽¹⁾

⁽¹⁾ Currently under negotiation.

Source: Town officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees’ Retirement System (“ERS”). The ERS is generally also known as the “Common Retirement Fund”. The ERS is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The ERS offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the ERS.

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

For ERS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For ERS, Tier 6 provides for:

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

The Town's contributions to ERS for the past five years are as follows:

<u>Year</u>	<u>ERS</u>
2021	\$ 723,544
2022	571,633
2023	601,810
2024	606,188
2025 (Actual)	767,299

Source: Town officials.

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

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

A chart of average ERS rates (2021 to 2026) is shown below:

<u>Year</u>	<u>ERS</u>
2021	14.6%
2022	16.2
2023	11.6
2024	13.1
2025	15.2
2026	16.5

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

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

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Town, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS. For 2016 the ERS rate is 12.5% and for 2017 the ERS rate is 13.0%. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years. The Town is not participating in this program at this time nor does it intend to do so in the foreseeable future.

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

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

Other Post-Employment Benefits

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

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

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

Summary of Actuarial Valuations

The following outlines the changes to the Total Net OPEB Liability for the below fiscal years:

Total OPEB Liability for Town:

Beginning balance at January 1:	2021	2023
	\$ 21,682,568	\$ 16,424,688
Changes in Net OPEB Liability:		
Service cost	706,428	446,613
Interest	475,969	683,061
Differences between expected and actual experience	(30,503)	2,627,227
Changes in assumptions or other inputs	(5,352,964)	1,218,508
Changes of benefit terms	-	-
Benefit payments	(1,056,810)	(1,152,791)
Net Changes	\$ (5,257,880)	\$ 3,822,618
 Balance ending at December 31:		
	2022	2023
	\$ 16,424,688	\$ 20,247,306

Source: Audited financial statements of the Town. The above tables are not audited.

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

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

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

Financial Statements

The Town has retained independent auditors EFPR Group, CPAs, PLLC to audit its financial statements. The last completed audited financial report was for the fiscal year ended December 31, 2023 and is incorporated hereto as "APPENDIX - C". Certain summary financial information can also be found in "APPENDIX - A, A1, A2 & A3" attached hereto. The Town was delayed in completing its audited financial report for the fiscal year ended December 31, 2022 due to staff turnover at that time. See also "New York State Comptroller's Fiscal Stress Monitoring System" herein.

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

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

Projected (Unaudited) Results of Operations for Fiscal Year Ending December 31, 2024:

Summary unaudited projected information for the General Fund for the period ending December 31, 2024, is as follows:

Projected Revenues:	\$ 10,856,093
Projected Expenditures:	11,281,398
Projected Other Sources and Uses:	<u>0</u>
Projected Excess (Deficit) Revenues over Expenditures:	<u>\$ (425,305)</u>
Total General Fund Balance December 31, 2023:	\$ 13,744,666
Total Projected General Fund Balance December 31, 2024:	\$ 13,319,361

Source: Town officials. These projections are based upon certain current assumptions and estimates, and the final audited results may vary therefrom.

New York State Comptroller Reports of Examination

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

An audit report conducted by the State Comptroller was released on December 30, 2020. The purpose of the audit was to determine whether Town officials used resources to meet certain ethics oversight standards for the audit period January 1, 2017 through September 30, 2018. A summary of key findings and State Comptroller recommendations are outlined below:

Key Findings

Town officials did not meet certain ethics oversight standards. The Board of Ethics (Ethics Board) did not:

- Meet at least annually.
- Adequately administer the Town's disclosure that is intended to foster transparency and help identify potential conflicts of interest.

- One Town Board member, one officer and seven other required filers of annual statements of financial disclosure (disclosure statements) were not filed.
- Seven Town Board member, 14 officer and employee and 22 other required filers of disclosure statements were filed late and/or had questions left blank.
- Review disclosure statements for potential conflicts of interest or receive a report from the Attorney and/or Town Clerk (Clerk) relative to a review of disclosure statements.

Key Recommendations

- Ensure the Ethics Board meets at least annually and verifies all annual financial disclosure filers file complete and timely disclosure statements that are carefully reviewed for potential conflicts of interest.
- Request the Attorney and/or the Clerk provide a written report of financial disclosure reviews and/or conduct an independent review.

Town officials agreed with State Comptroller recommendations and have initiated or indicated they planned to initiate corrective action.

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

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

New York State Comptroller’s Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the 2019 through 2023 fiscal years of the Town are as follows:

<u>Fiscal Year Ended</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Filed*	N/A
2022	No Filed*	N/A
2021	No Designation	0.0
2020	No Designation	0.0
2019	No Designation	0.0

*The FSMS and resulting fiscal stress designations rely on data from annual financial reports submitted by local governments to the Office of the State Comptroller (OSC). The Town was delayed in completing its annual financial reports for the fiscal year ended December 31, 2022 and 2023 due to staff turnover at that time, and consequently, such annual financial reports were not submitted to the State Comptroller’s office prior to the submission deadline, and therefore a fiscal stress score could not be calculated and a stress designation of “Not Filed” was given. The Town anticipates submitting its annual financial reports for both 2022 and 2023 to OSC by March 31, 2025, and expects to submit its 2024 annual financial report to OSC by June 30, 2025.

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

Other Information

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

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

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

The fiscal year of the Town is the calendar year.

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

TAX INFORMATION

Valuations

<u>Year of Town Tax Roll:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Assessment Roll Year:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assessed Valuation	\$ 115,982,842	\$ 112,683,433	\$ 111,617,901	\$ 111,893,449	\$ 113,063,648
State Equalization Rate	4.11%	4.02%	3.61%	3.46%	3.14%
Full Valuation	\$2,821,966,959	\$2,803,070,473	\$3,091,908,615	\$3,233,914,711	\$3,600,753,121

Source: Town officials.

Tax Rate Per \$1,000 (Assessed)

<u>Year of Town Tax Roll:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Assessment Roll Year:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Inside Villages	\$ 43.629	\$ 45.846	\$ 45.461	\$ 47.147	\$ 47.39
Outside Villages	117.461	123.089	123.585	125.226	125.81
Fire District Contracts:					
Westover Fire	39.095	37.850	37.625	37.575	37.59
Union Center Fire	37.364	39.018	39.726	41.336	45.54
Choconut Fire	63.368	65.518	67.491	68.180	66.70
East Maine Fire	61.944	62.056	67.925	68.669	60.16

Source: Town officials.

Tax Collection Procedure

Town real property taxes are levied annually on January 1 and become a lien on that date. Taxes are collected during the period January 1, to January 31, at face value and from February 1 to April 1, with interest added. The Town utilizes Broome County Real Property Tax Service for the collection of all real estate taxes for Town purposes. The County distributes the collected tax money to the Town Supervisor. The final payment from the County reconciles to the Town tax warrant to assure the Town of 100% tax collection. Responsibility for the collection of unpaid taxes rests with the County. Uncollected tax liens are sold annually by the County, except for cancellations due to COVID restrictions in recent years.

Tax Levy and Tax Collection Record

<u>Years Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy ⁽¹⁾	\$ 10,831,198	\$ 10,898,004	\$ 11,160,355	\$ 11,395,330	\$ 11,656,083
Uncollected ⁽²⁾	0	0	0	0	0
% Collected	100%	100%	100%	100%	100%

(1) Includes total tax levy for Town outside villages, library district and fire districts.

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

Source: Town officials.

Ten Largest Taxpayers – 2023 Assessment Roll for 2024 Town Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Full Valuation</u>
NYSEG	Public Utility	\$ 193,324,427
Phoenix Endicott Industrial Inv	Manufacturing	35,286,592
Visions Federal Credit Union	Banking	17,452,229
JMI/JMI II	Office/Lgt Industrial	16,927,070
Glencott Realty Corp	Office/Lgt Industrial	16,934,713
Norfolk Southern Corporation	Railroad	16,181,815
Wegman’s Enterprises & Food Markets	Retail Grocer	14,063,694
602 Partners LLC	Apartment Complexes	13,964,650
Park Manor Plaza	Neighborhood Shopping	10,726,115
Home Depot USA	Retail	10,719,745

The ten taxpayers, listed above, have a total full valuation of \$345,581,050, which represents 9.6% of the taxable full market value of the Town.

As of the date of this Official Statement, the Town currently does not have any pending or outstanding tax certioraris that are known or reasonably expected to have a material impact on the Town’s finances.

Source: Town officials.

Sales Tax Revenue

A 4% sales tax is levied in the County of Broome, under the general authority of Article 29 of the Tax Law. This tax is administered and collected by the State Tax Commission in the same manner as that relating to the state imposed 4% sales tax. Of the first 3% collected, the County retained 50% of 2021 total collections and the remaining 50% was divided among the towns, villages, and the City of Binghamton based on population. The Town’s share is divided and allocated between incorporated villages (located wholly or partially within the Town) and the area of the Town outside said villages, based on population.

Sales tax revenues for the fiscal years ended 2020 through 2024 and budgeted for 2025 is outlined in the table below:

<u>Fiscal Year Ending</u> <u>December 31st</u>	<u>Total General Fund</u> <u>Revenues</u>	<u>Sales Tax</u>	<u>Percentage of Total</u> <u>Revenues Consisting</u> <u>of Sales Tax</u>
2020	\$ 13,287,145	\$ 7,209,169	54.26%
2021	14,926,956	8,315,723	55.71
2022	12,610,505	8,934,608	53.92
2023	11,039,765	9,362,976	84.81
2024	10,856,093	7,758,000	71.46
2025 (Budgeted)	11,450,294	7,958,000	69.68

New York State Chapter 59 of the Laws of 2019 includes a requirement to withhold sales tax revenue to make Aid and Incentives for Municipalities (AIM) related payments, which may affect the amount of sales tax revenue available for distribution by Broome County. This is ongoing until further notice.

Source: Town officials.

Additional Tax Information

Real property in the Town is assessed by the Town.

Veterans' and Senior Citizens' exemptions are offered to those who qualify.

The assessment roll of the Town is constituted approximately as follows: 80% Residential, 8% Industrial/Commercial and 12% Other.

The total property tax bill of a \$100,000 fair market value residential property located in the Town is approximately \$3,460, including County, Town, Fire and School District taxes as follows:

<u>Municipality</u>	<u>Tax Rate per Assessment</u>	<u>Apx Total Tax</u>	<u>Apx % of Total</u>
Broome County	\$ \$167.32/\$1,000	\$ 579	15.94%
Town of Union	125.23/\$1,000	426	11.73%
Endwell Fire District #1	41.30/\$1,000	143	3.94%
Union-Endicott S.D.	718.30/\$1,000	2,485	68.39%

Source: Town officials.

TAX LEVY LIMITATION LAW

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

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

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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

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

Statutory Procedure

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

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

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 8,660,000	\$ 7,650,000	\$ 9,888,668	\$ 8,670,000	\$ 9,185,000
Bond Anticipation Notes	<u>5,999,779</u>	<u>6,093,684</u>	<u>4,028,277</u>	<u>4,905,281</u>	<u>4,303,606</u>
Total Debt Outstanding	<u>\$ 14,659,779</u>	<u>\$ 13,743,684</u>	<u>\$ 13,916,945</u>	<u>\$ 13,575,281</u>	<u>\$ 13,488,606</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town as of January 30, 2025.

<u>Bonds</u>	<u>Maturity</u>	<u>Amount</u>
	2025-2039	\$ 9,185,000
 <u>Bond Anticipation Notes</u>		
Various Purposes	February 21, 2025	2,560,984
Various Purposes	February 21, 2025	<u>1,742,622</u>
	Total Debt Outstanding	<u>\$ 13,488,606</u>

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of January 30, 2025:

Five-Year Average Full Valuation of Taxable Real Property	\$ 3,086,296,457
Debt Limit 7% thereof.....	216,040,752

Inclusions:

Bonds.....	\$ 9,185,000	
Bond Anticipation Notes.....	<u>4,303,606</u>	
Total Inclusions.....		<u>\$ 13,488,606</u>

Exclusions:

Water Debt ⁽¹⁾	\$ 88,200	
Sewer Indebtedness ⁽²⁾	0	
Appropriations ⁽³⁾	<u>1,369,300</u>	
Total Exclusions.....		<u>\$ 1,457,500</u>

Total Net Indebtedness	<u>\$ 12,031,106</u>
Net Debt-Contracting Margin.....	<u>\$ 204,009,646</u>
The percent of debt contracting power exhausted is	5.57%

- (1) Excluded pursuant to Section 124.10 of the Local Finance Law.
- (2) Excluded pursuant to Section 136 of the Local Finance Law.
- (3) Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

Bonded Debt Service

A schedule of Bonded Debt Service may be found in the Appendices to this Official Statement.

Cash Flow Borrowings

The Town has not found it necessary to borrow revenue or tax anticipation notes, nor budget or deficiency notes, in the recent past and does not anticipate having to borrow such in the foreseeable future.

Installment Purchase Obligations

The Town does not have any installment purchase or lease obligations outstanding as of the date of this Official Statement.

Authorized but Unissued Items

The Town does not have any authorized capital projects for which debt has not been issued.

Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Town. Estimated bonds and bond anticipation notes are listed as of the close of the respective fiscal years of the municipalities listed below, not adjusted to include subsequent bond issues.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>Town Share</u>	<u>Applicable Indebtedness</u>
County of:						
Broome	6/26/2024	\$ 179,616,581 ⁽²⁾	\$ - ⁽⁴⁾	\$ 179,616,581	27.69%	\$ 49,735,831
Village:						
Endicott	8/2/2024	31,866,410 ⁽²⁾	11,274,445 ⁽⁴⁾	20,591,965	100.00%	20,591,965
Johnson City	1/24/2025	124,855,666 ⁽²⁾	89,749,747 ⁽⁴⁾	35,105,919	100.00%	35,105,919
Fire District:						
Endwell	6/26/2024	1,440,000 ⁽²⁾	-	1,440,000	100.00%	1,440,000
West Corners	12/31/2023	- ⁽³⁾	-	-	100.00%	-
West Endicott	12/31/2023	- ⁽³⁾	-	-	100.00%	-
School District:						
Maine-Endwell CSD	8/28/2024	31,185,439 ⁽²⁾	29,096,015 ⁽⁵⁾	2,089,424	71.82%	1,500,625
Union-Endicott CSD	9/27/2024	32,196,728 ⁽²⁾	28,719,481 ⁽⁵⁾	3,477,247	87.63%	3,047,111
Johnson City CSD	7/15/2024	40,066,213 ⁽²⁾	36,900,982 ⁽⁵⁾	3,165,231	88.19%	2,791,417
					Total:	<u>\$ 114,212,868</u>

- (1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.
- (3) Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.
- (4) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (5) Amount excluded represents State building aid on existing bonded indebtedness estimated to be received by the district pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of January 30, 2025.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness (see "Debt Statement Summary")	\$ 12,031,106	\$ 221.22	0.33%
Net Indebtedness Plus Net Overlapping Indebtedness ^(c)	126,243,974	2,321.30	3.51%

(a) The 2023 estimated population of the Town is 54,385. (See "Population Trends" herein.)

(b) The Town's total full valuation of taxable real property for the 2025 Town tax roll is \$3,600,753,121. (See "TAX INFORMATION" herein.)

(c) The Town's estimated applicable share of net underlying indebtedness is \$114,212,868. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law described below enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an “emergency financial control board” for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law (“Title 6-A”) effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the Appellate Division in the Judicial Department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.\

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State Legislature to restrict , subject to other provisions of the Constitution, the power of taxation, assessment, borrowing

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

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

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

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

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

Cybersecurity

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

COVID-19

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. The spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, spread globally, including to the United States, and was declared a pandemic by the World Health Organization. The outbreak of the disease had affected travel, commerce and financial markets globally. Similar pandemics could have material adverse effects on the State and municipalities and school districts located in the State, including the Town. The Town will take such proactive measures as may be required and lawfully undertaken to maintain its operations and meet its obligations in light of such circumstances.

TAX MATTERS

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

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Notes”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer’s election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the “original issue discount”). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The Town has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Town, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Town has covenanted, however, to comply with the requirements of the Code.

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 regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Town legitimately disagrees, may not be practicable. 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 bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the Town or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes is covered by the approving legal opinion of Bond Counsel. The proposed form of Bond Counsel's opinion is attached hereto at "APPENDIX – D".

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Continuing Disclosure Compliance History

The Town has complied with all previous Undertakings in all material respects pursuant to the Rule within the past five years, however,

- The Town's available Annual Financial Information and Operating Data ("AFIOD") for the fiscal year ended December 31, 2022 was filed in a timely manner to the Electronic Municipal Market Access Website ("EMMA") on June 28, 2023, however, the Town did not file its Unaudited Annual Financial Report ("AFR") and Audited Financial Statement ("Audit") as required for the fiscal year ended December 31, 2022. The Town's AFR for the fiscal year ended December 31, 2022 was not available to be filed as of June 30, 2023, nor was it completed as of the close of the 2023 fiscal year. The Town's Audit for the fiscal year ended December 31, 2022 was not complete as of the end of the 2023 fiscal year and was not completed until August 16, 2024 as was subsequently filed to EMMA on December 27, 2024.
- The Town's available AFIOD for the fiscal year ended December 31, 2023 was filed in a timely manner to EMMA on June 26, 2024, however, the Town did not file its AFR for the fiscal year ended December 31, 2023 as required. The Town's AFR for the fiscal year ended December 31, 2023 was not available to be filed as of June 30, 2024. The Town's Audit for the fiscal year ended December 31, 2023 was filed to EMMA in lieu of the AFR on December 27, 2024.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATINGS

The Notes are NOT rated. Subject to the approval of the Town, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the Town, as such rating action may require the filing of a material event notification to EMMA.

Moody's Investors Service ("Moody's") has assigned their rating of "Aa2" to the Town's outstanding general obligations bonds. The Town's rating is under review with "direction uncertain" as of the date of this Official Statement. This rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

The Town's contact information is as follows: Ms. Jennifer Lindsay, Town Comptroller, Town Hall, 3111 E. Main St., Endwell, NY 13760, Phone: (607) 786-2931, Telefax: (607) 786-2998, email: jlindsay@townofunion.com.

TOWN OF UNION

Dated: January 30, 2025

ROBERT MACK
Town Supervisor

GENERAL FUND - FULL AND PART TOWN

Balance Sheets

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSETS					
Cash and Investments - Unrestricted	\$ 4,760,005	\$ 5,628,009	\$ 22,991,360	\$ 16,551,213	\$ 31,049,817
Cash and Investments - Restricted	1,432,259	1,521,453	1,333,992	1,527,213	65,474
Investments - Unrestricted	1,575,696	89,979	86,276	19,702,071	-
Due from Other Funds	1,042,770	1,293,066	1,163,419	1,758,183	-
Due from State and Federal Governments	6,885	-	420,160	61,495	-
Due from Other Governments	1,895,080	2,121,254	2,143,995	2,339,754	2,533,430
Other Receivables, net	440,990	205,180	184,867	166,627	112,011
Prepaid Expenses	353,655	594,930	272,559	387,082	242,758
TOTAL ASSETS	\$ 11,507,340	\$ 11,453,871	\$ 28,596,628	\$ 42,493,638	\$ 34,003,490
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 668,347	\$ 274,503	\$ 246,905	\$ 515,850	\$ 249,035
Accrued Liabilities	21,055	44,413	54,340	60,483	96,203
Due to Other Funds	727,373	731,006	804,624	1,059,346	-
Compensated Absences	150,837	148,899	143,861	134,194	163,847
Bond Anticipation Notes Payable	-	-	-	-	1,932,365
Due to Other Governments	20,241	20,560	20,363	21,011	-
Other Liabilities	80,955	53,116	24,083	161,963	-
Deferred Inflows	21,254	153,130	15,212,308	26,461,454	17,817,374
TOTAL LIABILITIES	1,690,062	1,425,627	16,506,484	28,414,301	20,258,824
FUND EQUITY					
Nonspendable	\$ 353,655	\$ 594,930	\$ 272,559	\$ 387,082	\$ 242,758
Restricted	1,432,259	1,521,453	1,333,992	1,527,213	-
Assigned	1,915,094	1,641,249	1,675,550	3,256,204	1,970,303
Unassigned	6,116,270	6,270,612	8,808,043	8,864,260	11,531,605
TOTAL FUND EQUITY	9,817,278	10,028,244	12,090,144	14,034,759	13,744,666
TOTAL LIABILITIES and FUND EQUITY	\$ 11,507,340	\$ 11,453,871	\$ 28,596,628	\$ 42,449,060	\$ 34,003,490

GENERAL FUND - FULL AND PART TOWN

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Real Property Taxes	\$ 4,013,794	\$ 3,885,939	\$ 4,036,710	\$ 4,037,227	\$ 4,007,757
Real Property Tax Items	58,166	64,737	71,122	82,774	88,245
Non Property Tax Items	7,719,586	7,648,184	8,745,368	9,369,875	9,792,145
Departmental Income	182,943	369,079	193,008	239,442	294,549
Intergovernmental Charges	346,012	266,098	176,517	11,052	83
Use of Money & Property	124,927	61,244	43,149	155,647	1,406,324
Licenses and Permits	101,228	91,636	103,071	118,269	162,347
Fines and Forfeitures	191,280	119,435	123,793	125,407	88,018
Sale of Property and Compensation for Loss	15,272	72,509	-	28,739	605
Miscellaneous	328,889	323,802	800,493	43,415	305,108
Interfund Revenues	41,269	30,231	30,500	35,521	-
Revenues from State Sources	669,326	527,149	651,899	1,171,540	419,690
Revenues from Federal Sources	36,720	37,737	547,990	3,907,477	8,602,849
Total Revenues	\$ 13,829,412	\$ 13,497,780	\$ 15,523,620	\$ 19,326,385	\$ 25,167,720
EXPENDITURES					
General Government Support	\$ 2,144,286	\$ 2,219,304	\$ 2,195,579	\$ 6,320,941	\$ 9,716,460
Public Safety	591,846	574,730	901,337	437,013	447,848
Health	-	-	-	-	-
Transportation	492,397	369,196	409,202	593,769	620,500
Economic Assistance & Opportunity	2,076	427	68,032	72,784	103,516
Culture and Recreation	244,221	66,328	181,939	253,703	267,683
Home and Community Services	2,733,649	3,174,867	2,610,967	2,494,784	2,770,469
Employee Benefits	3,139,922	3,221,134	3,011,034	2,863,666	3,004,156
Debt Service	895,218	1,029,956	923,655	884,667	1,100,515
Total Expenditures	\$ 10,243,615	\$ 10,655,942	\$ 10,301,745	\$ 13,921,327	\$ 18,031,147
Excess of Revenues Over (Under) Expenditures	<u>3,585,797</u>	<u>2,841,838</u>	<u>5,221,875</u>	<u>5,405,058</u>	<u>7,136,573</u>
Other Financing Sources (Uses):					
Operating Transfers In	1,852	-	124,496	-	4,871,600
Operating Transfers Out	<u>(2,765,327)</u>	<u>(2,630,872)</u>	<u>(3,284,471)</u>	<u>(3,460,443)</u>	<u>(12,298,266)</u>
Total Other Financing	<u>(2,763,475)</u>	<u>(2,630,872)</u>	<u>(3,159,975)</u>	<u>(3,460,443)</u>	<u>(7,426,666)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>822,322</u>	<u>210,966</u>	<u>2,061,900</u>	<u>1,944,615</u>	<u>(290,093)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	8,994,956	9,817,278	10,028,244	12,090,144	14,034,759
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 9,817,278</u>	<u>\$ 10,028,244</u>	<u>\$ 12,090,144</u>	<u>\$ 14,034,759</u>	<u>\$ 13,744,666</u>

GENERAL FUND - FULL AND PART TOWN

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

Fiscal Years Ending December 31:

	2023			2024	2025
	Adopted Budget	Final Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 4,018,559	\$ 4,007,757	\$ 4,007,757	\$ 4,029,902	\$ 4,116,406
Real Property Tax Items	93,500	88,245	88,245	89,368	90,416
Non-Property Tax Items	7,620,000	9,792,145	9,792,145	8,178,000	5,393,960
Departmental Income	211,000	294,549	294,549	74,425	105,953
Intergovernmental Charges	11,270	83	83	141,270	130,000
Use of Money & Property	67,450	1,406,324	1,406,324	142,450	502,850
Licenses and Permits	90,900	162,347	162,347	111,000	135,500
Fines and Forfeitures	150,000	88,018	88,018	150,000	150,000
Sale of Property and Compensation for Loss	-	605	605	-	-
Miscellaneous	324,000	305,108	305,108	19,000	305,209
Interfund Revenues	30,000	-	-	30,000	30,000
Revenues from State Sources	450,000	419,690	419,690	755,000	490,000
Revenues from Federal Sources	(2,655,690)	8,758,899	8,602,849	10,000	-
Total Revenues	\$ 10,410,989	\$ 25,323,769	\$ 25,167,720	\$ 13,730,415	\$ 11,450,294
EXPENDITURES					
General Government Support	\$ 2,764,267	\$ 10,788,821	\$ 9,716,460	\$ 2,775,216	\$ 3,323,733
Public Safety	641,274	447,848	447,848	612,107	683,586
Health	-	-	-	-	-
Transportation	572,933	620,500	620,500	662,828	943,350
Economic Assistance & Opportunity	3,099,194	103,516	103,516	79,014	94,222
Culture and Recreation	274,906	267,683	267,683	268,174	272,513
Home and Community Services	-	2,731,918	2,770,469	3,191,225	3,415,240
Employee Benefits	3,425,589	3,004,156	3,004,156	3,668,556	3,800,232
Debt Service	1,097,516	4,283,860	1,100,515	1,058,985	982,346
Total Expenditures	\$ 11,875,679	\$ 22,248,302	\$ 18,031,147	\$ 12,316,105	\$ 13,515,222
Excess of Revenues Over (Under) Expenditures	(1,464,690)	3,075,467	7,136,573	1,414,310	(2,064,928)
Other Financing Sources (Uses):					
Operating Transfers In	-	-	4,871,600	-	-
Operating Transfers Out	(2,736,000)	(3,758,526)	(12,298,266)	(2,959,310)	(71,270)
Total Other Financing	(2,736,000)	(3,758,526)	(7,426,666)	(2,959,310)	(71,270)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(4,200,690)	(683,059)	(290,093)	(1,545,000)	(2,136,198)
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	14,034,759	-	-
Appropriated Fund Balance & Reserves	4,200,690	683,059	-	1,545,000	2,136,198
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 13,744,666	\$ -	\$ -

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2025	\$ 1,390,000	\$ 259,405	\$ 1,379,463
2026	1,400,000	192,250	1,352,850
2027	1,385,000	158,219	1,311,019
2028	1,380,000	124,009	1,269,209
2029	885,000	90,494	743,394
2030	685,000	68,625	588,125
2031	580,000	51,256	471,156
2032	505,000	36,556	386,856
2033	415,000	24,097	294,697
2034	335,000	13,544	209,344
2035	75,000	6,750	21,250
2036	75,000	4,050	20,750
2037	35,000	2,150	20,250
2038	20,000	1,200	20,250
2039	20,000	400	20,250
TOTALS	\$ 9,185,000	\$ 1,033,005	\$ 8,108,863

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2015			2017		
	Various Purposes			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 100,000	\$ 10,000	\$ 110,000	\$ 165,000	\$ 18,706	\$ 183,706
2026	95,000	7,688	102,688	150,000	15,556	165,556
2027	100,000	5,125	105,125	155,000	12,313	167,313
2028	100,000	2,250	102,250	155,000	8,728	163,728
2029	25,000	375	25,375	160,000	4,888	164,888
2030	-	-	-	105,000	1,444	106,444
TOTALS	\$ 420,000	\$ 25,438	\$ 445,438	\$ 890,000	\$ 61,634	\$ 951,634

Fiscal Year Ending Dec 31st	2019			2020		
	Public Improvements			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 200,000	\$ 36,900	\$ 236,900	\$ 450,000	\$ 44,300	\$ 494,300
2026	200,000	30,900	230,900	465,000	35,300	500,300
2027	165,000	25,425	190,425	470,000	26,000	496,000
2028	165,000	20,475	185,475	485,000	16,600	501,600
2029	165,000	15,525	180,525	80,000	6,900	86,900
2030	165,000	10,575	175,575	50,000	5,300	55,300
2031	160,000	5,700	165,700	50,000	4,300	54,300
2032	80,000	2,100	82,100	55,000	3,300	58,300
2033	15,000	675	15,675	55,000	2,200	57,200
2034	15,000	225	15,225	55,000	1,100	56,100
TOTALS	\$ 1,330,000	\$ 148,500	\$ 1,478,500	\$ 2,215,000	\$ 145,300	\$ 2,360,300

Fiscal Year Ending Dec 31st	2022			2024		
	Public Improvements			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 305,000	\$ 49,556	\$ 354,556	\$ 170,000	\$ 99,943	\$ 269,943
2026	310,000	43,406	353,406	180,000	59,400	239,400
2027	315,000	37,156	352,156	180,000	52,200	232,200
2028	285,000	31,156	316,156	190,000	44,800	234,800
2029	260,000	25,706	285,706	195,000	37,100	232,100
2030	230,000	20,806	250,806	135,000	30,500	165,500
2031	235,000	16,156	251,156	135,000	25,100	160,100
2032	235,000	11,456	246,456	135,000	19,700	154,700
2033	215,000	6,822	221,822	130,000	14,400	144,400
2034	135,000	3,019	138,019	130,000	9,200	139,200
2035	20,000	1,250	21,250	55,000	5,500	60,500
2036	20,000	750	20,750	55,000	3,300	58,300
2037	20,000	250	20,250	15,000	1,900	16,900
2038	-	-	-	20,000	1,200	21,200
2039	-	-	-	20,000	400	20,400
TOTALS	\$ 2,585,000	\$ 247,491	\$ 2,832,491	\$ 1,745,000	\$ 404,643	\$ 2,149,643

MATERIAL EVENT NOTICES

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

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

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

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

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

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

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

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

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

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

FORM OF BOND COUNSEL'S OPINION

February 20, 2025

Town of Union,
County of Broome,
State of New York

Re: Town of Union, Broome County, New York
\$3,941,600 Bond Anticipation Notes, 2025 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$3,941,600 Bond Anticipation Notes, 2025 (Renewals) (the "Obligation"), of the County of Broome, New York (the "Obligor"), dated February 20, 2025, numbered 1, of the denomination of \$ _____, bearing interest at the rate of ___% per annum, payable at maturity, and maturing February 20, 2026.

We have examined:

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

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

In our opinion:

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

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

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

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

TOWN OF UNION

AUDITED FINANCIAL REPORT

Fiscal Year Ended December 31, 2023

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

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

TOWN OF UNION, NEW YORK

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

December 31, 2023

TOWN OF UNION, NEW YORK

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 4
Management's Discussion and Analysis	5 - 14
Basic Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	18
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	20
Statement of Fiduciary Net Position - Custodial Funds	21
Statement of Changes in Fiduciary Net Position - Custodial Funds	22
Notes to Financial Statements	23 - 45
Required Supplementary Information:	
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund - Full-Town	46
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund - Part-Town	47
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget to Actual - Special Revenue Fund - Highway Fund - Part- Town	48
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios	49

TOWN OF UNION, NEW YORK
Table of Contents, Continued

	<u>Page</u>
Schedule of the Town's Proportionate Share of the Net Pension Asset/Liability	50
Schedule of the Town's Pension Contributions	51
Federal Grant Compliance Audit:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	52 - 53
Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	54 - 56
Schedule of Expenditures of Federal Awards	57
Notes to Schedule of Expenditures of Federal Awards	58
Schedule of Findings and Questioned Costs	59 - 61
Status of Prior Year Audit Findings	62
Corrective Action Plan	63

* * * * *

INDEPENDENT AUDITORS' REPORT

The Honorable Supervisor and Town Board
Town of Union, New York

Report on the Audit of the Financial Statements

Unmodified and Disclaimer of Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Union, New York (the Town), as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Disclaimer of Opinions on the Statement of Activities, the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds, and the Statement of Changes in Fiduciary Net Position - Custodial Funds

We do not express an opinion on the financial statements of the Statement of Activities, the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds, and the Statement of Changes in Fiduciary Net Position - Custodial Funds of the Town. Because of the significance of the matter described in the Basis for Disclaimer of Opinions on the Statement of Activities, the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds, and the Statement of Changes in Fiduciary Net Position - Custodial Funds section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Statement of Activities, the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds, and the Statement of Changes in Fiduciary Net Position - Custodial Funds.

Unmodified Opinions on the Statement of Net Position, the Balance Sheet - Governmental Funds, the Statement of Fiduciary Net Position - Custodial Funds and the Discretely Presented Component Unit

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Statement of Net Position, the Balance Sheet - Governmental Funds, the Statement of Fiduciary Net Position - Custodial Funds and the discretely presented component unit of the Town, as of December 31, 2023, 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 Disclaimer of Opinions on the Statement of Activities, the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds, and the Statement of Changes in Fiduciary Net Position - Custodial Funds

The Town experienced significant staff turnover in the accounting department in 2022 and 2023 which resulted in numerous misstatements in the general ledger. We were unable to confirm or verify by alternative means the financial statements amounts for the governmental activities, each major fund, and the aggregate remaining fund information for the audit of the year ended December 31, 2022. As a result, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information for the year ended December 31, 2022 received disclaimed audit opinions, resulting in unaudited opening balances for the year ended December 31, 2023.

Basis for Unmodified Opinions

We conducted our audit of the financial statements of Statement of Net Position, the Balance Sheet - Governmental Funds, the Statement of Fiduciary Net Position - Custodial Funds and the discretely presented component unit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Response 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 unmodified 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

Auditor's Responsibilities for the Audit of the Statement of Activities, the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds, and the Statement of Changes in Fiduciary Net Position - Custodial Funds

Our responsibility is to conduct an audit of the Town's financial statements in accordance with GAAS and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinions on the Statement of Activities, the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds, and the Statement of Changes in Fiduciary Net Position - Custodial Funds section of our report, we were not able to obtain sufficient appropriate

audit evidence to provide a basis for audit opinions on the financial Statements of the Statement of Activities, the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds, and the Statement of Changes in Fiduciary Net Position - Custodial Funds.

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.

Auditors' Responsibilities for the Audit of the Statement of Net Position, the Balance Sheet - Governmental Funds, the Statement of Fiduciary Net Position - Custodial Funds and the Discretely Presented Component Unit

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 46 through 51 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 schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purpose of additional analysis and is 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. We were engaged to opine on the schedule of expenditures of federal awards. Due to the matter described in the Basis for Disclaimer of Opinions on the Statement of Activities, the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds, and the Statement of Changes in Fiduciary Net Position - Custodial Funds section of our report, we do not express an opinion on the schedule of expenditures of federal awards.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 11, 2024, 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 Town's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
December 11, 2024

TOWN OF UNION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Our discussion and analysis of the Town of Union's (the Town) financial performance provides an overview of the Town's financial activities for the year ended December 31, 2023. Please read it in conjunction with the Town's financial statements.

FINANCIAL HIGHLIGHTS

General Overview

- The impact of COVID-19 on the Town and its economy greatly affected operations in 2023. The COVID-19 impact to the Town's operations and finances resulted in mid-year 2021 budget reductions in anticipation of revenue shortfalls. Operations were further affected by staffing limitations implemented to meet the New York State (NYS) Governor's executive orders and provide employee safety. The COVID-19 proactive measures implemented by the Town Board in 2022 affected the performance of funds while allowing the Town to maintain functionality and meet its obligations.
- The Town received \$30,477,638 from the American Rescue Plan Act's Coronavirus State and Local Fiscal Recovery Funds (ARPA). \$17,817,374 remains in unearned revenue until it is expended.
- The governmental fund assets totaled \$47.9 million compared to \$55.9 million in the prior year. Total liabilities and deferred inflows of resources decreased to \$24.5 million. Operating results were a positive \$3.7 million comparable to \$5.5 million one year ago. The operating results for the Town's two general funds were a deficit of \$(0.3) million.

Governmental Funds - Fund Balance

- At December 31, 2023, the total combined fund balance for the Town's governmental funds was \$23.5 million, an increase of \$3.7 million.
- The Town's fund balance classifications are nonspendable, assigned and unassigned. At year-end 2023, unassigned fund balance is \$10.6 million.

Governmental Funds - Revenue and Expenditures

- Revenue increased by \$5.5 million to \$37.2 million in 2023 and was influenced by non-recurring sources such as state and federal grants.
- Expenditures increased by \$4.0 million to \$34.0 million in 2023. The increase reflects expenditures related to the ARPA grant.

TOWN OF UNION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Debt Obligations and Other Long-term Liabilities

- The Town's bond obligations decreased \$1.2 million to \$8.7 million in 2023. Additional other long-term liabilities totaled \$24.2 million in compensated absences, other postemployment benefit obligations and net pension liability.

Statements of Net Position & Activities

- On a *governmental wide basis*, the assets and deferred outflows of resources of the primary government of the Town exceeded liabilities and deferred inflows of resources at the close of 2023 resulting in a \$7.1 million (net position). Governmental Accounting Standards Board (GASB) Statement No. 75, accelerated the recognition of other postemployment benefits.
- On a *governmental wide basis*, the Town's primary government total net position increased by \$4.8 million in 2023.

USING THIS ANNUAL REPORT

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities provide information about the Town as a whole and present a longer-term view of the Town's finances.

The Governmental Fund financial statements tell how government activities were financed in the short-term, as well as what remains for future spending. Governmental Fund financial statements also report the Town's operations in greater detail than the Government-wide financial statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside the Government. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements, the annual report contains other information in the form of Budgetary Comparison Schedules for major budgeted funds, the Schedule of Changes in the Total OPEB Liability and Related Ratios, the Schedule of the Town's Proportionate Share of the Net Pension Asset/Liability, and the Schedule of the Town's Pension Contributions.

TOWN OF UNION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Reporting the Town as a Whole

Our analysis of the Town as a whole begins with the Government-wide financial statements. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer the question of whether the Town, as a whole, is better or worse off, as a result of the year's activities. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when the cash is received or paid.

These two statements report the Town's net position and changes therein. One can think of the Town's net position, the difference between assets and liabilities, as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. One will also need to consider other non-financial factors such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, all of the Town's activities, which are governmental in nature, are reported in one column, including public safety, public health, economic assistance and opportunity, transportation, home and community services, culture and recreation, and general administration. Property and sales taxes, and State and Federal grants finance most of these activities.

Reporting the Town's Most Significant Funds

Governmental Fund Financial Statements

Analysis of the Town's Major Funds begins with The Governmental Fund financial statements, which provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants.

Governmental Funds: All of the Town's services are reported in the Governmental Funds, which focus on how money flows into and out of those funds, and the balances left at year end that are available for spending. These funds are reported using *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund financial statements provide a detailed short-term view of the Town's general governmental operations and the basic services they provide. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between Governmental *Activities* (reported in the Government-wide statements) and Governmental *Funds* is explained in a reconciliation in the Governmental Fund financial statements.

TOWN OF UNION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

THE TOWN AS A WHOLE

The Town's *combined* net position at December 31, 2023 was \$7.1 million, which increased \$4.8 million from a net position of \$2.4 million at December 31, 2022.

A portion of the Town's net position, which total \$2.6 million reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

The Town has no resources that are subject to external restrictions on how they may be used at December 31, 2023. The remaining category is unrestricted net position \$4.5 million.

Our analysis below focuses on the net position (Figure 1), and changes in net position (Figure 2), of the Town's Governmental Activities.

**Figure 1
Net Position**

	Governmental Activities		Dollar Change
	2022	2023	2022-2023
Current assets	\$ 29,749,503	47,184,389	17,434,886
Other noncurrent assets	24,584,290	724,263	(23,860,027)
Capital assets, net	19,881,336	16,281,626	(3,599,710)
Total assets	74,215,129	64,190,278	(10,024,851)
Total deferred outflows of resources	5,468,551	6,180,582	712,031
Current liabilities	6,777,624	7,354,762	577,138
Noncurrent liabilities	25,603,290	31,431,852	5,828,562
Total liabilities	32,380,914	38,786,614	6,405,700
Total deferred inflows of resources	44,950,362	24,470,609	(20,479,753)
Net investment in capital assets	8,734,499	2,617,945	(6,116,554)
Restricted	3,564,731	-	(3,564,731)
Unrestricted (deficit)	(9,946,826)	4,495,692	14,442,518
Total net position	\$ 2,352,404	7,113,637	4,761,233

TOWN OF UNION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Total assets decreased \$10.0 million to \$64.2 million at year-end 2023. This change was driven by a decrease in investments and the net pension asset becoming a liability in 2023. Capital assets are reported net of depreciation in the Statement of Net Position and were valued at \$16.3 million at year-end.

Total liabilities increased \$6.4 million to \$38.8 million. This change was driven by the net pension asset becoming an liability in 2023 and an increase in other postemployment benefits.

Figure 2 demonstrates the operations of the Town's activities.

Figure 2
Changes in Net Position

	Governmental Activities		Dollar Change
	2022	2023	2022-2023
Revenue:			
Program revenue:			
Charges for services	\$ 1,073,672	1,419,641	345,969
Operating grants and contributions	4,706,282	12,059,962	7,353,680
Capital grants and contributions	7,149	-	(7,149)
General revenue:			
Property taxes and tax items	11,040,535	11,357,529	316,994
Nonproperty tax items	8,745,368	9,792,145	1,046,777
Use of money and property	47,453	1,483,606	1,436,153
Other	892,713	406,755	(485,958)
Total revenue	26,513,172	36,519,638	10,006,466
Program expenses:			
General government support	2,061,813	10,043,558	7,981,745
Public safety	1,712,197	1,364,540	(347,657)
Health	260,000	335,000	75,000
Transportation	6,440,593	7,631,106	1,190,513
Economic assistance and opportunity	58,527	111,959	53,432
Culture and recreation	2,891,912	3,457,114	565,202
Home and community services	6,876,900	8,434,231	1,557,331
Interest on long-term debt	220,764	380,897	160,133
Total expenses	20,522,706	31,758,405	11,235,699
Change in net position	\$ 5,990,466	4,761,233	(1,229,233)

TOWN OF UNION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

The change in net position for year 2023 amounted to an increase of \$4.8 million. In reconciling the net change in fund balance for governmental funds to the change in net position of governmental activities, the Town recognizes various revenue and expenditures differently in the Statement of Activities. The recognition of these differences reconciles an increase in fund balance on a governmental basis of \$3.7 million to an increase of \$4.8 million reported in the Statement of Net Position. The major revenue or expenditure recognition reconciling adjustments are summarized as follows:

- Capital Outlay - \$0.3 million is recognized as an expense in the Governmental Funds; a "capital asset" in the Statement of Activities, thus resulting in an "increase" in net position.
- Depreciation - \$3.9 million is recognized as an expense in the Statement of Activities; not recognized in the Governmental Funds, thus resulting in a decrease in net position.
- Principal Payments on Indebtedness - \$1.2 million is recognized as an expense within the Governmental Funds; reduces the "bonds payable" in the Statement of Net Position, thus resulting in an "increase" in net position.
- Net Pension Liability - \$0.6 million is recognized as a decrease to net position due to timing of payments.
- Other Postemployment Benefits - \$4.8 million is recognized a decrease to net position due to timing of payments.

A schedule pertaining to these and other reconciling adjustments is found in the financial report section.

A review of significant revenue/expense categories of the Changes in Net Position are explained as follows:

Revenue

- Operating Grants - increase of \$7.4 million to \$12.1 million due to increased ARPA grant usage.
- Use of Money and Property - increase of \$1.4 million to \$1.5 million due to an increase in interest rates nation-wide.

Expenses

- General Government - increase of \$8.0 million to \$10.0 million related to the increase in the ARPA grant usage.
- Home and Community Services - increase of \$1.6 million to \$8.4 million related to an increase in contractual expenditures related to the Community Development Block Grants.

TOWN OF UNION
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2023

The total cost and revenue comparison of the Governmental Activities for each of the Town's largest programs follows. Note that the Town's home and community service activities, which includes providing water and sewer services, include debt service costs in their fee structures. Because debt service costs are not expenses of this function, the excess revenue generated by these activities is used to make debt principal and interest payments. The difference between the cost and revenue shows the financial burden that was placed on the Town's taxpayers by each of these functions.

THE TOWN'S FUNDS

The Town's Governmental Funds reported a combined fund balance of \$23.5 million at December 31, 2023, as increase of \$3.7 million. A summary of the major funds fund balances and total of nonmajor Funds fund balances are shown below:

Figure 3
Governmental Funds
Fund Balances at Year End

	Governmental Activities		Dollar Change
	2022*	2023	2022-2023
Major Funds:			
General Fund - full town	\$ 4,519,066	7,309,188	2,790,122
General Fund - part town	9,515,693	6,435,478	(3,080,215)
Special Revenue Funds:			
Highway Fund - part town	5,416,273	7,849,835	2,433,562
Special Grant Fund	553,007	375,217	(177,790)
Nonmajor Funds	(227,993)	1,487,364	1,715,357
Totals	\$ 19,776,046	23,457,082	3,681,036

* Restated to conform with the current year presentation.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenue and interfund transfers in were greater than the budgeted estimate by \$4,715,550 and actual expenditures and interfund transfers out were more than budgeted expenditures by \$198,888 in the general fund full-town fund.

Actual revenue was the same as the budgeted estimate with actual revenue of \$11,483,042 and actual expenditures and interfund transfers out were more than budgeted expenditures by \$4,123,697 in the general fund part-town fund.

TOWN OF UNION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the Town reported net \$16.3 million invested in a broad range of capital assets, which include buildings, machinery, equipment, roads and other infrastructure improvements reported net of accumulated depreciation totaling \$46.9 million. This represents a net decrease of \$3.6 million.

Figure 4
Capital Assets at Year End December 31,

	Governmental Activities		Dollar Change
	2022	2023	2022-2023
Land	\$ 952,103	952,103	-
Construction in progress	567,212	567,212	-
Buildings	3,555,569	3,443,837	(111,732)
Improvements	3,051,529	2,392,734	(658,795)
Infrastructure	8,779,661	7,062,731	(1,716,930)
Machinery, equipment and vehicles	2,975,262	1,863,009	(1,112,253)
Totals	\$ 19,881,336	16,281,626	(3,599,710)

Total Indebtedness

Debt (bonds, notes, and related premiums), which is considered a liability of Governmental Activities, decreased by \$350 thousand to \$13.7 million. The Town borrows funds for the acquisition of land, equipment, and construction of buildings and improvements enabling the costs to be borne by the present and future taxpayers receiving the benefit of the capital assets.

Figure 5
Total Indebtedness at Year End December 31,

	Governmental Activities		Dollar Change
	2022	2023	2022-2023
Serial bonds, including premium	\$ 9,985,104	8,758,400	(1,226,704)
Bond anticipation notes	4,028,277	4,905,281	877,004
Totals	\$ 14,013,381	13,663,681	(349,700)

TOWN OF UNION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Other Long-term Liabilities

Compensated absences increased \$86 thousand to \$737 thousand. Other postemployment benefits increased \$3.8 million to \$20.2 million. The net pension asset proportionate share increased \$4.5 million to \$3.2 million, becoming a liability in 2023.

Figure 6
Other Long-term Liabilities at Year End December 31,

	Governmental Activities		Dollar Change
	2022	2023	2022-2023
Compensated absences	\$ 650,940	737,349	86,409
Total OPEB liability	16,424,688	20,247,306	3,822,618
Net pension (asset) liability	(1,317,488)	3,202,595	4,520,083
Totals	\$ 15,758,140	24,187,250	8,429,110

ECONOMIC FACTORS, FUTURE CONSIDERATIONS AND EXPECTATIONS

The 2023 financial results will continue to be reviewed as to operating results and the resulting impact on fund balances. The Governmental fund balances, which are still considered favorable, need to be managed over the next three to four years. As to appropriating fund balance into future annual budgets, management recognizes the concern in the fund balance being salvageable without future and higher than normal tax rate increases.

The Town of Union's financial position, which historically has been favorable, is challenged by economic conditions, lack of taxable assessment growth, mandates and regulations. Despite the continued financial economic pressures, the Town of Union has complied with the Tax Levy Limitation Law since its inception from 2012. This law restricts, among other things, the amount of real property taxes that may be levied in a particular year to no more that the lesser of two (2%) or the annual increase in the consumer price index (CPI) over the amount of the prior year's tax levy.

The New York State Comptroller developed a Fiscal Stress Monitoring System (FSMS) to provide independent, objectively measured and quantified information regarding the various levels of fiscal stress under which school districts and municipalities operate. Entities that do not accumulate the number of points to place them in a stress category are classified as "no designation". The Town of Union has received the category of "no designation" for the past six years; however, the Town is expected to receive continued financial economic pressures from fluctuations in revenues and increasing expenses.

TOWN OF UNION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

ARPA funds were provided in response to the COVID-19 public health emergency, or its negative economic impacts, including providing assistance to households, small businesses, and nonprofits, or aid to impacted industries, such as tourism, travel, and hospitality. Furthermore, funds may provide premium pay to essential workers, grants to employers that have eligible workers; provide government services, to the extent COVID-19 caused a reduction of revenues collected in the most recent full fiscal year; or make necessary investments in water, sewer, or broadband infrastructure.

The funding provided by ARPA will not affect property tax supported funds; therefore, the conflicting dilemma in meeting taxpayer expectations for services and tax rates will continue. Although the Town's fund balance remains comparably favorable, the ability to sustain appropriated balances will remain a concern. The Town Board's intention is to manage fund balance levels, thus maintaining fiscally responsible levels into the future without higher than normal tax rate increases.

As to the level of capital expenditures, the Town annually reviews departmental capital expenditures and makes a decision relative to appropriating or financing. However, the additions do not completely address the continued concern as to future requirements to repair and replace aging infrastructure. These infrastructure concerns include curbs and gutters, sidewalks, highway improvements, storm drainage, sanitary sewers and culverts. The Town recognizes additional resources will have to be devoted to infrastructure preventive maintenance and capital improvements in the future. The Town Board has allocated a significant portion of ARPA to provide funding to address infrastructure needs.

Request for Information

This financial report is designed to provide a general overview of the Town's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to the Comptroller, Town of Union, 3111 East Main Street, Endwell, New York 13760.

TOWN OF UNION, NEW YORK
Statement of Net Position
December 31, 2023

<u>Assets</u>	<u>Governmental Activities</u>	<u>Local Development Corporation</u>
Current assets:		
Cash and equivalents - unrestricted	\$ 44,003,619	2,453,688
Other receivables	273,460	11,655
Due from other governments	2,533,430	-
Loans receivable, current portion	73,199	85,086
Prepaid expenses	300,681	2,612
Total current assets	47,184,389	2,553,041
Noncurrent assets:		
Investments	65,474	-
Loans receivable, net of current portion	658,789	594,425
Capital assets, nondepreciable	1,519,315	-
Capital assets, depreciable, net of accumulated depreciation	14,762,311	5,750
Total noncurrent assets	17,005,889	600,175
Total assets	64,190,278	3,153,216
<u>Deferred Outflows of Resources</u>		
OPEB	3,719,517	-
Pension	2,461,065	-
Total deferred outflows of resources	6,180,582	-
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	581,966	6,557
Accrued liabilities	139,199	1,765
Due to other governments	-	4,088
Interest payable	214,518	-
Compensated absences	275,762	5,311
Bond anticipation notes payable	4,905,281	-
Bonds payable, including premium	1,238,036	-
Total current liabilities	7,354,762	17,721
Noncurrent liabilities:		
Bonds payable, including premium	7,520,364	-
Compensated absences	461,587	41,136
Net pension liability - proportionate share	3,202,595	-
Total OPEB liability	20,247,306	-
Total noncurrent liabilities	31,431,852	41,136
Total liabilities	38,786,614	58,857
<u>Deferred Inflows of Resources</u>		
Unearned revenue	17,817,374	1,045,140
OPEB	6,472,787	-
Pension	180,448	-
Total deferred inflows of resources	24,470,609	1,045,140
<u>Net Position</u>		
Net investment in capital assets	2,617,945	-
Restricted	-	12,807
Unrestricted (deficit)	4,495,692	2,036,412
Total net position (deficit)	\$ 7,113,637	2,049,219

See accompanying notes to financial statements.

TOWN OF UNION, NEW YORK
Statement of Activities
Year ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net Revenue (Expense) and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Local Development Corporation</u>
Primary government:					
Governmental activities:					
General government support	\$ 10,043,558	119,913	9,022,539	(901,106)	-
Public safety	1,364,540	171,967	-	(1,192,573)	-
Health	335,000	-	-	(335,000)	-
Transportation	7,631,106	11,400	503,056	(7,116,650)	-
Economic assistance and opportunity	111,959	-	-	(111,959)	-
Culture and recreation	3,457,114	349,173	-	(3,107,941)	-
Home and community services	8,434,231	767,188	2,534,367	(5,132,676)	-
Interest on long-term debt	380,897	-	-	(380,897)	-
Total governmental activities	<u>\$ 31,758,405</u>	<u>1,419,641</u>	<u>12,059,962</u>	<u>(18,278,802)</u>	<u>-</u>
Component unit - Local Development Corporation	<u>\$ 1,395,060</u>	<u>19,964</u>	<u>1,390,534</u>	<u>-</u>	<u>15,438</u>
General revenue:					
Property taxes				11,138,970	-
Real property tax items				218,559	-
Nonproperty tax items				9,792,145	-
Use of money and property				1,483,606	27,258
Sale of property and compensation for loss				64,074	-
Miscellaneous				342,681	4,500
Total general revenue				<u>23,040,035</u>	<u>31,758</u>
Change in net position				4,761,233	47,196
Net position at beginning of year				<u>2,352,404</u>	<u>2,002,023</u>
Net position at end of year				<u>\$ 7,113,637</u>	<u>2,049,219</u>

See accompanying notes to financial statements.

TOWN OF UNION, NEW YORK
Balance Sheet - Governmental Funds
December 31, 2023

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Full-Town	General Part-Town	Special Revenue Funds Highway Part-Town	Special Grant		
<u>Assets</u>						
Cash and equivalents - unrestricted	\$ 25,316,842	5,732,975	10,862,818	587,158	1,503,826	44,003,619
Investments	65,474	-	-	-	-	65,474
Receivables:						
Other receivables	-	112,011	-	-	161,449	273,460
Due from other governments	207,860	2,325,570	-	-	-	2,533,430
Loans receivable, net	-	-	-	731,988	-	731,988
Prepaid expenditures	<u>177,862</u>	<u>64,896</u>	<u>48,800</u>	<u>2,371</u>	<u>6,752</u>	<u>300,681</u>
Total assets	<u>\$ 25,768,038</u>	<u>8,235,452</u>	<u>10,911,618</u>	<u>1,321,517</u>	<u>1,672,027</u>	<u>47,908,652</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>						
<u>Liabilities:</u>						
Accounts payable	195,042	53,993	53,145	204,200	75,586	581,966
Accrued liabilities	53,211	42,992	33,550	3,104	6,342	139,199
Compensated absences	37,187	126,660	85,823	7,008	19,084	275,762
Bond anticipation notes payable	<u>356,036</u>	<u>1,576,329</u>	<u>2,889,265</u>	<u>-</u>	<u>83,651</u>	<u>4,905,281</u>
Total liabilities	<u>641,476</u>	<u>1,799,974</u>	<u>3,061,783</u>	<u>214,312</u>	<u>184,663</u>	<u>5,902,208</u>
<u>Deferred inflows of resources:</u>						
Unavailable revenue	-	-	-	731,988	-	731,988
Unearned revenue	<u>17,817,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,817,374</u>
Total deferred inflows of resources	<u>17,817,374</u>	<u>-</u>	<u>-</u>	<u>731,988</u>	<u>-</u>	<u>18,549,362</u>
<u>Fund balances:</u>						
Nonspendable	177,862	64,896	48,800	2,371	6,752	300,681
Assigned	538,473	1,431,830	7,801,035	372,846	2,424,273	12,568,457
Unassigned (deficit)	<u>6,592,853</u>	<u>4,938,752</u>	<u>-</u>	<u>-</u>	<u>(943,661)</u>	<u>10,587,944</u>
Total fund balance (deficit)	<u>7,309,188</u>	<u>6,435,478</u>	<u>7,849,835</u>	<u>375,217</u>	<u>1,487,364</u>	<u>23,457,082</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,768,038</u>	<u>8,235,452</u>	<u>10,911,618</u>	<u>1,321,517</u>	<u>1,672,027</u>	<u>47,908,652</u>

See accompanying notes to financial statements.

TOWN OF UNION, NEW YORK
Reconciliation of Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2023

Total Governmental Fund Balances		\$ 23,457,082
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets at historical cost	\$ 63,172,513	
Less accumulated depreciation	<u>(46,890,887)</u>	16,281,626
The Town's proportionate share of the collective net pension liability is not reported in the funds.		
		(3,202,595)
Deferred outflows of resources represent a consumption of net position that applies to future periods and, therefore, is not reported in the Governmental Funds. Deferred inflows of resources represents an acquisition of net position that applies to future periods and, therefore, is not reported in the Governmental Funds.		
Deferred outflows of resources - OPEB	3,719,517	
Deferred outflows of resources - pension	2,461,065	
Deferred inflows of resources - OPEB	(6,472,787)	
Deferred inflows of resources - pension	<u>(180,448)</u>	(472,653)
Certain accrued expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in Governmental Funds.		
Interest payable	(214,518)	
Bonds payable	(8,670,000)	
Bond premiums	(88,400)	
Total OPEB liability	(20,247,306)	
Compensated absences	<u>(461,587)</u>	(29,681,811)
Deferred inflows of resources in the Governmental Funds Balance Sheet is comprised of loan balances and other receivables not deferred in the Statement of Net Position.		
		<u>731,988</u>
Net Position of Governmental Activities		<u>\$ 7,113,637</u>

See accompanying notes to financial statements.

TOWN OF UNION, NEW YORK
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended December 31, 2023

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Full-Town	General Part-Town	Special Revenue Funds			
			Highway Part-Town	Special Grant		
Revenue:						
Real property taxes	\$ 2,927,374	1,080,383	2,847,394	-	4,283,819	11,138,970
Real property tax items	69,559	18,686	44,459	-	85,855	218,559
Nonproperty tax items	-	9,792,145	-	-	-	9,792,145
Departmental income	263,215	31,334	-	-	863,244	1,157,793
Intergovernmental charges	-	83	-	-	-	83
Use of money and property	1,269,695	136,629	39,439	21,654	16,189	1,483,606
Licenses and permits	44,278	118,069	11,400	-	-	173,747
Fines and forfeitures	88,018	-	-	-	-	88,018
Sale of property and compensation for loss	-	605	37,662	25,807	-	64,074
Miscellaneous	-	305,108	35	3,815	33,723	342,681
State sources	419,690	-	503,056	-	-	922,746
Federal sources	8,602,849	-	-	3,168,109	-	11,770,958
Total revenue	<u>13,684,678</u>	<u>11,483,042</u>	<u>3,483,445</u>	<u>3,219,385</u>	<u>5,282,830</u>	<u>37,153,380</u>
Expenditures:						
General government support	9,271,681	444,779	-	-	57	9,716,517
Public safety	110,515	337,333	-	-	894,537	1,342,385
Health	-	-	-	-	335,000	335,000
Transportation	302,388	318,112	4,372,745	-	-	4,993,245
Economic assistance and opportunity	103,516	-	-	-	-	103,516
Culture and recreation	267,683	-	-	-	2,923,916	3,191,599
Home and community services	-	2,770,469	-	3,456,405	882,462	7,109,336
Employee benefits	919,104	2,085,052	1,245,559	142,082	313,057	4,704,854
Debt service:						
Principal	399,286	582,992	603,586	-	112,362	1,698,226
Interest	40,368	77,869	131,597	-	16,082	265,916
Capital outlay	-	-	-	-	491,308	491,308
Total expenditures	<u>11,414,541</u>	<u>6,616,606</u>	<u>6,353,487</u>	<u>3,598,487</u>	<u>5,968,781</u>	<u>33,951,902</u>
Excess (deficiency) of revenue over expenditures	<u>2,270,137</u>	<u>4,866,436</u>	<u>(2,870,042)</u>	<u>(379,102)</u>	<u>(685,951)</u>	<u>3,201,478</u>
Other financing sources (uses):						
BANs redeemed from appropriations	-	-	-	-	479,558	479,558
Interfund transfers in	4,871,600	-	5,303,604	201,312	3,327,144	13,703,660
Interfund transfers (out)	(4,351,615)	(7,946,651)	-	-	(1,405,394)	(13,703,660)
Total other financing sources (uses)	<u>519,985</u>	<u>(7,946,651)</u>	<u>5,303,604</u>	<u>201,312</u>	<u>2,401,308</u>	<u>479,558</u>
Net change in fund balance	2,790,122	(3,080,215)	2,433,562	(177,790)	1,715,357	3,681,036
Fund balances (deficit) at beginning of year	4,519,066	9,515,693	5,416,273	553,007	(227,993)	19,776,046
Fund balances at end of year	<u>\$ 7,309,188</u>	<u>6,435,478</u>	<u>7,849,835</u>	<u>375,217</u>	<u>1,487,364</u>	<u>23,457,082</u>

See accompanying notes to financial statements.

TOWN OF UNION, 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, 2023

Net change in fund balances - Total Governmental Funds \$ 3,681,036

Amounts reported for Governmental Activities in the Statement of Activities are different because:

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

Capital outlay	\$ 328,897	
Depreciation expense	<u>(3,928,607)</u>	(3,599,710)

Changes in the Town's deferred outflows and deferred inflows of resources related to pension and OPEB do not affect current financial resources and are also not reported in the Governmental Funds.

Deferred outflows of resources - OPEB	1,076,586	
Deferred outflows of resources - pension	(364,555)	
Deferred inflows or resources - OPEB	7,572,353	
Deferred inflows of resources - pension	<u>4,309,664</u>	12,594,048

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond principal is an expenditure in the Governmental Funds, but the repayments reduce long-term liabilities in the Statement of Net Position.

Bond principal payments	1,218,668	
Bond premiums amortization	<u>8,036</u>	1,226,704

Revenues deferred in the funds for loan payments are not deferred in the Statement of Activities. This is the change in deferred revenues for the year.

(633,742)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. This is the change in the following:

Interest payable	(123,017)	
Compensated absences	(41,385)	
Total OPEB liability	(3,822,618)	
Net pension liability- proportionate share	<u>(4,520,083)</u>	<u>(8,507,103)</u>

Change in Net Position of Governmental Activities \$ 4,761,233

See accompanying notes to financial statements.

TOWN OF UNION, NEW YORK
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2023

	<u>Custodial Funds</u>
Assets - cash and equivalents	<u>\$ 23,859</u>
Fiduciary net position	<u>\$ 23,859</u>

See accompanying notes to financial statements.

TOWN OF UNION, NEW YORK
Statement of Changes in Fiduciary Net Position
Custodial Funds
Year ended December 31, 2023

	<u>Custodial Funds</u>
Additions:	
Fire district real property taxes	\$ 2,109,846
Fire district payments in lieu of tax payments	51,480
Miscellaneous	<u>14,001</u>
Total additions	<u>2,175,327</u>
Deductions:	
Fire district real property taxes	2,109,846
Fire district payments in lieu of tax payments	<u>51,480</u>
Total deductions	<u>2,161,326</u>
Change in fiduciary net position	14,001
Fiduciary net position at beginning of year	<u>9,858</u>
Fiduciary net position at end of year	<u><u>\$ 23,859</u></u>

See accompanying notes to financial statements.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

The Town of Union (the Town) is located in the County of Broome, New York (the County), and, includes the Villages of Johnson City and Endicott, both located wholly within the Town.

The Town is classified as a suburban Town and is governed by Town Law, other general laws of New York State (the State), a code of ordinances, and various local laws. The legislative body is the Town Board, which consists of a Supervisor and four Councilpersons. The Supervisor, as Chief Executive Officer, provides for the enforcement of all general laws, local laws, and rules and regulations. The Supervisor, as Chief Fiscal Officer, is responsible for receiving, disbursing, and having custody of all Town moneys. The Town Comptroller heads the Department of Audit and Control and is the chief auditing and accounting officer. The Town Clerk, as Chief Recording Officer, is custodian of all Town papers and records.

The Town provides the following principal services: public safety, transportation (streets and highways), culture-recreation, home and community services, public improvements, and general administration. Town parks are operated and maintained in a separate tax district known as the Town of Union Park District, which encompasses that area of the Town outside the villages. The Town has two full-town districts for ambulance and library services. The library district funds the operating budgets for the George F. Johnson and Your Home libraries located in the Villages of Endicott and Johnson City, respectively. Water and sewer service in the area of the Town outside the villages are provided as a part-town function.

In four areas of the Town outside the villages (Westover, Union Center, Choconut Center, and East Maine), the Town Board is responsible for providing fire protection. These areas are separate tax districts, called fire protection districts. Contracts entered into for providing fire protection within the fire protection districts are funded by means of a special ad valorem tax on the real property situated within each district. There are three other fire protection districts in areas of the Town outside the villages (Endwell, West Corners, and West Endicott), which are excluded from the Town's reporting entity. Fire protection within the Villages is the responsibility of the respective Village boards.

Summary of Significant Accounting Policies

The accounting and reporting policies of the Town relating to the accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and reporting policies and practices used in the preparation of these financial statements.

The following is a summary of the more significant accounting policies:

(a) **Financial Reporting Entity**

The Town defines its reporting entity in accordance with GASB Statement No. 14, as amended by GASB Statement Nos. 39 and 61, which defines the primary government and potential component units and establishes the criteria for which potential component units are included in the reporting entity. Based on the criteria under these Statements, the Town has one component unit required to be included in the reporting entity.

The Town of Union Local Development Corporation (LDC) is included in the financial statements as a discretely presented component unit. The LDC is a nonprofit corporation that provides economic development services to the Town. The LDC is fiscally dependent on the Town for its allocation of funds under the Federal Community Development Block Grant. Complete financial statements may be obtained from the LDC's Executive Director, Town of Union LDC, 3111 East Main Street, Endwell NY 13760.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(b) Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the Town as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange revenue. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. An exception to this general rule is the chargeback of services of the accounting department and other minor central costs. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Amounts reported as program revenues include: (1) charges to customers for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenue are those which cannot be associated directly with program activities.

Fund Accounting

Fund financial statements of the Town are organized into funds, each of which is considered to be separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Funds are organized into two major categories: governmental and fiduciary. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type ; and
- Total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The funds of the Town are described below:

Governmental Funds

General Fund - The General fund is the general operating fund of the Town and is used to account for all financial resources, except those required to be accounted for in another fund. The General fund is always classified as a major fund. The Town's general fund includes:

Full-Town - Used to account for the operations and transactions, which are a charge against the entire area of the Town.

Part-Town - Used to account for transactions, which are required by state statute to be a charge on the area of the Town outside the villages.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Town’s special revenue funds include:

Highway Town-wide Fund – Used to account for revenue and expenditures for highway purposes, which are a charge against the entire area of the Town, in accordance with Section 141 of the Highway Law.

Part-Town Highway Fund – Used to account for revenue and expenditures for highway purposes, which are required by state statute to be a charge on the area of the Town outside the villages, in accordance with Section 141 of the Highway Law.

Special District Funds – Used to account for taxes or other revenue, which are raised or received to provide special services to areas that encompass less than the whole Town.

Special Grant Funds – Used to account for funds received from the U.S. Department of Housing and Urban Development for Community Development Block Grants, Rental Housing Rehabilitation Grants, Home Investment in Affordable Housing Programs, and Section 8 Housing Programs.

Capital Projects Funds – The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Custodial Funds – Custodial funds are set up for the purpose of accounting for money and property received and held by the Town in the capacity of custodian or agent for individuals, other municipalities and nonpublic organizations.

(c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus is used. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenue, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. In applying the susceptible-to-accrual concept to state (other than per capita state revenue sharing aid) 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, revenue is 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 revenue at the time of receipt, if within the 60-day availability period used for recognition of governmental fund revenues; otherwise these revenues are deferred to the next year.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

(d) Cash and Equivalents

The Town's cash and equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

State law governs the Town's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of the State or its localities.

Collateral is required for demand and time deposits, and certificates of deposit 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 Districts.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Town has the ability to access.

- Level 2 - Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the assets or liabilities; and
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An asset's or liability's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodology used at December 31, 2023.

The Town assess the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy.

(e) Receivables

In the government-wide statements, receivables consist of revenue earned at year-end and not yet received and are shown at gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such an allowance would not be material. The major receivable balance for the governmental activities is the loan programs in the Special Grants fund.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

In the fund financial statements, material receivables in governmental funds include revenue accruals such as franchise tax, grants, and other similar intergovernmental revenue since they are usually both measurable and available and are shown at gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such an allowance would not be material. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

(f) Prepaid Items

Prepaid items represent payments made by the Town for which benefits extend beyond year-end. The prepaid items at December 31, 2023 represent both payments to vendors and to the State Retirement system to reflect costs applicable to future accounting periods and is recorded as prepaid expenses in both the government-wide and fund financial statements. The prepaid expense is reported as assets on the statement of net position or balance sheet using the consumption method.

(g) Deferred Outflows/Inflows of Resources

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

The Town reports deferred outflows related to the pension and other postemployment benefits (OPEB).

The Town reports deferred inflows of resources related to the pension and OPEB. In addition, the Town has unavailable revenue, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category and is reported only in the governmental fund Balance Sheet. The governmental funds report unavailable revenue from loans receivable and bond premiums. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town also records unearned revenue for advances from grants not yet expended.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(h) Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental funds operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. The Town does not have any proprietary funds as of December 31, 2023.

Government-wide Statements

All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. The Town defines capital assets as assets with an individual cost of more than \$5,000.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- Buildings	30 years
- Improvements	10 - 20 years
- Infrastructure	10 - 20 years
- Machinery, Equipment, and Vehicles	3 - 10 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

(i) Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. The Town does not have any proprietary funds as of December 31, 2023.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, accrued compensated absences, and capital lease obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(j) Compensated Absences

Full-time employees earn from ten to twenty days of vacation leave per year depending upon length of employment. Employees may carry, to the next year, a maximum of fifteen days of unused vacation leave. Sick leave is earned at the rate of one day per month and may be accumulated to a maximum of two hundred twenty-five days. Bereavement leave of up to three days may also be granted.

Upon separation from Town employment, employees are compensated for any unused vacation leave. Employees are entitled to a cash settlement equal to a maximum of 135 days of accrued sick leave at a salary rate ranging from 50% to 100% depending upon length of service. Employees with fewer than five years of service are not entitled to any accrued sick leave payment upon separation.

(k) Equity Classifications

Government-wide Statements

In the government-wide statement there are three classes of net position:

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

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

The Governmental Funds report the following fund balance classifications:

Nonspendable – Includes amounts which cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes which are not nonspendable. Constraints on the use of resources which are externally imposed or imposed by law through constitutional provisions or enabling legislation restrict fund balance.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Committed - Amounts which can only be used for specific purpose pursuant to constraints imposed by formal action of the Town Board via a Board Resolution.

Assigned - Amounts constrained by the Town's intent to be used for specific purposes, which are neither restricted nor committed, are reported as assigned fund balance. The Town Board has the authority to assign these funds; these funds are assigned to appropriate Funds for a subsequent budget or for Special revenue funds.

Unassigned - Amounts which cannot be applied to any of the above categories are reported as unassigned fund balance.

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or related to resources not available for general use or appropriation. The following reserve funds are available under State General Municipal Law (GML) and are utilized by the Town.

Capital Reserve - This reserve is established under GML sections 6-c and 6-g and is used to finance all or part of the cost of construction, reconstruction or acquisition of a specific item or type of capital improvement or acquisition of a specific item or type of equipment.

Employee Benefit Reserve - As established under GML section 6-p the Town utilizes the employee benefit reserve to accrue for vacation and sick leave benefits payable upon separation from the Town.

Workers' Compensation Reserve - This reserve is established under GML section 6-j for the payment of compensation benefits, medical, hospital and other expenses as authorized by Article 2 of the Workers' Compensation Law.

Debt Service Reserve - This reserve is established under GML section 6-h and is used for payment or purchase of one or more issues of bonds of the Town.

Encumbrances - Reserve for encumbrances represents the amount of outstanding encumbrances at the end of the fiscal year.

Appropriated fund balance - Assignment for fund balance represents the amount budgeted to credit back to tax payers in the following years.

(l) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

(m) Net Position

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

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(n) Encumbrances

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes, is employed in the general, special revenue and capital funds. Encumbrances are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The Town's procedures for establishing the budgetary data reflected in the financial statements are as follows:

- (i) No later than September 30th, the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds of the Town, except for the Capital Projects Fund.
- (ii) Revisions that alter appropriations of any department or fund must be approved by the Town Board.
- (iii) Budgetary controls are established for the capital projects funds through resolutions authorizing individual projects, which remain in effect for the life of the project. The capital projects accounted for in the capital project funds are short-term (less than one year) "turnkey" projects. In accordance with National Council on Governmental Accounting Statement 1, Governmental Accounting and Financial Reporting Principles, it is management's opinion that formal budgetary account integration does not serve a useful purpose in the capital projects funds.
- (iv) Budgetary controls for the Special Grant Funds are established in accordance with applicable grant agreements, which cover a period other than the Town's fiscal year.
- (v) Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the general and special revenue funds. Open encumbrances at year-end are reported as reservations of fund balances since the commitments do not constitute expenditures or liabilities.

Individual budgetary expenditures exceeded their budgetary authorizations in the general part-town fund for 2023.

The Parks Fund reflects a \$943,661 fund balance deficit at December 31, 2023.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 - PROPERTY TAXES

Town real property taxes are levied and become a tax lien on January 1st. The Town's taxes are collected during the period January 1st to the expiration of the warrant, which is April 1st. Delinquent taxes are returned by the Town to the County for the enforcement of the collection of the delinquent tax.

Taxes for the Town and special district purposes are levied together with taxes for the County as a single tax bill. The Town and special districts receive the full amount of the levies annually out of the first amounts collected on the combined tax bill. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end.

NOTE 4 - SALES TAX REVENUE

A 4% sales tax is levied in the County under the general authority of Article 29 of the Tax Law. This tax is administered and collected by the State Tax Commission in the same manner as that relating to the state imposed 4% sales tax. Of the first 3% collected, the County retained 50% of 2023 total collections and the remaining 50% was divided among the Towns, Villages, and the City of Binghamton on the basis of population. The Town's share is divided and allocated between incorporated villages (located wholly or partially within the Town) and the area of the Town outside said villages, on the basis of population. In 2023, sales taxes apportioned to the Town was \$9,383,432.

NOTE 5 - CASH AND EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS

Cash

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits will not be returned. While the Town does not have a specific policy for custodial credit risk, State statutes govern the Town's investment policies. At December 31, 2023, the entire balance of the Town's deposits were covered by FDIC insurance or collateralized with securities held by the pledging financial institution's trust department or in the Town's name.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

Investments

If the Town purchases investments, these investments are not typically for long enough duration to cause it to believe that it is exposed to any material interest rate risk. The Town does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

At December 31, 2023 the Town had \$65,474 invested in a certificate of deposit. This investment matures on August 26, 2030. Original amount invested was \$100,000.

Concentration of Credit Risk

For investments, this is the risk of loss attributable to the quantity of the Town's investment in a single issuer. Investments in single issuers that equal or exceed 5% of total investments have a reportable concentration of credit risk. At December 31, 2023, the Town held 100% of its investment balance in a certificate of deposit.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6- RECEIVABLES

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

Accounts Receivables

In the financial statements, the accounts receivable amount is \$273,460 and is represented in various funds for purposes of recording receipts resulting from operations. It is anticipated that a significant amount of the balance will be collected within one year of the financial statement date.

Loan Receivables

In the financial statements, the loan receivable amount is \$731,988 and is represented in the Special Grants Fund for purposes of economic development and housing loans made from federal funds received by this fund. It is not anticipated that a significant amount of the balance will be collected within one year of the financial statement date.

State and Federal Receivables

The Town participates in a number of grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The Town believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the Town's financial position or results of operations. Expenditures disallowed by completed audits relating to operating programs have been reflected as adjustments to revenues in the year the expenditure was determined to be unallowable, since such amounts have been immaterial in nature.

Due from Other Governments

The amount due from other governments is \$2,533,430. Of this amount, \$2,325,570 is due from the County for the Town's share of the 4th quarter sales tax, and the remaining consist of various amounts due from local Villages or the County.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023:

	Balance			Balance
	January 1,		Disposals/	December 31,
	<u>2023</u>	<u>Additions</u>	<u>Transfers</u>	<u>2023</u>
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated				
Land	\$ 952,103	-	-	952,103
Construction in Progress	567,212	-	-	567,212
Total Capital Assets, Not Being Depreciated	\$ 1,519,315	-	-	1,519,315
Capital Assets, Being Depreciated				
Buildings	\$ 10,251,181	116,897	-	10,368,078
Improvements	8,052,607	-	-	8,052,607
Infrastructure	29,039,238	54,914	-	29,094,152
Machinery, Equipment and Vehicles	14,047,693	157,086	(66,418)	14,138,361
Total Capital Assets, Being Depreciated	\$ 61,390,719	328,897	(66,418)	61,653,198
Less Accumulated Depreciation				
Buildings	\$ (6,695,612)	(228,629)	-	(6,924,241)
Improvements	(5,001,078)	(658,795)	-	(5,659,873)
Infrastructure	(20,259,577)	(1,771,845)	-	(22,031,422)
Machinery, Equipment and Vehicles	(11,072,431)	(1,269,338)	66,418	(12,275,351)
Total Accumulated Depreciation	\$ (43,028,698)	(3,928,607)	66,418	(46,890,887)
Governmental Activities Capital Assets, Net	\$ 19,881,336	(3,599,710)	-	16,281,626

Depreciation Expense was charged to Governmental Activities as Follows:

General Government Support	\$ 64,440
Transportation	2,483,037
Culture and Recreation	211,322
Home and Community Services	1,169,808
Total Depreciation Expense	\$ 3,928,607

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - INTERFUND TRANSACTIONS

The following is a summary of interfund transactions for the year ended December 31, 2023:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	
Full-General Fund	\$ 4,871,600	4,351,615	
Part-General Fund	-	7,946,651	
Part-Wide Highway	5,303,604	-	
Special Grant	201,312	-	
Capital	1,639,690	-	
Town-Wide Highway	-	280,263	
Sewer	512,454	-	
Water	980,079	-	
Library	-	6,715	
Fire	2,099	-	
Ambulance	-	1,337	
Parks	<u>192,822</u>	<u>1,117,079</u>	
	<u>\$ 13,703,660</u>	<u>13,703,660</u>	

Transfers are used to (a) move revenue from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9 - INDEBTEDNESS

The Town generally borrows funds on a long-term basis for the purpose of financing the acquisition of land and equipment, and construction of buildings and improvements. This policy enables the costs of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.

(a) Interest on Indebtedness for the Year was Composed of:

Interest Paid	\$ 265,916
Less: Interest Accrued in the prior year	(91,501)
Less: Bond premium amortization	(8,036)
Plus: Interest Accrued in the current year	<u>214,518</u>
Total Expense	\$ <u>380,897</u>

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 – INDEBTEDNESS (Continued)

(b) Bonds Payable

Details relating to general obligation (serial) bonds outstanding at December 31, 2023, are summarized as follows:

<u>Description of Issue</u>	<u>Year of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance</u>
Public Improvements	2015	\$ 2,026,693	1.00-3.00%	\$ 520,000
Public Improvements	2017	2,174,480	1.75-2.75%	1,070,000
Public Improvements	2019	2,425,355	3.00%	1,530,000
Public Improvements	2020	4,190,000	1.00-2.00%	2,655,000
Public Improvements	2022	3,193,668	2.00-2.50%	2,895,000
Premiums	Various	Various	N/A	<u>88,400</u>
Total Bonds Payable				<u>\$ 8,758,400</u>

(c) Bond Anticipation Notes

The Town Board on February 23, 2023 issued \$4,905,281 of Bond Anticipation Notes (BAN) for the purposes of financing improvements, equipment and vehicle acquisitions, and infrastructure improvements. The BAN matures on February 23, 2024 and has a stated interest rate of 4.0%.

(d) Changes in Long-Term Liabilities

During the year ended December 31, 2023, the following is a summary of changes in long-term debt:

	<u>Balance</u> <u>January 1,</u> <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31,</u> <u>2023</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
Compensated Absences	\$ 650,940	86,409	-	737,349	275,762
Other Post Employment Benefits	16,424,688	3,822,618	-	20,247,306	-
Bonds Payable	9,888,668	-	1,218,668	8,670,000	1,230,000
Net Pension Liability (Asset)	<u>(1,317,488)</u>	<u>4,520,083</u>	<u>-</u>	<u>3,202,595</u>	<u>-</u>
	<u>\$ 25,646,808</u>	<u>8,429,110</u>	<u>1,218,668</u>	<u>32,857,250</u>	<u>1,505,762</u>

Governmental accrued compensated absences and the amount due to State pension will be liquidated by the general fund and special revenue funds as appropriate using the employee's department to determine the fund to be charged.

**TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 – INDEBTEDNESS (Continued)

(e) Maturities of long-term bond:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,230,000	181,588	1,411,588
2025	1,220,000	159,463	1,379,463
2026	1,220,000	132,850	1,352,850
2027	1,205,000	106,019	1,311,019
2028	1,190,000	79,209	1,269,209
2029 - 2033	2,340,000	144,228	2,484,228
2034 - 2037	<u>265,000</u>	<u>6,596</u>	<u>271,596</u>
	<u>\$ 8,670,000</u>	<u>809,953</u>	<u>9,479,953</u>

NOTE 10 – PENSION PLAN

(a) Plan Description and Benefits Provided

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

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 UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 - PENSION PLAN (Continued)

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

At December 31, 2023, 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, 2023. 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, 2023
Valuation date	April 1, 2022
Net pension liability	\$ 3,202,595
Town's proportion of the Plan's net pension liability	0.0149347%
Change in proportionate share from prior year	(0.0011822)

For the year ended December 31, 2023, the Town recognized pension expense of \$1,159,677 in the statement of activities. At December 31, 2023, the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 341,101	89,941
Changes of assumptions	1,555,387	17,190
Net difference between projected and actual investment earnings on pension plan investments	-	18,815
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	109,936	54,502
Town's contributions subsequent to the measurement date	<u>454,641</u>	<u>-</u>
Total	\$ <u>2,461,065</u>	<u>180,448</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized as follows:

<u>Year ending</u>	
2024	\$ 452,278
2025	(149,680)
2026	659,209
2027	<u>864,169</u>
	\$ <u>1,825,976</u>

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 - PENSION PLAN (Continued)

(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, 2023
Actuarial valuation date	April 1, 2022
Investment rate of return (net of investment expense, including inflation)	5.9%
Salary increases	4.4%
Inflation rate	2.9%
Cost-of-living adjustments	1.5%

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-2021.

The actuarial assumptions used in the April 1, 2022 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.

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%	4.30%
International equity	15%	6.85%
Private equity	10%	7.50%
Real estate	9%	4.60%
Opportunistic/ARS portfolio	3%	5.38%
Credit	4%	5.43%
Real assets	3%	5.84%
Fixed income	23%	1.50%
Cash	<u>1%</u>	0.00%
	<u>100%</u>	

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

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 - PENSION PLAN (Continued)

(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>
Town's proportionate share of the net pension asset (liability)	\$ <u>(7,739,298)</u>	\$ <u>(3,202,595)</u>	<u>588,349</u>

(f) Pension Plan Fiduciary Net Position

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

	(Dollars in Millions)
Measurement date	3/31/2024
Employers' total pension liability	\$ (232,627)
Plan fiduciary net position	<u>211,183</u>
Employers' net pension liability	\$ <u>(21,444)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	90.78%

(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, 2023 represent the projected employer contribution for the period of April 1, 2023 through March 31, 2024 based on paid employee wages multiplied by the employer's contribution rate, by tier. Retirement contributions paid to the System for the year ended December 31, 2023 was \$584,703.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

(a) Plan Description and Benefits Provided

The Town healthcare plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Town. The Plan provides medical benefits to eligible retirees and their spouses. The Town assigns the authority to establish and amend benefit provisions to the Town Board. The Plan does not issue a stand-alone financial report. The Plan accumulates no assets in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The Town provides postretirement health care benefits to all employees who retire from the Town on or after attaining normal retirement age, as defined, with at least 5-10 years of service. Currently, 164 retirees and 104 actives meet those eligibility requirements. The Town's insurance carrier reimburses an amount of validated claims for medical and hospitalization costs incurred by the retirees and their dependents. Expenditures for postretirement health care benefits are recognized as the Town pays the monthly health premiums to the insurance carrier. During the year, expenditures of \$1,056,810 were recognized for postretirement health care premiums.

(b) Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Retired employees	116
Active employees	<u>105</u>
	<u>221</u>

(c) Total OPEB Liability

The Town's total OPEB liability of \$20,247,306 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023.

(d) Actuarial Assumptions

The actuarial valuation used the following actuarial assumptions:

Inflation rate	3.0%
Salary increases	3.5%
Discount rate	4.0%
Healthcare cost trend rates	7.0% decreasing to an ultimate rate of 4.5%

The discount rate was based on the Bond Buyer's 20 Bond Index.

Mortality rates were based on the PUB-2010 mortality table projected fully generationally using projection scale MP-2021.

(e) Changes to the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2022	\$ 16,424,688
Changes for the year:	
Service cost	446,613
Interest	683,061
Differences between expected and actual experience	2,627,227

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

(e) Changes to the Total OPEB Liability, Continued

	<u>Total OPEB Liability</u>
Changes in assumptions	1,218,508
Benefit payments	<u>(1,152,791)</u>
Net changes	<u>3,822,618</u>
Balance at 12/31/2023	\$ <u>20,247,306</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% lower (3.0%) or 1% higher (5.0%) than the current discount rate:

<u>1% Decrease (3.0%)</u>	<u>Discount Rate (4.0%)</u>	<u>1% Increase (5.0%)</u>
\$ <u>22,726,716</u>	<u>20,247,306</u>	<u>18,194,052</u>

(g) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend 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 healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
\$ <u>18,149,601</u>	<u>20,247,306</u>	<u>22,786,112</u>

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

For the year ended December 31, 2023, the Town recognized OPEB expense of \$(3,673,530). At December 31, 2023, 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>
Differences between expected and actual experience	\$ 2,064,246	3,220,689
Changes of assumptions	<u>1,655,271</u>	<u>3,252,098</u>
Total	<u>\$ 3,719,517</u>	<u>6,472,787</u>

**TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

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

<u>Year ending</u>	
2024	\$ (3,436,910)
2025	(277,793)
2026	<u>961,433</u>
	<u>\$ (2,753,270)</u>

NOTE 12 - TAX ABATEMENTS

For the year ended December 31, 2023, property in the Town was subject to property tax abatements negotiated by The Agency: Broome County IDA/LDC (BCIDA), the Town of Union and the Village of Johnson City and the Village of Endicott (the Villages).

BCIDA enters into payment in lieu of tax (PILOT) agreements with businesses within Broome County under New York State General Municipal Law 858. Economic development agreements entered into by BCIDA can include the abatement of county, local, and school district taxes, which BCIDA administers as a temporary reduction in the assess value of the property involved. The abatement agreements generally stipulate a percentage reduction of property taxes, but sometimes stipulate a dollar value reduction in lieu of a percentage reduction.

The Town and the Villages enter into a property tax abatement agreement with a local business under Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth. Under the Act, localities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Town or Villages.

Total taxes abated for the year ended December 31, 2023 are immaterial.

NOTE 13 - INSURANCE AND RISK MANAGEMENT

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

NOTE 14 - COMMITMENTS AND CONTINGENCIES

The Town participates in a number of federal and State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial. Expenditures disallowed by completed audits have generally been immaterial in nature and, accordingly, have been reflected as adjustments to revenues in the year the expenditure was determined to be unallowable.

TOWN OF UNION, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15 - EMERGENCY SERVICES AGREEMENT WITH UNION VOLUNTEER EMERGENCY SQUAD, INC.

The Town of Union Volunteer Emergency Squad, Inc. (UVES) entered into an agreement by virtue of Section 122 (B) of the General Municipal Law for the State of New York to provide general ambulance service for the purpose of treating and transporting sick and injured persons within its boundaries to an acute care hospital. UVES is designated by the Town as the primary 911 ambulance service to its licensed area. The Town authorizes and expects UVES, pursuant to law including State Comptroller Opinion 91-20 and the authority contained in General Municipal Law Section 122(b), to impose the fees or charges set forth by the Town Board upon recommendation by UVES.

NOTE 16 - SUBSEQUENT EVENTS

On February 22, 2024, the Town issued a bond in the amount of \$1,745,000. The bond matures on February 15, 2039 and has a stated interest rate of 4.0%. On February 22, 2024, the Town issued a BAN in the amount of \$2,560,984. The BAN matures on February 21, 2025 and has a stated interest rate of 4.50%. On February 29, 2024, the Town issued a BAN in the amount of \$1,742,622. The BAN matures on February 21, 2025 and has a stated interest rate of 4.25%.

NOTE 17 - ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

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

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

Statement No. 102 - Certain Risk Disclosures. Effective for fiscal years beginning after June 15, 2024.

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF UNION, NEW YORK
Required Supplementary Information
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget to Actual - General Fund - Full-Town
Year ended December 31, 2023

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenue:				
Real property taxes	\$ 2,937,487	2,927,374	2,927,374	-
Real property tax items	73,300	69,559	69,559	-
Departmental income	192,500	263,215	263,215	-
Use of money and property	44,600	1,269,695	1,269,695	-
Licenses and permits	45,000	44,278	44,278	-
Fines and forfeitures	150,000	88,018	88,018	-
Miscellaneous	11,300	-	-	-
Interfund revenues	30,000	-	-	-
State sources	450,000	419,690	419,690	-
Federal sources	<u>(2,655,690)</u>	<u>8,758,899</u>	<u>8,602,849</u>	<u>(156,050)</u>
Total revenue	<u>1,278,497</u>	<u>13,840,728</u>	<u>13,684,678</u>	<u>(156,050)</u>
Expenditures:				
General government support	1,940,588	10,048,241	9,271,681	776,560
Public safety	141,786	110,515	110,515	-
Transportation	265,000	302,388	302,388	-
Economic assistance and opportunity	51,855	103,516	103,516	-
Culture and recreation	274,906	267,683	267,683	-
Employee benefits	1,040,398	919,104	919,104	-
Debt service	<u>439,654</u>	<u>3,622,999</u>	<u>439,654</u>	<u>3,183,345</u>
Total expenditures	<u>4,154,187</u>	<u>15,374,446</u>	<u>11,414,541</u>	<u>3,959,905</u>
Excess (deficiency) of revenue over expenditures	(2,875,690)	(1,533,718)	2,270,137	3,803,855
Other financing sources:				
Interfund transfers in	-	-	4,871,600	4,871,600
Interfund transfers out	<u>-</u>	<u>(192,822)</u>	<u>(4,351,615)</u>	<u>(4,158,793)</u>
Total other financing sources (uses)	<u>-</u>	<u>(192,822)</u>	<u>519,985</u>	<u>712,807</u>
Net change in fund balance	<u><u>\$(2,875,690)</u></u>	<u><u>(1,726,540)</u></u>	2,790,122	<u><u>4,516,662</u></u>
Fund balance at beginning of year			<u>4,519,066</u>	
Fund balance at end of year			<u><u>\$7,309,188</u></u>	

TOWN OF UNION, NEW YORK
Required Supplementary Information
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget to Actual - General Fund - Part-Town
Year ended December 31, 2023

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Revenue:				
Real property taxes	\$ 1,081,072	1,080,383	1,080,383	-
Real property tax items	20,200	18,686	18,686	-
Nonproperty tax items	7,620,000	9,792,145	9,792,145	-
Departmental income	18,500	31,334	31,334	-
Intergovernmental charges	11,270	83	83	-
Use of money and property	22,850	136,629	136,629	-
Licenses and permits	45,900	118,069	118,069	-
Sale of property and compensation for loss	-	605	605	-
Miscellaneous	312,700	305,108	305,108	-
Total revenue	<u>9,132,492</u>	<u>11,483,042</u>	<u>11,483,042</u>	<u>-</u>
Expenditures:				
General government support	823,679	740,580	444,779	295,801
Public safety	499,488	337,333	337,333	-
Transportation	307,933	318,112	318,112	-
Home and community services	3,047,339	2,731,918	2,770,469	(38,551)
Employee benefits	2,385,191	2,085,052	2,085,052	-
Debt service	657,862	660,861	660,861	-
Total expenditures	<u>7,721,492</u>	<u>6,873,856</u>	<u>6,616,606</u>	<u>257,250</u>
Excess of revenue over expenditures	1,411,000	4,609,186	4,866,436	(257,250)
Other financing sources - interfund transfers out	<u>(2,736,000)</u>	<u>(3,565,704)</u>	<u>(7,946,651)</u>	<u>(4,380,947)</u>
Net change in fund balance	<u>\$(1,325,000)</u>	<u>1,043,482</u>	(3,080,215)	<u>(4,638,197)</u>
Fund balance at beginning of year			<u>9,515,693</u>	
Fund balance at end of year			<u>\$6,435,478</u>	

TOWN OF UNION, NEW YORK
Required Supplementary Information
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget to Actual - Special Revenue Fund
Highway Fund - Part-Town
Year ended December 31, 2023

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenue:				
Real property taxes	\$ 2,849,139	2,847,394	2,847,394	-
Real property tax items	42,300	44,459	44,459	-
Use of money and property	8,000	39,439	39,439	-
Licenses and permits	20,000	11,400	11,400	-
Sale of property and compensation for loss	35,000	37,662	37,662	-
Miscellaneous	6,600	35	35	-
State sources	<u>450,000</u>	<u>503,056</u>	<u>503,056</u>	-
Total revenue	<u>3,411,039</u>	<u>3,483,445</u>	<u>3,483,445</u>	-
Expenditures:				
Transportation	5,194,694	4,417,951	4,372,745	45,206
Employee benefits	1,292,159	1,245,559	1,245,559	-
Debt service	<u>735,186</u>	<u>735,183</u>	<u>735,183</u>	-
Total expenditures	<u>7,222,039</u>	<u>6,398,693</u>	<u>6,353,487</u>	45,206
Excess (deficiency) of revenue over expenditures	(3,811,000)	(2,915,248)	(2,870,042)	45,206
Other financing sources - transfers in	<u>2,736,000</u>	<u>3,565,704</u>	<u>5,303,604</u>	<u>1,737,900</u>
Net change in fund balance	<u>\$(1,075,000)</u>	<u>650,456</u>	2,433,562	<u>1,783,106</u>
Fund balance at beginning of year			<u>5,416,273</u>	
Fund balance at end of year			<u>\$7,849,835</u>	

TOWN OF UNION, NEW YORK
Required Supplementary Information
Schedule of Changes in the Town's
Total OPEB Liability and Related Ratios
Year ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability						
Service cost	\$ 446,613	706,428	854,711	696,340	481,217	812,228
Interest	683,061	475,969	740,136	875,544	1,082,827	1,457,712
Differences between expected and actual experience	2,627,227	(30,503)	(12,821,752)	-	(13,502,975)	-
Changes in assumptions	1,218,508	(5,352,964)	(1,451,921)	3,280,394	5,958,646	(4,041,711)
Benefit payments	<u>(1,152,791)</u>	<u>(1,056,810)</u>	<u>(1,101,335)</u>	<u>(1,286,102)</u>	<u>(1,151,172)</u>	<u>(1,513,868)</u>
Net change in total OPEB liability	3,822,618	(5,257,880)	(13,780,161)	3,566,176	(7,131,457)	(3,285,639)
Total OPEB liability - beginning	<u>16,424,688</u>	<u>21,682,568</u>	<u>35,462,729</u>	<u>31,896,553</u>	<u>39,028,010</u>	<u>42,313,649</u>
Total OPEB liability - ending	<u>\$ 20,247,306</u>	<u>16,424,688</u>	<u>21,682,568</u>	<u>35,462,729</u>	<u>31,896,553</u>	<u>39,028,010</u>
Covered payroll	\$ 4,434,221	4,835,566	4,173,988	4,682,005	4,492,375	4,187,077
Total OPEB liability as a percentage of covered payroll	456.61%	339.66%	519.47%	757.43%	710.02%	932.11%

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
4.00%	4.31%	2.25%	2.12%	2.74%	4.10%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town should present information for those years for which information is available. There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

TOWN OF UNION, NEW YORK
 Required Supplementary Information
 Schedule of the Town's Proportionate Share of the Net Pension Asset/Liability
 December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension asset/liability	0.0149347%	0.0161169%	0.0153946%	0.0149209%	0.0141894%	0.0145897%	0.0151210%	0.0160760%	0.0731900%
Town's proportionate share of the net pension asset (liability)	\$ (3,202,595)	1,317,488	(15,329)	(3,951,129)	(1,005,361)	(470,873)	(1,420,718)	(2,617,372)	(585,078)
Town's covered payroll	\$ 4,797,224	4,682,779	4,673,511	4,642,531	4,308,112	4,194,796	4,259,434	4,327,432	4,367,828
Town's proportionate share of the net pension asset/liability as a percentage of its covered payroll	66.8%	28.1%	0.3%	85.1%	23.3%	11.2%	33.4%	60.5%	13.4%
Plan fiduciary net position as a percentage of the total pension asset/liability	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the Town should present information for those years which information is available.

TOWN OF UNION, NEW YORK
 Required Supplementary Information
 Schedule of the Town's Pension Contributions
 December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 584,703	571,054	705,080	637,558	606,273	609,790	645,247	799,008	808,892	876,113
Contributions in relation to the contractually required contribution	<u>584,703</u>	<u>571,054</u>	<u>705,080</u>	<u>637,558</u>	<u>606,273</u>	<u>609,790</u>	<u>645,247</u>	<u>799,008</u>	<u>808,892</u>	<u>876,113</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	\$ 4,797,224	4,682,779	4,673,511	4,642,531	4,308,112	4,259,434	4,299,939	4,276,434	4,337,531	4,395,285
Contributions as a percentage of covered payroll	12.19%	12.19%	15.09%	13.73%	14.07%	14.32%	15.01%	18.68%	18.65%	19.93%

TOWN OF UNION, NEW YORK
Federal Grant Compliance Audit
December 31, 2023

**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**

The Honorable Supervisor and Town Board
Town of Union:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Union, New York (the Town), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 11, 2024.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

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.

The Town's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
December 11, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Supervisor and Town Board
of the Town of Union, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Union, New York's (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2023. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-003. Our opinion on each major federal program is not modified with respect to these matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform certain limited procedures on the Town's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
December 11, 2024

TOWN OF UNION, NEW YORK
Schedule of Expenditures of Federal Awards
December 31, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Housing and Urban Development:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 1,384,443	-
Section 8 Housing Choice Vouchers	14.871	N/A	<u>1,783,666</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>3,168,109</u>	<u>-</u>
U.S. Department of Treasury - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>8,602,849</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$11,770,958</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

TOWN OF UNION, NEW YORK
Notes to Schedule of Expenditures of Federal Awards
December 31, 2023

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the Town, an entity as defined in note 1 to the Town's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

(2) Basis of Accounting

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger which is the source of the basic financial statements.

(3) Indirect Costs

Indirect costs are included in the reported expenditures to the extent that such costs are included in the Federal financial reports used as the source of the data presented. The de minimis election allows the Town to allocate 10% of indirect costs to grants with periods ending on or before September 30, 2024 and 15% of indirect costs to grant with periods after September 30, 2024. The Town does not use the de minimis election.

(4) Matching Costs

Matching costs, i.e., the Town's share of certain program costs, are not included in the reported expenditures.

(5) Subrecipients

No amounts were provided to subrecipients.

(6) Other Disclosures

No insurance is carried specifically to cover equipment purchased with federal awards. Any equipment purchased with federal awards has only a nominal value, and is covered by the Town's casualty insurance policies.

TOWN OF UNION, NEW YORK
 Schedule of Findings and Questioned Costs
 Year ended December 31, 2023

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statements audited were prepared in accordance with GAAP:	Unmodified and Disclaimed
Internal control over financial reporting:	
1. Material weakness(es) identified?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Significant deficiency(ies) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported
3. Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Federal Awards:

Internal control over major programs:	
4. Material weakness(es) identified?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. Significant deficiency(ies) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported

Type of auditors' report issued on compliance for major programs:	Unmodified
---	------------

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	---

7. The Town's major programs audited were:	Assistance Listing Number
--	------------------------------

<u>Name of Federal Programs</u>	
Community Development Block Grants/Entitlement Grants	14.218
Coronavirus State and Local Fiscal Recovery Funds	21.027

8. Dollar threshold used to distinguish between Type A and Type B programs.	\$ 750,000
---	------------

9. Auditee qualified as low-risk auditee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---	---

Part II - FINANCIAL STATEMENT FINDINGS SECTION

See page 60.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

See page 60 - 61.

TOWN OF UNION, NEW YORK
Schedule of Findings and Questioned Costs, Continued

PART II - FINANCIAL STATEMENT FINDINGS SECTION

(2023-001) Significant Audit Adjusting Journal Entries

Criteria - Management is responsible for maintaining accounting records that are accurate and supported by documentation.

Condition - The accounting records did not have proper supporting documentation for several of the balance sheet accounts.

Cause - The Town did not reconcile the year-end balance sheet accounts.

Effect of Condition - There were significant adjusting journal entries which were proposed and accepted by management to correct the financial reporting of the Town.

Repeat Finding - This is a repeat finding of item 2022-001 as reported for the year December 31, 2022.

Recommendation - We recommend that significant balance sheet accounts be reconciled at year-end and ensure that the accounts have proper supporting documentation.

View's of Responsible Officials and Planned Corrective Actions - Management will review balance sheet accounts for accuracy.

PART III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

(2023-002) Reconciliation Between Quarterly Reports and the Accounting Software

Federal Agency - United State Department of the Treasury

Federal Program - Coronavirus State and Local Fiscal Recovery Funds - (21.027)

Federal Award Year - 2021

State Agency - Not applicable

Criteria - Management is responsible for submitting accurate quarterly reports to the United States Department of the Treasury (the Treasury) for the Coronavirus State and Local Fiscal Recovery Funds (ARPA).

Condition - The ARPA quarterly reports submitted to the Treasury did not contain a full population of expenditures.

Cause - The quarterly reports were not reconciled back to the accounting software for accuracy.

Effect of Condition - The quarterly reports are incomplete and are missing material expenditures.

Repeat Finding - This is a repeat finding of item 2022-002 as reported for the year December 31, 2022.

Statistical Sampling - The sample was not intended to be, and was not, a statistically valid sample.

Recommendation - The Town should revise the quarterly reports and review future reports to ensure all ARPA related expenditures reported to the Treasury.

Views of Responsible Officials and Planned Corrective Actions - Management will review the quarterly reports for accuracy.

TOWN OF UNION, NEW YORK
Schedule of Findings and Questioned Costs, Continued

PART III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION,
CONTINUED

(2023-003) Quarterly Reports Timely Submission

Federal Agency - United State Department of the Treasury

Federal Program - Coronavirus State and Local Fiscal Recovery Funds - (21.027)

Federal Award Year - 2021

State Agency - Not applicable

Criteria - ARPA quarterly reports are due to the Treasury within 30 days after the close of each quarter.

Condition - Three of the four quarterly reports were not submitted within 30 days after the close of the quarter.

Cause - The third party consultant was not able to complete the ARPA information timely.

Effect of Condition - The quarterly reports were not submitted by the deadline.

Statistical Sampling - The sample was not intended to be, and was not, a statistically valid sample.

Recommendation - The Town should start compiling the information for the ARPA report immediately following the close of each quarter.

Views of Responsible Officials and Planned Corrective Actions - Management will start compiling the required information immediately following the close of each quarter.

TOWN OF UNION, NEW YORK
Status of Prior Year Audit Findings
Year ended December 31, 2023

(2022-001) Significant Audit Adjusting Journal Entries

Condition - The Town did not have proper supporting documentation for several of the balance sheet accounts.

Status - Repeated in the current year as finding 2023-001.

(2022-002) Reconciliation Between Quarterly Reports and the Accounting Software

Condition - The ARPA quarterly reports submitted to the Treasury did not contain a full population of expenditures.

Status - Repeated in the current year as finding 2023-002.

TOWN OF UNION, NEW YORK

Corrective Action Plan

Year ended December 31, 2023

Name of Auditee: Town of Union, New York

Name of Audit Firm: EFPR Group, CPAs, PLLC

Period Covered by the Audit: Year ended December 31, 2023

CAP Prepared by: Jennifer Lindsay, Comptroller

Phone: (607) 786-2931

- (1) Audit Finding 2023-001 - The Town had significant audit adjustments to its accounting records.
- (a) Implementation Plan of Actions - The Town will reconcile significant balance sheet accounts at year-end and ensure there is supporting documentation.
 - (b) Implementation Date - This will be implemented for the year ending December 31, 2024.
 - (c) Persons Responsible for Implementation - The Comptroller and the Town Board.
- (2) Audit Finding 2023-002 - The Town had significant variances between its quarterly Coronavirus State and Local Fiscal Recovery Funds (ARPA) reports submitted to the United States Department of the Treasury (the Treasury), and its expenditures in its accounting software.
- (a) Implementation Plan of Actions - The Town will reconcile its ARPA reports submitted to the Treasury to its accounting software to ensure that the ARPA reports are accurate.
 - (b) Implementation Date - This will be implemented for the year ending December 31, 2024.
 - (c) Persons Responsible for Implementation - The Comptroller and the Town Board.
- (3) Audit Finding 2023-003 - The Town did not submit its quarterly ARPA reports to the Treasury within 30 days after the close of each quarter.
- (a) Implementation Plan of Actions - The Town will start compiling the ARPA reports immediately following the close of each quarter.
 - (b) Implementation Date - This will be implemented for the year ending December 31, 2024.
 - (c) Persons Responsible for Implementation - The Comptroller and the Town Board.