

PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the Town, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the Town 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, as amended (the "Code"). 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. Bond Counsel is also of the opinion that interest on the Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.

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

\$4,295,000
TOWN OF GRANBY
OSWEGO COUNTY, NEW YORK

\$4,295,000 Bond Anticipation Notes, 2020 (Renewals) Series B
(the "Notes")

Dated: April 21, 2020

Due: January 22, 2021

The Notes are general obligations of the Town of Granby, Oswego County, New York (the "Town"), 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 "THE NOTES – Nature of Obligation" and "TAX LEVY LIMITATION LAW" herein. **The Notes will be subject to redemption prior to maturity on or after July 21, 2020 upon 20 days' written notice.**

At the option of the purchaser(s), the Notes will be issued in (i) registered certificated form in a single note certificate 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(s), 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(s) at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Town. Paying agent fees, if any, will be the responsibility of the purchaser should the purchaser choose to engage same.

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. 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 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 Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about April 21, 2020.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on April 8, 2020 by no later than 10:45 A.M., Prevailing Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via 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.

March 20, 2020

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 IS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS 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 GRANBY OSWEGO COUNTY, NEW YORK

TOWN OFFICIALS

JOHN SNOW

Supervisor/Budget Officer

LINDA PARKHURST
SANDRA FARRANDS
CHERYL HOLMES
VACANT

JANET INGERSOLL

Town Clerk

THE WARD FIRM, PLLC

Town Attorney



TRESPASZ & MARQUARDT, LLP
BOND COUNSEL



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor

No person has been authorized by the Town of Granby 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 Granby.

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OFFICIAL STATEMENT
of the
TOWN OF GRANBY
OSWEGO COUNTY, NEW YORK

Relating To
\$4,295,000 Bond Anticipation Notes, 2020 (Renewals) Series B

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Granby, Oswego County, New York (the “Town”, “County”, and “State”, respectively), in connection with the sale by the Town of \$4,295,000 Bond Anticipation Notes, 2020 (Renewals) Series B (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. See “Nature of Obligation” herein.

The Notes are dated April 21, 2020 and will mature on January 22, 2021. 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 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 with principal and interest payable in Federal Funds at the office of the Town Clerk, in Fulton, New York.

Optional Redemption

The Notes will be subject to redemption prior to maturity on or after July 21, 2020 upon 20 days’ written notice.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State including among others, the Town Law, the Local Finance Law, and a bond resolution adopted by the Town Board on July 11, 2018 authorizing the issuance of up to \$4,700,000 serial bonds for the construction and equipping of certain water improvements.

The proceeds of the Notes will redeem and renew \$4,295,000 bond anticipation notes currently outstanding and maturing on April 22, 2020 for the aforementioned purpose.

Nature of Obligation

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

Holders of any series of bonds or notes 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 applicable statutory limitations.

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

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

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes if selected by the purchaser. As such, 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 the Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

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

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of the purchaser of the Notes (“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.

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

Principal and interest payments on the 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 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 ON 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 Under Certain Circumstances

If the book-entry form is initially chosen by the purchaser of the 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 utilized by a purchaser of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in fully registered form in a single note certificate. 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 subject to the option of redemption prior to their stated final maturity date as stated herein.

THE TOWN

General Information

The Town, established in 1818, is located in Oswego County, and is approximately 25 miles northwest of the City of Syracuse. The Town borders the City of Fulton, and the Towns of Hannibal, Oswego, and Minetto. The Town has a land area of approximately 46.5 square miles with an estimated population of 6,500 (2018 U.S. Census Bureau estimate).

The Town is primarily rural-residential in nature. Residents have nearby access to Interstates 81 and 90, which provide easy access to surrounding areas. Higher education opportunities are provided at the State University of New York at Oswego, as well as at nearby Upstate Medical University, Syracuse University, Le Moyne College, among others.

Larger Employers

<u>Name</u>	<u>Business</u>	<u>Approximate Number of Employees</u>
Walmart	Retail	350
NBT Bank, N.A.	Banking	15
Pit Stop	Gas Station	15

Source: Town officials.

Population Trends

<u>Year</u>	<u>Town of Granby</u>	<u>County of Oswego</u>	<u>New York State</u>
2000	7,009	122,377	18,976,457
2010	6,821	122,109	19,378,102
2017 (Estimate)	6,534	118,478	19,849,399
2018 (Estimate)	6,500	117,898	19,542,209

Source: U.S. Census Bureau.

Selected Wealth and Income Indicators

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2014-2018</u>	<u>2000</u>	<u>2006-2010</u>	<u>2014-2018</u>
Town of:						
Granby	\$ 16,826	\$ 24,051	\$ 31,056	\$ 41,127	\$ 47,386	\$ 62,137
County of:						
Oswego	16,853	21,604	27,217	43,821	56,364	64,563
State of:						
New York	23,389	30,948	37,740	51,691	67,405	80,419

Source: 2000 U.S. Census Bureau report, and 2006-2010 and 2014-2018 American Community Survey 5-Year data.

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Unemployment Rate Statistics

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

	<u>Annual Averages</u>						
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Oswego County	9.9%	8.1%	7.2%	6.5%	6.5%	5.5%	5.4%
New York State	7.7	6.3	5.3	4.9	4.7	4.1	4.0

	<u>Monthly Figures</u>											
	<u>2019</u>					<u>2020</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>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Oswego County	5.0%	4.8%	5.0%	5.3%	5.1%	4.7%	4.7%	5.1%	6.0%	6.7%	N/A	N/A
New York State	3.6	3.6	3.8	4.2	4.1	3.6	3.7	3.6	3.7	4.1	N/A	N/A

Source: Department of Labor, State of New York. Figures not seasonally adjusted. Unemployment rates for February and March of 2020 are unavailable as of the date of this Official Statement.

Form of Town Government

The Town is governed by the provisions of the General Municipal Law and 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 himself. 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 for four-year terms. Each term is staggered so that, every two years, the Supervisor and two councilpersons 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 councilpersons are elected at large.

The Town Board appoints all department heads and non-elected officials.

Budgetary Procedure

The Supervisor prepares a preliminary budget each year, pursuant to the laws of the State of New York, and holds a public hearing thereon. 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, but the tax levy for all budgets is subject to the provisions of the Tax Levy Limitation Law. See however "TAX LEVY LIMITATION LAW" herein.

The Town's 2019 budget was adopted by the Town Board on November 8, 2018. The Town's 2019 adopted budget calls for no change in the property tax levy, which is below the New York State tax levy limit of 2.00%.

The Town's 2020 budget was adopted by the Town Board on November 12, 2019. The Town's 2020 adopted budget calls for a 1.80% change property tax levy, which is below the Town's tax levy limit of 2.00%.

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 of the State of New York; (4) a reciprocal deposit program through Promontory (5) NYCLASS as authorized by the Town Board of February 15, 2018. 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.

Consistent with the above statutory limitations, it is the Town's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (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.

State Aid

The Town receives financial assistance from the State. In its budget for the 2020 fiscal year, approximately 16.57% of the General Fund revenues of the Town are estimated to be received in the form of State aid.

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

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

Employees

The Town currently employs 11 full-time and 35 part-time employees. Employees are represented by collective bargaining units as summarized below.

<u>Bargaining Unit</u>	<u>Number Represented</u>	<u>Date of Contract Expiration</u>
Teamsters Local 317	5	December 31, 2020

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 Town does not currently have any employees that are members of the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

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

For ERS, Tier 5 provides for:

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

For ERS, Tier 6 provides for:

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

The Town's contributions to ERS since 2014, including the 2020 budgeted contributions, are as follows.

<u>Year</u>	<u>ERS</u>
2014	\$ 73,911
2015	76,476
2016	60,190
2017	71,004
2019	98,805
2020 (Budgeted)	73,526

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 and PFRS rates (2017 to 2021) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2017	15.5%	24.3%
2018	15.3	24.4
2019	14.9	23.5
2020	14.6	23.5
2021	14.6	24.4

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

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

Stable Rate Pension Contribution Option. The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Town, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

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

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

Other Post-Employment Benefits

The Town does not provide post-retirement healthcare benefits to former employees, and therefore does not contract with an actuarial firm to calculate its OPEB in accordance with GASB 45, and does not intend to do so in the foreseeable future.

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 is in compliance with the procedure for the validation of the Notes provided in Title 6 of Article 2 of the Local Finance Law.

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

The fiscal year of the Town is the calendar year.

Other than as provided under the section “Estimated Overlapping Indebtedness,” this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Town.

Financial Statements

The Town does not retain an independent certified public accountant firm for independent audits. The financial affairs of the Town are subject to annual audits by the State Comptroller. The unaudited Annual Financial Report Update Document the fiscal year ended December 31, 2019 is attached hereto as “APPENDIX – E.”

The Town complies with the Uniform System of Accounts as prescribed for towns in New York State. The financial statements of the Town have been prepared on a regulatory basis in conformity with the New York State Accounting and Reporting Manual. The basis of presentation is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America as applied to governmental units. Reference should be made to the Town’s unaudited annual financial report update document for a summary of significant accounting policies.

Beginning with the fiscal year ending December 31, 2003, the Town was required to implement the accounting requirements promulgated by GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis. The Town is currently in compliance with Statement No. 34.

Unaudited Results for the Fiscal Year Ended December 31, 2019.

The Town ended the fiscal year ended December 31, 2019 with a cumulative unappropriated unreserved fund balance of \$249,929.

Summary unaudited information for the General Fund for the period ended December 31, 2019 is as follows:

Revenues:	\$	758,058
Expenditures:		<u>745,190</u>
Excess (Deficit) Revenues Over Expenditures:	\$	<u>12,868</u>
Total Fund Balance:	\$	249,929

Note: These projections are based upon certain current assumptions and estimates, and the finalized results to be provided in the Annual Financial Report Update Document 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 found on the official website of the Office of the New York State Comptroller.

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

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

<u>Fiscal Year Ending:</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2018	No Designation	10.0
2017	No Designation	19.6
2016	No Designation	22.5

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

Note: Reference to this website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending December 31</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Valuation	\$ 242,494,566	\$ 244,832,423	\$ 267,751,568	\$ 267,751,568	\$ 269,956,032
State Equalization Rate	95.00%	95.00%	100.00%	100.00%	100.00%
Taxable Full Valuation	<u>\$ 255,257,438</u>	<u>\$ 257,718,340</u>	<u>\$ 267,751,568</u>	<u>\$ 267,751,568</u>	<u>\$ 269,956,032</u>

Source: Town officials.

Tax Rate Per \$1,000 (Assessed)

<u>Year of Tax Roll:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	\$ 0.30	\$ 0.31	\$ 0.32	\$ 0.32	\$ 0.31

Source: Town officials.

Tax Levy and Tax Collection Record

<u>Year of Tax Roll:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Tax Levy	\$ 880,376	\$ 883,584	\$ 999,485	\$ 983,626	\$ 1,004,720
Uncollected End of Year ⁽¹⁾	-	-	-	-	-
% Uncollected End of Year	-	-	-	-	-

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

Source: Town officials.

Tax Collection Procedure

Taxes and assessments are payable during January without penalty. After February 1, taxes are collected by the Town receiver of taxes until March 31, with a 1% per month penalty. Thereafter, unpaid taxes become the responsibility of the County.

The Town Receiver of Taxes and Assessments collects all real estate taxes for Town and County purposes. The Town Receiver distributes the collected tax money to the Town prior to distributing the balance collected to the County in April. The Town thereby is assured of 100% tax collections. Responsibility for collecting of unpaid taxes rests with the County.

Larger Taxpayers – 2019 Assessment for 2020 Taxes

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Walmart	Commercial	\$ 10,000,000
National Grid	Utility	9,263,767
Harney, Wayne R.	Apartments	1,643,000
Fulton MHP LLC	Mobile Homes	1,605,500
Dominion Transmission Corp.	Utility	1,195,375
Furlong, Greg	Mobile Homes	1,042,000
Windstream	Utility	886,659
IBARD, LLC.	Utility	880,000
Indian Hills	Mobile Homes	650,000
Kimco Realty	Real Estate	451,000

The ten taxpayers listed above have a total estimated taxable assessed valuation of \$27,617,301, which represents 10.23% of the tax base of the Town for the 2020 fiscal year. The Town currently does not have any pending or outstanding tax certioraris that are known or believed could have a material impact on the finances of the Town.

Source: Town 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.

Based on assessed valuation, the assessment roll of the Town is constituted approximately as follows: 72.0% Residential, 2.4% Commercial and 25.6% Various comprised of vacant lands, governmental buildings, industrial buildings, churches, summer camps etc.

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. It was set to expire on June 15, 2020 unless extended; recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments are required for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A town may exceed the tax levy limitation for the coming fiscal year only if the governing body of such town first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law, to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

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

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved “government efficiency plan” which demonstrates “three-year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies”.

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

Town has complied 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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Bonds	\$ 5,400	\$ 4,500	\$ 2,112,600	\$ 2,144,000	\$ 2,089,000
EFC Bonds	6,057,852	5,794,467	5,531,082	5,004,315	4,740,930
Bond Anticipation Notes	<u>2,109,000</u>	<u>2,209,000</u>	<u>0</u>	<u>250,000</u>	<u>4,300,000</u>
Total Debt Outstanding	\$ 8,172,252	\$ 8,007,967	\$ 7,643,682	\$ 7,398,315	\$ 11,129,930

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town as of March 20, 2020.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2020-2055	\$ 2,089,000
<u>EFC Bonds</u>		
Water District #3	2020-2037	4,477,545
<u>Bond Anticipation Notes</u>		
Water Improvements	April 22, 2020	<u>4,295,000</u> ⁽¹⁾
	Total Debt Outstanding	\$ 10,861,545

⁽¹⁾ To be redeemed and renewed with the proceeds of the Notes.

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of March 20, 2020:

Five-Year Average Full Valuation of Taxable Real Property	\$ 263,686,989
Debt Limit – 7% thereof	18,458,089

Inclusions:

Bonds.....	\$ 2,089,000	
EFC Bonds	4,477,545	
Bond Anticipation Notes	<u>4,295,000</u>	
Total Inclusions.....		\$ 10,861,545

Exclusions:

Appropriations ⁽¹⁾	\$ 15,000	
Water Debt ⁽²⁾	<u>2,029,000</u>	
Total Exclusions.....		\$ 2,044,000
Total Net Indebtedness Subject to Debt Limit.....		<u>\$ 8,817,545</u>
Net Debt-Contracting Margin.....		<u>\$ 9,640,544</u>
Percent of Debt Contracting Power Exhausted.....		47.77%

Note: The proceeds of the Notes will not increase the net indebtedness of the Town. The above table does not include installment purchase debt, which counts toward the debt limit.

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

(2) Excluded pursuant to Section 136 of the Local Finance Law.

Bonded Debt Service

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

Cash Flow Borrowings

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

Authorized but Unissued Items

The Town currently has a \$4,700,000 capital project underway for the construction and equipping of certain water improvements in and for Water Service Area 7. The Town expects, however, that project costs will increase to approximately \$5,200,000. The Town received a grant in the amount of \$2,580,000 through the New York State Water Infrastructure Improvement Act. The proceeds of the Notes will redeem and renew \$4,295,000 outstanding bond anticipation notes for this project which mature on April 22, 2020. It is anticipated that the project will be converted to long-term financing through the Environmental Facilities Corporation.

The Town is currently contemplating the construction of a new courthouse and a new Town garage. A buildings use study is currently underway.

There are presently no other capital projects authorized and unissued by the Town, nor are any contemplated.

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Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the Town. Bonded indebtedness, including bond anticipation notes, is estimated as of the close of the respective fiscal years of the below municipalities:

<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:						
Oswego	12/31/2017	\$ 9,522,203	\$ 1,157,203 ⁽²⁾	\$ 8,365,000	4.65%	\$ 388,973
School District:						
Fulton	6/30/2018	28,092,008	27,530,168 ⁽³⁾	561,840	21.66%	121,695
Hannibal	6/30/2018	20,675,000	20,261,500 ⁽³⁾	413,500	17.60%	72,776
Phoenix	6/30/2018	36,877,693	32,821,147 ⁽³⁾	4,056,546	8.22%	333,448
Cato-Meridian	6/30/2018	13,535,000	12,019,080 ⁽³⁾	1,515,920	0.04%	606
Total:						<u>\$ 917,498</u>

Notes:

- (1) Outstanding bonds and bond anticipation notes are as of the close of the respective fiscal years, and are not adjusted to include subsequent bond or note sales, if any.
- (2) Water and sewer debt and appropriations.
- (3) Estimated State building aid based on current aid ratio.

Source: 2017 and 2018 State Comptroller’s Report.

Debt Ratios

The following table sets forth certain ratios relating to the Town’s indebtedness as of March 20, 2020.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness (see "Debt Statement Summary").....	\$ 8,817,545	\$ 1,356.55	3.27%
Net Indebtedness Plus Net Overlapping Indebtedness ^(c)	9,735,043	1,497.70	3.61%

- (a) The 2018 estimated population of the Town is 6,500. (See “Population Trends” herein.)
- (b) The Town's full value of taxable real estate for the 2020 tax roll is \$269,956,032. (See “Taxable Assessed Valuations” herein.)
- (c) The Town's estimated applicable share of net overlapping indebtedness is \$917,498. (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 Town.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The financial condition of the Town as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the Town's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Town to arrange for additional 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 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 several recent years, the Town has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (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).

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.

CONTINUING DISCLOSURE

In order to assist the purchaser(s) 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” or the “Rule”), the Town will enter into an Undertaking to Provide Notice of Material Events Certificate, a description of which is attached hereto as “APPENDIX – C”.

The Town has been in compliance with all prior undertakings pursuant to the Rule for the past five years.

TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, 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, as amended (the “Code”) and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and 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 alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – D” hereto.

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. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, 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 excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the 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.

Future legislative proposals, if enacted into law, or 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 Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 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, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Trespasz & Marquardt, LLP, Bond Counsel. Bond Counsel expects to deliver such opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – D" hereto.

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.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (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 the Municipal Advisor 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.

BOND RATING

The Notes are not rated. The purchaser of the Notes may choose to have a rating completed after the sale pending the approval of the Town, and at the expense of the purchaser, including any fees to be incurred by the Town, as such rating action will result in a material event notification to be posted to EMMA, and/or the provision of a supplement to the final Official Statement. (See "APPENDIX – C – MATERIAL EVENT NOTICES" herein.)

The Town does not have a rating on its underlying general obligation debt.

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.

Trespasz & Marquardt, LLP, Syracuse, 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: John Snow, Town Supervisor/Budget Officer, Town of Granby, 820 County Route 8, Fulton, New York 13069, Phone: (315) 598-6500 x223, Fax: (315) 592-9270, Email: johnsnow@granbyny.com.

TOWN OF GRANBY

Dated: March 20, 2020

JOHN SNOW
Town Supervisor

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31st:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
ASSETS					
Cash	\$ 306,785	\$ 239,168	\$ 174,941	\$ 166,492	\$ 59,632
Receivables, Net	-	-	-	70,570	200,315
Prepaid Expenditures	-	5,048	-	-	-
Due from State and Federal	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due From Other Governments	-	-	-	-	-
TOTAL ASSETS	\$ 306,785	\$ 244,216	\$ 174,941	\$ 237,062	\$ 259,947
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	10,018
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to ERS	-	-	-	-	-
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ 10,018
FUND EQUITY					
Nonspendable	\$ -	\$ 5,048	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Assigned	13,391	25,450	22,450	-	249,930
Unassigned	293,394	213,718	152,491	237,062	-
TOTAL FUND EQUITY	306,785	244,216	174,941	237,062	249,930
TOTAL LIABILITIES and FUND EQUITY	\$ 306,785	\$ 244,216	\$ 174,941	\$ 237,062	\$ 259,947

Source: Audited financials for 2016 and unaudited Annual Financial Report Update Documents for 2015 and 2017-2019.

This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31st:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES					
Real Property Taxes	\$ 72,897	\$ 72,195	\$ 72,433	\$ 72,678	\$ 77,280
Real Property Tax Items	9,576	8,255	8,087	6,977	6,964
Non-Property Tax Items	310,764	305,475	285,360	276,552	447,297
Departmental Income	2,602	2,815	4,122	3,719	4,447
Intergovernmental Charges	-	-	-	-	-
Sale of Property and Compensation for Loss	364	240	-	392	216
Use of Money and Property	4,247	4,477	3,907	4,005	4,268
Licenses and Permits	20,301	24,537	22,506	22,631	20,219
Fines and Forfeitures	62,423	59,085	51,399	61,287	53,106
Interfund Revenue	-	-	-	-	-
Miscellaneous	6,865	5,325	7,970	7,367	6,373
Revenues from State Aid	114,159	122,390	135,029	116,719	132,305
Revenues from Federal Aid	-	-	-	-	-
Total Revenues	<u>\$ 604,198</u>	<u>\$ 604,794</u>	<u>\$ 590,813</u>	<u>\$ 572,326</u>	<u>\$ 752,475</u>
Other Sources:					
Interfund Transfers	-	149	-	18,887	21,090
Total Revenues and Other Sources	<u>\$ 604,198</u>	<u>\$ 604,943</u>	<u>\$ 590,813</u>	<u>\$ 591,213</u>	<u>\$ 773,565</u>
EXPENDITURES					
General Government Support	\$ 337,960	\$ 339,452	\$ 360,128	\$ 372,815	\$ 464,685
Public Safety	21,132	21,656	21,316	14,843	19,580
Health	1,200	1,500	1,620	1,654	-
Transportation	39,514	56,853	46,284	45,954	46,432
Culture and Recreation	9,797	10,770	14,230	12,756	15,507
Home and Community Services	40,804	45,915	42,914	41,994	43,946
Economic Assistance and Opportunity	-	-	-	-	-
Employee Benefits	66,888	97,225	101,010	94,071	106,986
Debt Service	-	15,750	-	-	-
Total Expenditures	<u>\$ 517,295</u>	<u>\$ 589,121</u>	<u>\$ 587,502</u>	<u>\$ 584,086</u>	<u>\$ 697,136</u>
Other Uses:					
Interfund Transfers	64,409	164,535	75,000	71,353	14,308
Total Expenditures and Other Uses	<u>\$ 581,704</u>	<u>\$ 753,656</u>	<u>\$ 662,502</u>	<u>\$ 655,439</u>	<u>\$ 711,444</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses					
	<u>22,494</u>	<u>(148,713)</u>	<u>(71,689)</u>	<u>(64,226)</u>	<u>62,121</u>
FUND BALANCE					
Fund Balance - Beginning of Year	433,006	455,500	315,905	239,168	174,941
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 455,500</u>	<u>\$ 306,785</u>	<u>\$ 244,216</u>	<u>\$ 174,941</u>	<u>\$ 237,062</u>

Source: Audited financials for 2016 and unaudited Annual Financial Report Update Documents for 2014-2015 and 2017-2018.
This Appendix is not itself audited.

GENERAL FUND

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

Fiscal Years Ending December 31st:	2019		2020
	Adopted Budget	Unaudited Actual	Adopted Budget
REVENUES			
Real Property Taxes	\$ 77,273	\$ 77,272	\$ 82,273
Real Property Tax Items	9,000	9,622	9,000
Non-Property Tax Items	374,030	437,956	435,048
Departmental Income	3,100	2,873	2,800
Intergovernmental Charges	-	-	-
Sale of Property and Compensation for Loss	5,700	584	200
Use of Money and Property	4,560	7,700	5,560
Licenses and Permits	28,000	24,825	22,000
Fines and Forfeitures	70,000	59,132	65,000
Interfund Revenue	-	-	-
Miscellaneous	-	3,213	-
Revenues from State Aid	118,483	134,880	123,483
Revenues from Federal Aid	-	-	-
Total Revenues	<u>\$ 690,146</u>	<u>\$ 758,057</u>	<u>\$ 745,364</u>
Other Sources:			
Appropriated Fund Balance	\$ -	\$ -	\$ -
Interfund Transfers	-	-	-
Total Revenues and Other Sources	<u>\$ 690,146</u>	<u>\$ 758,058</u>	<u>\$ 745,364</u>
EXPENDITURES			
General Government Support	\$ 417,595	\$ 399,017	\$ 388,606
Public Safety	21,200	21,014	32,727
Health	1,820	1,820	2,352
Transportation	47,180	44,715	74,762
Culture and Recreation	12,592	13,211	17,492
Home and Community Services	56,754	62,611	46,556
Economic Assistance and Opportunity	-	-	-
Employee Benefits	133,005	150,687	132,033
Debt Service	-	-	836
Total Expenditures	<u>\$ 690,146</u>	<u>\$ 693,075</u>	<u>\$ 695,364</u>
Other Uses:			
Interfund Transfers	-	52,116	50,000
Total Expenditures and Other Uses	<u>\$ 690,146</u>	<u>\$ 745,190</u>	<u>\$ 745,364</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses			
	<u>-</u>	<u>12,868</u>	<u>-</u>
FUND BALANCE			
Fund Balance - Beginning of Year	-	237,062	-
Prior Period Adjustments (net)	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 249,930</u>	<u>\$ -</u>

Source: Unaudited Annual Financial Report Update Document for 2019 and budgets of the Town. This Appendix is not itself audited.

APPENDIX - B
Town of Granby

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2020	\$318,385	\$42,545.00	\$360,930.00
2021	318,385	41,475.00	359,860.00
2022	318,385	40,270.00	358,655.00
2023	318,385	38,930.00	357,315.00
2024	303,385	37,380.00	340,765.00
2025	308,385	36,580.00	344,965.00
2026	308,385	35,680.00	344,065.00
2027	308,385	34,780.00	343,165.00
2028	308,385	33,880.00	342,265.00
2029	308,385	32,980.00	341,365.00
2030	313,385	32,080.00	345,465.00
2031	313,385	31,080.00	344,465.00
2032	313,385	30,080.00	343,465.00
2033	313,385	29,080.00	342,465.00
2034	313,385	28,080.00	341,465.00
2035	313,385	27,080.00	340,465.00
2036	318,385	26,080.00	344,465.00
2037	318,385	24,980.00	343,365.00
2038	55,000	23,880.00	78,880.00
2039	55,000	22,780.00	77,780.00
2040	60,000	21,680.00	81,680.00
2041	60,000	20,480.00	80,480.00
2042	60,000	19,280.00	79,280.00
2043	60,000	18,080.00	78,080.00
2044	65,000	16,880.00	81,880.00
2045	65,000	15,580.00	80,580.00
2046	65,000	14,280.00	79,280.00
2047	65,000	12,980.00	77,980.00
2048	70,000	11,680.00	81,680.00
2049	70,000	10,280.00	80,280.00
2050	70,000	8,880.00	78,880.00
2051	70,000	7,480.00	77,480.00
2052	74,000	6,080.00	80,080.00
2053	75,000	4,600.00	79,600.00
2054	77,000	3,100.00	80,100.00
2055	78,000	1,560.00	79,560.00
TOTAL	\$6,829,930	\$842,600.00	\$7,672,530.00

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 "Commission") 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 Commission 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 Note holders, 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 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 Note holders, 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 Note 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 Note 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 at closing.

FORM OF OPINION OF BOND COUNSEL

April 21, 2020

Town of Granby
820 County Route 8
Fulton, New York 13069

Re: Town of Granby, Oswego County, New York
\$4,295,000 Bond Anticipation Notes, 2020 (Renewals) Series B CUSIP No.: _____

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$4,295,000 Bond Anticipation Notes, 2020 (Renewals) Series B (the "Notes") of the Town of Granby, County of Oswego, State of New York (the "Town"). The Notes are dated April 21, 2020 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a bond resolution of the Town and a Certificate of Determination dated on or before April 21, 2020 of the Town Supervisor relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the Town is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The Town, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the Town will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the Town delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

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. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes 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 and Use of Proceeds 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 Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds 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 New York municipal corporations such as the Town. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Town, together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the Town would materially affect the ability of the Town to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the Town, in connection with the sale of the Notes, 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 light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

Trespasz & Marquardt, LLP

TOWN OF GRANBY
OSWEGO COUNTY, NEW YORK

ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2019

Such unaudited financial statements 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.

All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT

UPDATE DOCUMENT

For The

TOWN of Granby

County of Oswego

For the Fiscal Year Ended 12/31/2019

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

TOWN OF Granby

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2018 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2019:

- (A) GENERAL
- (DA) HIGHWAY-TOWN-WIDE
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (SL) LIGHTING
- (SS) SEWER
- (SW) WATER
- (TA) AGENCY
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2018 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption

All numbers in this report will be rounded to the nearest dollar.

TOWN OF Granby
Annual Update Document
For the Fiscal Year Ending 2019

(A) GENERAL

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Cash	114,653	A200	37,891
Cash In Time Deposits	51,439	A201	21,341
Petty Cash	100	A210	100
Departmental Cash	300	A215	300
TOTAL Cash	166,492		59,632
Investments In Securities		A450	200,315
TOTAL Investments	0		200,315
Accounts Receivable	70,570	A380	
TOTAL Other Receivables (net)	70,570		0
TOTAL Assets and Deferred Outflows of Resources	237,062		259,947

TOWN OF Granby
Annual Update Document
For the Fiscal Year Ending 2019

(A) GENERAL

Balance Sheet

Code Description	2018	EdpCode	2019
Overpayments & Clearing Account		A690	10,018
TOTAL Other Liabilities	0		10,018
TOTAL Liabilities	0		10,018
Fund Balance			
Assigned Appropriated Fund Balance		A914	
TOTAL Assigned Fund Balance	0		0
Unassigned Fund Balance	237,062	A917	249,930
TOTAL Unassigned Fund Balance	237,062		249,930
TOTAL Fund Balance	237,062		249,930
TOTAL Liabilities, Deferred Inflows And Fund Balance	237,062		259,947

TOWN OF Granby
Annual Update Document
For the Fiscal Year Ending 2019

(A) GENERAL

Results of Operation

Code Description	2018	EdpCode	2019
Revenues			
Real Property Taxes	77,280	A1001	77,272
TOTAL Real Property Taxes	77,280		77,272
Interest & Penalties On Real Prop Taxes	6,964	A1090	9,622
TOTAL Real Property Tax Items	6,964		9,622
Non Prop Tax Dist By County	400,941	A1120	385,917
Franchises	46,356	A1170	52,039
TOTAL Non Property Tax Items	447,297		437,956
Clerk Fees	1,652	A1255	1,713
Other General Departmental Income	530	A1289	
Public Pound Charges, Dog Control Fees	15	A1550	335
Charges-Programs For The Aging		A1972	
Zoning Fees	375	A2110	75
Planning Board Fees	1,875	A2115	750
TOTAL Departmental Income	4,447		2,873
Interest And Earnings	178	A2401	4,140
Rental of Real Property, Other Govts		A2412	1,430
Rental, Other (specify)	4,090	A2440	2,130
TOTAL Use of Money And Property	4,268		7,700
Business & Occupational License	35	A2501	25
Dog Licenses	6,680	A2544	6,264
Building And Alteration Permits	13,505	A2555	18,537
Plumbing Permits		A2565	
TOTAL Licenses And Permits	20,219		24,825
Fines And Forfeited Bail	53,106	A2610	59,132
TOTAL Fines And Forfeitures	53,106		59,132
Sales, Other	216	A2655	584
TOTAL Sale of Property And Compensation For Loss	216		584
Refunds of Prior Year's Expenditures	56	A2701	3,213
Gifts And Donations	150	A2705	
Unclassified (specify)		A2770	
TOTAL Miscellaneous Local Sources	206		3,213
St Aid, Revenue Sharing	70,983	A3001	70,983
St Aid, Mortgage Tax	61,322	A3005	52,665
St Aid, Real Property Tax Administration		A3040	8,383
St Aid, Youth Programs		A3820	2,850
TOTAL State Aid	132,305		134,880
TOTAL Revenues	746,308		758,058
Interfund Transfers	21,090	A5031	
TOTAL Interfund Transfers	21,090		0
TOTAL Other Sources	21,090		0
TOTAL Detail Revenues And Other Sources	767,398		758,058

TOWN OF Granby
Annual Update Document
For the Fiscal Year Ending 2019

(A) GENERAL

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Legislative Board, Pers Serv	9,750	A10101	13,000
Legislative Board, Contr Expend	171	A10104	836
TOTAL Legislative Board	9,921		13,836
Municipal Court, Pers Serv	66,763	A11101	69,635
Municipal Court, Contr Expend	7,643	A11104	5,848
TOTAL Municipal Court	74,406		75,483
Supervisor,pers Serv	37,693	A12201	40,528
Supervisor,equip & Cap Outlay		A12202	300
Supervisor,contr Expend	3,383	A12204	3,637
TOTAL Supervisor	41,076		44,465
Tax Collection,pers Serv	1,715	A13301	3,645
Tax Collection,equip & Cap Outlay	9,800	A13302	
Tax Collection,contr Expend	2,465	A13304	3,984
TOTAL Tax Collection	13,980		7,629
Budget, Pers Serv	15,600	A13401	15,600
Budget, Equip & Cap Outlay	20,000	A13402	799
Budget, Contr Expend	1,759	A13404	5,118
TOTAL Budget	37,359		21,517
Assessment, Pers Serv	34,243	A13551	34,984
Assessment, Contr Expend	40,591	A13554	6,280
TOTAL Assessment	74,834		41,264
Tax Arrears Board, Contr Expend		A13604	
TOTAL Tax Arrears Board	0		0
Clerk,pers Serv	38,855	A14101	39,130
Clerk,equip & Cap Outlay		A14102	450
Clerk,contr Expend	2,888	A14104	1,536
TOTAL Clerk	41,743		41,116
Law, Contr Expend	26,723	A14204	42,230
TOTAL Law	26,723		42,230
Personnel, Contr Expend	2,159	A14304	2,010
TOTAL Personnel	2,159		2,010
Engineer, Contr Expend	500	A14404	
TOTAL Engineer	500		0
Records Mgmt, PerS. SerV.	5,459	A14601	5,719
Records Mgmt, Contr Expend	167	A14604	
TOTAL Records Mgmt	5,625		5,719
Buildings, Equip & Cap Outlay	14,227	A16202	2,619
Buildings, Contr Expend	42,107	A16204	33,116
TOTAL Buildings	56,334		35,735
Central Garage, Equip & Cap Outlay	10,251	A16402	21
TOTAL Central Garage	10,251		21
Central Comm System, Contr Expend	2,976	A16504	2,720
TOTAL Central Comm System	2,976		2,720
Central Storeroom, Contr Expend	1,567	A16604	2,438
TOTAL Central Storeroom	1,567		2,438

TOWN OF Granby
Annual Update Document
For the Fiscal Year Ending 2019

(A) GENERAL

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Central Print & Mail,contr Expend	14,715	A16704	12,916
TOTAL Central Print & Mail	14,715		12,916
Central Data Process, Contr Expend		A16804	11,213
TOTAL Central Data Process	0		11,213
Unallocated Insurance, Contr Expend	34,510	A19104	37,705
TOTAL Unallocated Insurance	34,510		37,705
Municipal Assn Dues, Contr Expend	900	A19204	999
TOTAL Municipal Assn Dues	900		999
Judgements And Claims, Contr Expend	15,105	A19304	
TOTAL Judgements And Claims	15,105		0
TOTAL General Government Support	464,685		399,017
Police, Pers Serv	7,523	A31201	7,298
Police, Contr Expend	525	A31204	225
TOTAL Police	8,048		7,523
Traffic Control, Contr Expen	1,121	A33104	1,588
TOTAL Traffic Control	1,121		1,588
Control of Animals, Pers Serv	6,700	A35101	8,450
Control of Animals, Contr Expend	3,711	A35104	3,453
TOTAL Control of Animals	10,411		11,903
TOTAL Public Safety	19,580		21,014
Registrar of Vital Statistics, Pers Serv		A40201	1,820
TOTAL Registrar of Vital Statistics	0		1,820
TOTAL Health	0		1,820
Street Admin, Pers Serv	40,430	A50101	38,510
Street Admin, Contr Expend	829	A50104	629
TOTAL Street Admin	41,259		39,139
Street Lighting, Contr Expend	5,174	A51824	5,576
TOTAL Street Lighting	5,174		5,576
Other Transportation, Contr Expend		A59894	
TOTAL Other Transportation	0		0
TOTAL Transportation	46,432		44,715
Youth Prog, Pers Serv	2,132	A73101	2,132
Youth Prog, Equip & Cap Outlay		A73102	
Youth Prog, Contr Expend	2,533	A73104	5,769
TOTAL Youth Prog	4,665		7,901
Historian, Pers Serv	2,210	A75101	1,275
Historian, Contr Expend	787	A75104	534
TOTAL Historian	2,997		1,809
Celebrations, Contr Expend	4,344	A75504	
TOTAL Celebrations	4,344		0
Programs For Aging, Contr Expend	3,500	A76104	3,500
TOTAL Programs For Aging	3,500		3,500
TOTAL Culture And Recreation	15,507		13,211
Zoning, Pers Serv	2,225	A80101	1,308

TOWN OF Granby
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(A) GENERAL

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Zoning, Contr Expend	634	A80104	821
TOTAL Zoning	2,860		2,128
Planning, Pers Serv	8,177	A80201	9,578
Planning, Contr Expend	1,557	A80204	10,789
TOTAL Planning	9,734		20,367
Code Enforcements, Pers Serv	22,646	A86641	28,035
Code Enforcements, Contr Expend	4,984	A86644	5,801
TOTAL Code Enforcements	27,629		33,836
Cemetery, Contr Expend	3,723	A88104	6,279
TOTAL Cemetery	3,723		6,279
TOTAL Home And Community Services	43,946		62,611
State Retirement System	35,000	A90108	53,805
Social Security, Employer Cont	22,882	A90308	24,326
Unemployment Insurance, Empl Bnfts	971	A90508	709
Disability Insurance, Empl Bnfts		A90558	
Hospital & Medical (dental) Ins, Empl Bnft	41,376	A90608	71,198
Other Employee Benefits (spec)	592	A90898	649
TOTAL Employee Benefits	100,820		150,687
TOTAL Expenditures	690,969		693,074
Transfers, Capital Projects Fund	14,308	A99509	52,116
TOTAL Operating Transfers	14,308		52,116
TOTAL Other Uses	14,308		52,116
TOTAL Detail Expenditures And Other Uses	705,277		745,190

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(A) GENERAL

Analysis of Changes in Fund Balance

Code Description	2018	EdpCode	2019
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	174,941	A8021	237,062
Restated Fund Balance - Beg of Year	174,941	A8022	237,062
ADD - REVENUES AND OTHER SOURCES	767,398		758,058
DEDUCT - EXPENDITURES AND OTHER USES	705,277		745,190
Fund Balance - End of Year	237,062	A8029	249,930

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(A) GENERAL

Budget Summary

Code Description	2019	EdpCode	2020
Estimated Revenues			
Est Rev - Real Property Taxes	77,273	A1049N	82,273
Est Rev - Real Property Tax Items	9,000	A1099N	9,000
Est Rev - Non Property Tax Items	374,030	A1199N	435,048
Est Rev - Departmental Income	3,100	A1299N	2,800
Est Rev - Use of Money And Property	4,560	A2499N	5,560
Est Rev - Licenses And Permits	28,000	A2599N	22,000
Est Rev - Fines And Forfeitures	70,000	A2649N	65,000
Est Rev - Sale of Prop And Comp For Loss	5,700	A2699N	200
Est Rev - Miscellaneous Local Sources	0	A2799N	0
Est Rev - State Aid	118,483	A3099N	123,483
TOTAL Estimated Revenues	690,146		745,364
Appropriated Fund Balance	0	A599N	
TOTAL Estimated Other Sources	0		0
TOTAL Estimated Revenues And Other Sources	690,146		745,364

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(A) GENERAL

Budget Summary

Code Description	2019	EdpCode	2020
Appropriations			
App - General Government Support	417,595	A1999N	520,639
App - Public Safety	21,200	A3999N	32,727
App - Health	1,820	A4999N	2,352
App - Transportation	47,180	A5999N	74,762
App - Culture And Recreation	12,592	A7999N	17,492
App - Home And Community Services	56,754	A8999N	46,556
App - Employee Benefits	133,005	A9199N	0
App - Debt Service		A9899N	836
TOTAL Appropriations	690,146		695,364
App - Interfund Transfer	0	A9999N	50,000
TOTAL Other Uses	0		50,000
TOTAL Appropriations And Other Uses	690,146		745,364

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(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Cash	164,756	DA200	53,518
Cash In Time Deposits	5,022	DA201	20,707
TOTAL Cash	169,778		74,225
Investments In Securities	13	DA450	100,727
TOTAL Investments	13		100,727
Due From Other Governments		DA440	203
TOTAL Due From Other Governments	0		203
TOTAL Assets and Deferred Outflows of Resources	169,790		175,155

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(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2018	EdpCode	2019
Bond Anticipation Notes Payable		DA626	
TOTAL Notes Payable	0		0
TOTAL Liabilities	0		0
Fund Balance			
Assigned Appropriated Fund Balance		DA914	
Assigned Unappropriated Fund Balance	169,790	DA915	175,155
TOTAL Assigned Fund Balance	169,790		175,155
TOTAL Fund Balance	169,790		175,155
TOTAL Liabilities, Deferred Inflows And Fund Balance	169,790		175,155

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(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2018	EdpCode	2019
Revenues			
Real Property Taxes	525,900	DA1001	525,900
TOTAL Real Property Taxes	525,900		525,900
Sales Tax (from County)	50,000	DA1120	34,632
TOTAL Non Property Tax Items	50,000		34,632
Other Transportation Departmental Income		DA1789	
TOTAL Departmental Income	0		0
Transportation Services, Other Govts	8,608	DA2300	8,608
Snow Removal Services-Other Govts	134,300	DA2302	154,525
Misc Revenue From Other Govt		DA2389	
TOTAL Intergovernmental Charges	142,908		163,133
Interest And Earnings	1,960	DA2401	6,257
TOTAL Use of Money And Property	1,960		6,257
Sales of Scrap & Excess Materials	2,206	DA2650	6,104
Sales, Other	2,709	DA2655	2,992
Insurance Recoveries		DA2680	3,360
TOTAL Sale of Property And Compensation For Loss	4,915		12,456
Refunds of Prior Year's Expenditures	620	DA2701	1,778
Unclassified (specify)		DA2770	
TOTAL Miscellaneous Local Sources	620		1,778
Interfund Revenues	1,074	DA2801	847
TOTAL Interfund Revenues	1,074		847
St Aid, Consolidated Highway Aid	139,282	DA3501	139,300
St Aid, Other Transportation	25,724	DA3589	25,724
St Aid, Highway Cap Projects	31,792	DA3591	31,797
TOTAL State Aid	196,798		196,820
TOTAL Revenues	924,176		941,822
Interfund Transfers		DA5031	80
TOTAL Interfund Transfers	0		80
Serial Bonds		DA5710	
TOTAL Proceeds of Obligations	0		0
TOTAL Other Sources	0		80
TOTAL Detail Revenues And Other Sources	924,176		941,902

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(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Street Admin, Pers Serv		DA50101	1,760
Street Admin, Contr Expend		DA50104	5,675
TOTAL Street Admin	0		7,435
Maint of Streets, Pers Serv	119,884	DA51101	114,218
Maint of Streets, Contr Expend	196,812	DA51104	72,961
TOTAL Maint of Streets	316,696		187,178
Perm Improve Highway, Equip & Cap Outlay	135,000	DA51122	189,893
TOTAL Perm Improve Highway	135,000		189,893
Machinery, Pers Serv	24,959	DA51301	25,291
Machinery, Equip & Cap Outlay	6,193	DA51302	4,648
Machinery, Contr Expend	52,215	DA51304	60,155
TOTAL Machinery	83,367		90,094
Brush And Weeds, Pers Serv	21,481	DA51401	22,715
Brush And Weeds, Contr Expend	15,200	DA51404	3,000
TOTAL Brush And Weeds	36,681		25,715
Snow Removal, Pers Serv	115,233	DA51421	137,973
Snow Removal, Equip & Cap Outlay		DA51422	31,572
Snow Removal, Contr Expend	61,040	DA51424	94,645
TOTAL Snow Removal	176,273		264,190
TOTAL Transportation	748,016		764,503
State Retirement, Empl Bnfts	31,005	DA90108	45,000
Social Security , Empl Bnfts	20,998	DA90308	22,028
Unemployment Insurance, Empl Bnfts	946	DA90508	743
Hospital & Medical (dental) Ins, Empl Bnft	91,620	DA90608	86,665
Other Employee Benefits (spec)	5,237	DA90898	476
TOTAL Employee Benefits	149,806		154,911
Debt Principal, Serial Bonds		DA97106	15,000
TOTAL Debt Principal	0		15,000
Debt Interest, Serial Bonds		DA97107	2,123
TOTAL Debt Interest	0		2,123
TOTAL Expenditures	897,822		936,537
Transfers, Capital Projects Fund		DA99509	
TOTAL Operating Transfers	0		0
TOTAL Other Uses	0		0
TOTAL Detail Expenditures And Other Uses	897,822		936,537

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(DA) HIGHWAY-TOWN-WIDE

Analysis of Changes in Fund Balance

Code Description	2018	EdpCode	2019
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	143,437	DA8021	169,790
Prior Period Adj -Decrease In Fund Balance		DA8015	
Restated Fund Balance - Beg of Year	143,437	DA8022	169,790
ADD - REVENUES AND OTHER SOURCES	924,176		941,902
DEDUCT - EXPENDITURES AND OTHER USES	897,822		936,537
Fund Balance - End of Year	169,790	DA8029	175,160

TOWN OF Granby
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(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2019	EdpCode	2020
Estimated Revenues			
Est Rev - Real Property Taxes	525,900	DA1049N	542,288
Est Rev - Non Property Tax Items	19,623	DA1199N	
Est Rev - Departmental Income	0	DA1299N	
Est Rev - Intergovernmental Charges	143,000	DA2399N	219,168
Est Rev - Use of Money And Property	1,200	DA2499N	6,000
Est Rev - Sale of Prop And Comp For Loss	11,500	DA2699N	4,000
Est Rev - Miscellaneous Local Sources	0	DA2799N	
Est Rev - Interfund Revenues		DA2801N	1,000
Est Rev - State Aid	190,000	DA3099N	196,819
TOTAL Estimated Revenues	891,223		969,275
TOTAL Estimated Revenues And Other Sources	891,223		969,275

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(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2019	EdpCode	2020
Appropriations			
App - Transportation	704,500	DA5999N	776,334
App - Employee Benefits	169,600	DA9199N	175,976
App - Debt Service	17,123	DA9899N	16,965
TOTAL Appropriations	891,223		969,275
TOTAL Appropriations And Other Uses	891,223		969,275

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Cash	278,924	H200	4,174,742
TOTAL Cash	278,924		4,174,742
Investments In Securities		H450	
TOTAL Investments	0		0
Due From State And Federal Government		H410	
TOTAL State And Federal Aid Receivables	0		0
TOTAL Assets and Deferred Outflows of Resources	278,924		4,174,742

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2018	EdpCode	2019
Bond Anticipation Notes Payable	250,000	H626	4,300,000
TOTAL Notes Payable	250,000		4,300,000
TOTAL Liabilities	250,000		4,300,000
Fund Balance			
Assigned Unappropriated Fund Balance	28,924	H915	4,174,742
TOTAL Assigned Fund Balance	28,924		4,174,742
Unassigned Fund Balance		H917	-4,300,000
TOTAL Unassigned Fund Balance	0		-4,300,000
TOTAL Fund Balance	28,924		-125,258
TOTAL Liabilities, Deferred Inflows And Fund Balance	278,924		4,174,742

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2018	EdpCode	2019
Revenues			
Interest And Earnings	17	H2401	78,645
TOTAL Use of Money And Property	17		78,645
St Aid-Capital Projects	5,000	H3097	
TOTAL State Aid	5,000		0
TOTAL Revenues	5,017		78,645
Interfund Transfers	14,308	H5031	52,116
TOTAL Interfund Transfers	14,308		52,116
Serial Bonds	75,000	H5710	
Bond Anticipation Notes		H5730	
Bans Redeemed From Appropriations		H5731	
TOTAL Proceeds of Obligations	75,000		0
TOTAL Other Sources	89,308		52,116
TOTAL Detail Revenues And Other Sources	94,325		130,761

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Buildings, Equip & Cap Outlay	18,385	H16202	15,145
TOTAL Buildings	18,385		15,145
TOTAL General Government Support	18,385		15,145
Other Public Safety, Equip & Cap Outlay		H39972	
TOTAL Other Public Safety	0		0
TOTAL Public Safety	0		0
Machinery, Equip & Cap Outlay		H51302	146,211
TOTAL Machinery	0		146,211
TOTAL Transportation	0		146,211
Sewer, Equip & Cap Outlay		H81972	2,625
TOTAL Sewer	0		2,625
Water Capital Projects, Equip & Cap Outlay	66,973	H83972	113,836
TOTAL Water Capital Projects	66,973		113,836
TOTAL Home And Community Services	66,973		116,461
Debt Principal, Serial Bonds		H97106	
Debt Principal, Bond Anticipation Notes		H97306	
TOTAL Debt Principal	0		0
Debt Interest, Serial Bonds		H97107	
Debt Interest, Bond Anticipation Notes		H97307	7,125
TOTAL Debt Interest	0		7,125
TOTAL Expenditures	85,358		284,943
Transfers, Other Funds		H99019	
TOTAL Operating Transfers	0		0
TOTAL Other Uses	0		0
TOTAL Detail Expenditures And Other Uses	85,358		284,943

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(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

Code Description	2018	EdpCode	2019
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	19,957	H8021	28,924
Prior Period Adj -Increase In Fund Balance		H8012	
Restated Fund Balance - Beg of Year	19,957	H8022	28,924
ADD - REVENUES AND OTHER SOURCES	94,325		130,761
DEDUCT - EXPENDITURES AND OTHER USES	85,358		284,943
Fund Balance - End of Year	28,924	H8029	-125,258

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(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Land	183,800	K101	47,735
Buildings	867,400	K102	368,782
Improvements Other Than Buildings		K103	1,431,197
Machinery And Equipment	1,862,697	K104	1,486,726
Construction Work In Progress		K105	4,700,000
Infrastructure	10,886,557	K106	10,796,147
Other Capital Assets		K107	33,223
TOTAL Fixed Assets (net)	13,800,454		18,863,810
TOTAL Assets and Deferred Outflows of Resources	13,800,454		18,863,810

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(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2018	EdpCode	2019
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	13,800,454	K159	18,863,810
TOTAL Investments in Non-Current Government Assets	13,800,454		18,863,810
TOTAL Fund Balance	13,800,454		18,863,810
TOTAL	13,800,454		18,863,810

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(SL) LIGHTING

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Cash	726	SL200	788
TOTAL Cash	726		788
TOTAL Assets and Deferred Outflows of Resources	726		788

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(SL) LIGHTING

Balance Sheet

Code Description	2018	EdpCode	2019
Fund Balance			
Assigned Appropriated Fund Balance		SL914	
Assigned Unappropriated Fund Balance	726	SL915	788
TOTAL Assigned Fund Balance	726		788
Unassigned Fund Balance		SL917	0
TOTAL Unassigned Fund Balance	0		0
TOTAL Fund Balance	726		788
TOTAL Liabilities, Deferred Inflows And Fund Balance	726		788

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(SL) LIGHTING

Results of Operation

Code Description	2018	EdpCode	2019
Revenues			
Real Property Taxes	1,150	SL1001	
Special Assessments Ad Valorem		SL1028	1,150
TOTAL Real Property Taxes	1,150		1,150
Interest And Earnings	0	SL2401	0
TOTAL Use of Money And Property	0		0
TOTAL Revenues	1,150		1,150
TOTAL Detail Revenues And Other Sources	1,150		1,150

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(SL) LIGHTING

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Street Lighting, Contr Expend	1,003	SL51824	1,088
TOTAL Street Lighting	1,003		1,088
TOTAL Transportation	1,003		1,088
TOTAL Expenditures	1,003		1,088
TOTAL Detail Expenditures And Other Uses	1,003		1,088

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(SL) LIGHTING

Analysis of Changes in Fund Balance

Code Description	2018	EdpCode	2019
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	580	SL8021	726
Prior Period Adj -Increase In Fund Balance		SL8012	0
Prior Period Adj -Decrease In Fund Balance	1	SL8015	
Restated Fund Balance - Beg of Year	579	SL8022	726
ADD - REVENUES AND OTHER SOURCES	1,150		1,150
DEDUCT - EXPENDITURES AND OTHER USES	1,003		1,088
Fund Balance - End of Year	726	SL8029	789

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(SS) SEWER

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Cash	5,507	SS200	5,770
TOTAL Cash	5,507		5,770
TOTAL Assets and Deferred Outflows of Resources	5,507		5,770

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(SS) SEWER

Balance Sheet

Code Description	2018	EdpCode	2019
Fund Balance			
Assigned Appropriated Fund Balance		SS914	
Assigned Unappropriated Fund Balance	5,507	SS915	5,770
TOTAL Assigned Fund Balance	5,507		5,770
TOTAL Fund Balance	5,507		5,770
TOTAL Liabilities, Deferred Inflows And Fund Balance	5,507		5,770

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(SS) SEWER

Results of Operation

Code Description	2018	EdpCode	2019
Revenues			
Real Property Taxes	1,000	SS1001	
Special Assessments		SS1030	262
Additional Description Unpaid sewer billed for City of Fulton			
TOTAL Real Property Taxes	1,000		262
Interest And Earnings	1	SS2401	0
TOTAL Use of Money And Property	1		0
TOTAL Revenues	1,001		263
TOTAL Detail Revenues And Other Sources	1,001		263

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(SS) SEWER

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Other Sanitation, Contr Expend	262	SS81894	
TOTAL Other Sanitation	262		0
TOTAL Home And Community Services	262		0
Debt Principal, Serial Bonds	3,600	SS97106	
TOTAL Debt Principal	3,600		0
Debt Interest, Serial Bonds	62	SS97107	
TOTAL Debt Interest	62		0
TOTAL Expenditures	3,925		0
TOTAL Detail Expenditures And Other Uses	3,925		0

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(SS) SEWER

Analysis of Changes in Fund Balance

Code Description	2018	EdpCode	2019
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	8,431	SS8021	5,507
Restated Fund Balance - Beg of Year	8,431	SS8022	5,507
ADD - REVENUES AND OTHER SOURCES	1,001		263
DEDUCT - EXPENDITURES AND OTHER USES	3,925		
Fund Balance - End of Year	5,507	SS8029	5,770

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(SS) SEWER

Budget Summary

Code Description	2019	EdpCode	2020
Estimated Revenues			
Est Rev - Real Property Taxes	0	SS1049N	0
TOTAL Estimated Revenues	0		0
Appropriated Fund Balance	0	SS599N	0
TOTAL Estimated Other Sources	0		0
TOTAL Estimated Revenues And Other Sources	0		0

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(SS) SEWER

Budget Summary

Code Description	2019	EdpCode	2020
Appropriations			
App - Debt Service	0	SS9899N	
TOTAL Appropriations	0		0
TOTAL Appropriations And Other Uses	0		0

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(SW) WATER

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Cash	24,114	SW200	25,449
TOTAL Cash	24,114		25,449
TOTAL Assets and Deferred Outflows of Resources	24,114		25,449

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(SW) WATER

Balance Sheet

Code Description	2018	EdpCode	2019
Fund Balance			
Assigned Appropriated Fund Balance	119	SW914	55
Assigned Unappropriated Fund Balance	23,995	SW915	25,394
TOTAL Assigned Fund Balance	24,114		25,449
TOTAL Fund Balance	24,114		25,449
TOTAL Liabilities, Deferred Inflows And Fund Balance	24,114		25,449

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(SW) WATER

Results of Operation

Code Description	2018	EdpCode	2019
Revenues			
Real Property Taxes	394,155	SW1001	
Special Assessments	1,239	SW1030	380,312
TOTAL Real Property Taxes	395,394		380,312
Interest And Earnings	21	SW2401	8
TOTAL Use of Money And Property	21		8
Fed Aid, Water Cap Proj	89,847	SW4991	
TOTAL Federal Aid	89,847		0
TOTAL Revenues	485,262		380,320
TOTAL Detail Revenues And Other Sources	485,262		380,320

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(SW) WATER

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Judgements And Claims, Contr Expend		SW19304	1,072
TOTAL Judgements And Claims	0		1,072
TOTAL General Government Support	0		1,072
Water Administration, Equip & Cap Outlay	75,667	SW83102	
Water Administration, Contr Expend	7,871	SW83104	6,791
TOTAL Water Administration	83,539		6,791
Other Water, Contr Expend	270	SW83894	621
TOTAL Other Water	270		621
Misc Home & Comm Serv, Contr Expend	26,138	SW89894	26,138
TOTAL Misc Home & Comm Serv	26,138		26,138
TOTAL Home And Community Services	109,947		33,549
Debt Principal, Serial Bonds	303,385	SW97106	303,385
TOTAL Debt Principal	303,385		303,385
Debt Interest, Serial Bonds	42,318	SW97107	40,980
TOTAL Debt Interest	42,318		40,980
TOTAL Expenditures	455,650		378,986
Transfers, Other Funds	21,090	SW99019	
TOTAL Operating Transfers	21,090		0
TOTAL Other Uses	21,090		0
TOTAL Detail Expenditures And Other Uses	476,740		378,986

TOWN OF Granby
Annual Update Document
For the Fiscal Year Ending 2019

(SW) WATER

Analysis of Changes in Fund Balance

Code Description	2018	EdpCode	2019
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	15,532	SW8021	24,054
Prior Period Adj -Increase In Fund Balance		SW8012	61
Restated Fund Balance - Beg of Year	15,532	SW8022	24,115
ADD - REVENUES AND OTHER SOURCES	485,262		380,320
DEDUCT - EXPENDITURES AND OTHER USES	476,740		378,986
Fund Balance - End of Year	24,054	SW8029	25,450

TOWN OF Granby
Annual Update Document
For the Fiscal Year Ending 2019

(SW) WATER

Budget Summary

Code Description	2019	EdpCode	2020
Estimated Revenues			
Est Rev - Real Property Taxes	379,303	SW1049N	379,009
Est Rev - Departmental Income		SW1299N	6,178
TOTAL Estimated Revenues	379,303		385,187
Estimated - Interfund Transfer	0	SW5031N	
Appropriated Fund Balance	119	SW599N	55
TOTAL Estimated Other Sources	119		55
TOTAL Estimated Revenues And Other Sources	379,422		385,242

TOWN OF Granby
Annual Update Document
For the Fiscal Year Ending 2019

(SW) WATER

Budget Summary

Code Description	2019	EdpCode	2020
Appropriations			
App - Home And Community Services	34,657	SW8999N	41,277
App - Debt Service	344,765	SW9899N	343,965
TOTAL Appropriations	379,422		385,242
App - Interfund Transfer	0	SW9999N	
TOTAL Other Uses	0		0
TOTAL Appropriations And Other Uses	379,422		385,242

TOWN OF Granby
Annual Update Document
For the Fiscal Year Ending 2019

(TA) AGENCY

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Cash	21,707	TA200	6,272
TOTAL Cash	21,707		6,272
TOTAL Assets and Deferred Outflows of Resources	21,707		6,272

TOWN OF Granby
Annual Update Document
For the Fiscal Year Ending 2019

(TA) AGENCY

Balance Sheet

Code Description	2018	EdpCode	2019
Consolidated Payroll	815	TA10	4,166
State Retirement	1,128	TA18	1,459
Group Insurance	1,161	TA20	
Nys Income Tax	278	TA21	547
Federal Income Tax		TA22	
Income Executions	450	TA23	
Assoc & Union Dues		TA24	
Guaranty & Bid Deposits	150	TA30	100
Bail Deposits	17,581	TA35	
Other Funds (specify)	144	TA85	
TOTAL Agency Liabilities	21,707		6,272
TOTAL Liabilities	21,707		6,272
TOTAL Liabilities, Deferred Inflows And Fund Balance	21,707		6,272

TOWN OF Granby
Annual Update Document
For the Fiscal Year Ending 2019

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Total Non-Current Govt Liabilities	7,457,874	W129	7,179,686
TOTAL Provision To Be Made In Future Budgets	7,457,874		7,179,686
TOTAL Assets and Deferred Outflows of Resources	7,457,874		7,179,686

TOWN OF Granby
Annual Update Document
For the Fiscal Year Ending 2019

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2018	EdpCode	2019
Net Pension Liability -Proportionate Share	46,177	W638	86,374
TOTAL Other Liabilities	46,177		86,374
Bonds Payable	7,411,697	W628	7,093,312
TOTAL Bond And Long Term Liabilities	7,411,697		7,093,312
TOTAL Liabilities	7,457,874		7,179,686
TOTAL Liabilities	7,457,874		7,179,686

TOWN OF Granby
Statement of Indebtedness
For the Fiscal Year Ending 2019

3/7/2020

County of: Oswego

Municipal Code: 350333600000

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
2019	BAN E	Water Capital Project		Y	08/22/2019	01/22/2020	1.51%		\$250,000	\$0			\$0		\$250,000
2018	BAN E	Water District Capital Project		Y	09/06/2018	09/06/2019	2.85%		\$250,000	\$250,000	\$250,000	\$250,000			\$0
2019	BAN E	Water Capital Project		Y	01/22/2019	01/22/2020	2.442%		\$4,050,000	\$0			\$0		\$4,050,000
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year									\$4,300,000	\$250,000	\$250,000	\$250,000	\$0	\$0	\$4,300,000
2012	BOND E	Water district #3-EFC			02/13/2007	02/13/2037	0.00%			\$5,267,697	\$263,385	\$0	\$0		\$5,004,312
2017	BOND E	Water Improvements			04/13/2017	04/13/2055	2.00%		\$2,109,000	\$2,069,000	\$40,000	\$0	\$0		\$2,029,000
2018	BOND N	Tractor with Mower		Y	09/06/2018	09/09/2023	2.50%	Y	\$75,000	\$75,000	\$15,000	\$0	\$0		\$60,000
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year									\$0	\$7,411,697	\$318,385	\$0	\$0	\$0	\$7,093,312
AFR Year Total for All Debt Types - Sums Issued Amts only made in AFR Year									\$4,300,000	\$7,661,697	\$568,385	\$250,000	\$0	\$0	\$11,393,312

TOWN OF Granby
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2019

	EDP Code	Amount
CASH:		
On Hand	9Z2001	\$400.00
Demand Deposits	9Z2011	\$4,299,801.00
Time Deposits	9Z2021	\$46,964.16
Total		\$4,347,165.16
 COLLATERAL:		
- FDIC Insurance	9Z2014	\$296,964.16
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$4,049,801.00
Total		\$4,346,765.16
 INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	\$301,041.83
Market Value at Balance Sheet Date	9Z4502	\$301,041.83
Collateralized with securities held in possession of municipality or its agent	9Z4504A	\$301,041.83
 - Repurchase Agreements (451)		
Book Value (cost)	9Z4511	_____
Market Value at Balance Sheet Date	9Z4512	_____
Collateralized with securities held in possession of municipality or its agent	9Z4514A	_____

TOWN OF Granby
Bank Reconciliation
For the Fiscal Year Ending 2019

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
****-9151	\$50,515	\$0	\$50,515	\$0
****-9250	\$4,166	\$0	\$0	\$4,166
****-9268	\$2,393	\$0	\$287	\$2,106
****-2075	\$9,163	\$0	\$0	\$9,163
****-2113	\$37,891	\$0	\$0	\$37,891
****-2105	\$53,518	\$0	\$0	\$53,518
****-2148	\$788	\$0	\$0	\$788
****-1923	\$5,770	\$0	\$0	\$5,770
****-4765	\$4,160,663	\$0	\$0	\$4,160,663
****-2059	\$25,449	\$0	\$0	\$25,449
****-8605	\$21,341	\$0	\$0	\$21,341
****-8607	\$20,707	\$0	\$0	\$20,707
****-9655	\$4,917	\$0	\$0	\$4,917
	Total Adjusted Bank Balance			<u>\$4,346,478</u>
	Petty Cash			<u>\$400.00</u>
	Adjustments			<u>\$0.00</u>
	Total Cash			<u>\$4,346,878</u>
	Total Cash Balance All Funds			<u>\$4,346,878</u>

* Must be equal

TOWN OF Granby
Local Government Questionnaire
For the Fiscal Year Ending 2019

	<u>Response</u>
1) Does your municipality have a written procurement policy?	<u>Yes</u>
2) Have the financial statements for your municipality been independently audited? If not, are you planning on having an audit conducted?	<u>No</u> <u>No</u>
3) Does your local government participate in an insurance pool with other local governments?	<u>No</u>
4) Does your local government participate in an investment pool with other local governments?	<u>Yes</u>
5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters?	<u>No</u>
6) Does your municipality have a Capital Plan?	<u>No</u>
7) Has your municipality prepared and documented a risk assessment plan? If yes, has your municipality used the results to design the system of internal controls?	<u>Yes</u> <u>Yes</u>
8) Have you had a change in chief executive or chief fiscal officer during the last year?	<u>No</u>
9) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?	<u>Yes</u>

TOWN OF Granby
Employee and Retiree Benefits
For the Fiscal Year Ending 2019

Total Full Time Employees:		10			
Total Part Time Employees:		20			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$98,805.00	10	12	
90158	Police and Fire Retirement	\$0.00			
90258	Local Pension Fund	\$0.00			
90308	Social Security	\$46,353.81	10	20	
90408	Worker's Compensation Insurance	\$0.00			
90458	Life Insurance	\$0.00			
90508	Unemployment Insurance	\$1,451.86	7	14	
90558	Disability Insurance	\$0.00			
90608	Hospital and Medical (Dental) Insurance	\$157,862.45	9		
90708	Union Welfare Benefits	\$0.00			
90858	Supplemental Benefit Payment to Disabled Fire Fighters	\$0.00			
91890	Other Employee Benefits	\$1,125.38	10	20	
Total		\$305,598.50			
Computed Total From Financial Section (comparative purposes only)		\$305,598.50			

TOWN OF Granby
 Energy Costs and Consumption
 For the Fiscal Year Ending 2019

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$7,157	3,600	gallons	
Diesel Fuel	\$39,083	17,551	gallons	
Fuel Oil	\$10,365	3,500	gallons	
Natural Gas			cubic feet	
Electricity	\$7,157	79,198	kilowatt-hours	
Coal			tons	
Propane	\$1,281	616	gallons	

CERTIFICATION OF CHIEF FISCAL OFFICER

I, John Snow, hereby certify that I am the Chief Fiscal Officer of the Town of Granby, and that the information provided in the annual financial report of the Town of Granby, for the fiscal year ended 12/31/2019, is TRUE and correct to the best of my knowledge and belief.

By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the Town of Granby, and adopted by me as my signature for use in conjunction with the filing of the Town of Granby's annual financial report, I am evidencing my express intent to authenticate my certification of the Town of Granby's annual financial report for the fiscal year ended 12/31/2019 and filed by means of electronic data transmission.

Name of Report Preparer if different than Chief Fiscal Officer

John Snow
Name

(315) 598-6500
Telephone Number

Town Supervisor
Title

820 County Route 8
Official Address

03/01/2020
Date of Certification

(315) 598-6500
Official Telephone Number

TOWN OF Granby
Financial Comments
For the Fiscal Year Ending 2019

(SL) LIGHTING

Adjustment Reason

Account Code SL8012 Rounding error

(SW) WATER

Adjustment Reason

Account Code SW801: FB at the end of 2018 should have been \$24,114.81. Interest earned in the amount of \$60.67 was erroneously not reported on the 2018 AUD.

(H) CAPITAL PROJECTS

Adjustment Reason

Account Code H8012 Beginning of Year FB is incorrect. Correct on 2018 AUD.

TOWN OF GRANBY

Notes to the Financial Statements For the Fiscal Year Ended December 31, 2019

I. Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The Town of Granby, (which was established in 1818), is governed by town law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations, the Town Supervisor serves as chief executive officer and chief fiscal officer.

The following basic services are provided: General Government Support, Public Safety, Public Health, Transportation, Home and Community Services, and Culture and Recreation.

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

The financial reporting entity consists of (a) the primary government which is the Town of Granby, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement Numbers 14, 39 and 61.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB 14, 39 and 61 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, no other entities are considered in determining the Town of Granby's reporting entity.

B. Fund Accounting

The Town uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The Town records its transactions in the fund types described below.

Fund Categories

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

General Fund – the principal operating fund and includes all operations not accounted for and reported in another fund.

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

Fiduciary Funds – used to account for assets held by the local government in a trustee or custodial capacity:

Agency Funds – used to account for money (and/or property) received and held in a purely custodial capacity of trustee, custodian, or agent.

C. Basis of Accounting/Measurement Focus

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

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

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if collected within 30 days of the end of the current fiscal year.

NOTE: The revenue recognition period must be 60 days for real property taxes.

Material revenues that are accrued include real property taxes, State and Federal Aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made, all other grant requirements have been met, and the resources are available.

Expenditures are recorded when a liability is incurred except that:

- a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are recognized as expenditures when payment is due.
- c. Compensated absences, such as vacation and sick leave which vests or accumulates, are charged as expenditures when payment is due.
- d. Other post-employment benefits are charged as expenditures when payment is due.

D. Changes in Accounting Policies

During the 2019 fiscal year, the Town adopted no changes in accounting policies.

E. Fund Balances

In Fiscal Year 2011, the Town implemented Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). GASB 54 changed the classification of fund balance to focus on the constraints imposed on resources in governmental funds, instead of the previous focus on availability for appropriation.

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

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

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

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

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

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

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

The Town has, by resolution, adopted a fund balance policy that states the Town must maintain a minimum unrestricted (the total of committed, assigned, and unassigned) fund balance of at least (15) percent of the general fund operating budget. Unrestricted fund balance below the minimum should be replenished within the succeeding fiscal year. (Highway Fund must maintain \$120,000)

F. 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 funds. Encumbrances are reported as restrictions, commitments, or 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.

No significant encumbrances were included in the reporting of fund balance.

G. Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets, are reported in the Schedule of Non-Current Governmental Assets. The Town defines capital assets as assets with an initial, individual cost of more than \$1000 and an estimated useful life in excess of 7 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and assets acquired in a service concession arrangement are recorded at acquisition value.

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

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

H. Investments

An investment is a security or other asset (a) that a government holds primarily for the purpose of income or profit and (b) with present service capacity that is based solely on its ability to generate cash or to be sold to generate cash. Capital assets held for resale are excluded from being classified as investments.

Investments are generally reported at fair value. There are, however, two exceptions: certificates of deposit, which are reported at cost; and external investment pools, which may elect to measure all investments at amortized cost if certain criteria (as outlined in GASB Statement No. 79) is met.

I. Deferred Outflows/Inflows of Resources

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

J. Insurance

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

II. Stewardship, Compliance, Accountability

A. Budget Policies – The budget policies are as follows:

1. 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.
2. After public hearings are conducted to obtain taxpayer comments, no later than November 20th, the governing board adopts the budget.
3. All modifications of the budget must be approved by the governing board. (However, the Budget Officer is authorized to transfer certain budgeted amounts within departments.)
4. Budgets are adopted annually on a basis consistent with GAAP.
5. Appropriations in all budgeted funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-apportioned in the subsequent year.

B. Property Taxes

Real property taxes are levied annually no later than January 30th. Taxes are collected during the period January 1st to March 31st.

Unpaid (town, village, and/or non-city school district) taxes are turned over to the county for enforcement. Any such taxes remaining unpaid at year-end are relieved as county taxes in the subsequent year.

General Municipal Law Section 3-c established a tax levy limit for local governments in New York State effective June 24, 2011. This law generally limits the amount by which local governments can increase property tax levies to 2 percent or the rate of inflation, whichever is less. The law does provide exclusions for certain specific costs and allows the governing board to override the tax levy limit with a supermajority vote.

C. Deficit Fund Balances

The capital projects fund had a deficit fund balance at December 31, 2019. The deficit will be eliminated as short-term debt is redeemed or converted to permanent financing.

III. Detailed Notes on All Funds

A. Assets

1. Cash And Investments

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

Collateral is required for demand deposits and certificates of deposit as provided for by law of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of 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 a percentage provided for by law of the cost of the repurchase agreement.

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

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

<u>Fund</u>	<u>Deposit Balance</u>	<u>Insured Amount</u>	<u>Type</u>
General	37,891	37,891	FDIC
	21,341	21,341	FDIC
Highway	53,518	53,518	FDIC
	20,707	20,707	FDIC
Water	25,449	25,449	FDIC
Sewer	5,770	5,770	FDIC
Street Lighting	788	788	FDIC
Agency	6,272	6,272	FDIC
Capital Projects	4,174,742	250,000	FDIC
		3,924,742	M&T for NBT

<u>Fund</u>	<u>Market Value</u>	<u>Carrying Amount (NYCLASS)</u>
General	200,315	200,315
Highway	100,727	100,727

B. Liabilities

1. Pension Plans

Plan Description

The Town of Granby participates in the New York State and Local Employees' Retirement System (ERS) (the System). These are cost-sharing multiple-employer defined benefit retirement systems. 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 assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town of Granby also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report 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, NY 12244.

Benefits Provided

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

Tiers 1 and 2

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

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

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

Tiers 3, 4, and 5

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

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

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

Tier 6

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

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

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

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

Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS
2019	98,805
2018	66,005
2017	71,004

Chapter 57 of the Laws of 2010 of the State of New York, part TT, amending the Retirement and Social Security Law, was enacted to allow local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- The interest rate will be set annually, and will be comparable to taxable fixed income investments of a similar duration.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. [The total unpaid liability at the end of the fiscal year was \$86,374 which is reported in the Schedule of Non-Current Governmental Liabilities.]

Chapter 57 of the Laws of 2013 of the State of New York, Part BB, amending several sections of the Retirement and Social Security Law, was enacted to allow local employers to amortize a portion of their retirement bill for up to 12 years in accordance with the following stipulations:

- The maximum amount an employer can amortize is the difference between the normal annual contribution (total bill, excluding payments for deficiency, group life, previous amortizations, incentive costs, and prior year adjustments) and the graded contribution.
- For subsequent State fiscal years (SFYs), the graded rate will increase or decrease by up to one-half of one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- The interest rate will be set annually and will be comparable to a 12-year US Treasury Bond plus 1 percent.

For subsequent SFYs in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. [The total unpaid liability at the end of the fiscal year was \$86,374 which is reported in the Schedule of Non-Current Governmental Liabilities.]

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

At March 31, 2019, the Town reported a liability of \$86,374 for its proportionate share of the net pension liability. The net pension liability was measured as of April 1, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2019, the Town's proportion was .0012191 percent, which was a decrease of 15% from its proportion measured at March 31, 2018.

For the year ended 2019, the Town recognized pension expense of \$98,805. At March 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	17,009	5,798
Changes of Assumptions	21,711	0
Net difference between projected and actual earnings on pension plan investments	0	22,168
Changes in proportion and differences between LG contributions and proportionate share of contributions	33,630	28,985
TOTAL	72,350	56,951

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

Year ended March 31:

2020	\$20,834
2021	(\$17,280)
2022	(\$2,141)
2023	\$12,984
2024	\$0

Actuarial Assumptions

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

	<u>ERS</u>
Inflation	2.5%
Salary increases	4.2
Investment rate of return (net of investment expense, including inflation)	7.0
Cost of living adjustments	1.3

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

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.55%
International equity	6.35
Private equity	7.50
Real estate	5.55
Absolute return strategies ^a	3.75
Opportunistic portfolio	5.68
Real assets	5.29
Bonds and mortgages	1.31
Cash	(0.25)
Inflation-indexed bonds	1.25

^a Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity, respectively.

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

Discount Rate

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

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentagepoint lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate:

	1 % Decrease - 6%	Current Assumption 7%	1% Increase - 8%
Town's proportionate share of the net pension liability	\$377,640	\$86,374	(\$158,310)

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of March 31, 2019, were as follows:

(Dollars in Thousands)

	Employees' Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 189,803,429	34,128,100	223,931,529
Plan net position	\$ 182,718,124	32,451,037	215,169,161
Employers' net pension liability	\$ 7,085,305	1,677,063	8,762,368
Ratio of Plan net position to the employers' total pension liability	96.27%	95.09%	96.09%

2. Lease Commitments and Leased Assets

The Town leases equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended December, 2019 were approximately \$0. The maximum future non-conciliabale operating lease payments are as follows:

<u>Year Ending Date</u>	<u>Amount</u>
2020	\$ 835.92
2021	835.92
2022	835.92
2023	835.92

- End of Illustrative Notes -