

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 (the "Code"), as amended. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal 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 Notes will be designated "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

UNLESS AN EXEMPTION APPLIES PURSUANT TO PARAGRAPH (D)(1) OR (D)(2) OF THE AMENDMENTS TO RULE 15c2-12 OF THE U.S. SECURITIES AND EXCHANGE COMMISSION, THE TOWN WILL COMPLY WITH SAID AMENDMENTS BY PROVIDING CURRENT FINANCIAL INFORMATION AND NOTICES OF ANY MATERIAL EVENTS TO A NATIONALLY RECOGNIZED MUNICIPAL SECURITIES INFORMATION REPOSITORY.



\$6,480,000

TOWN OF SALINA

ONONDAGA COUNTY, NEW YORK

GENERAL OBLIGATIONS
CUSIP BASE #: 794828

\$6,480,000 Bond Anticipation Notes, 2019 (Renewals)

(referred to herein as the "Notes")

Dated: June 13, 2019

Due: June 12, 2020

The Notes are general obligations of the Town of Salina, Onondaga County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "THE NOTES - Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes may be registered in the name of the purchaser. If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds and, the Notes will be issued in denominations of \$5,000 or multiples thereof, as may be determined by such successful bidder(s).

Alternatively, the Notes will be 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. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Notes in the name of Cede & Co. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, as may be determined by such successful bidder(s). If the Notes are issued as registered in the name of Cede & Co., payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. 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 unqualified legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Bond Counsel, of Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon by the purchaser(s), on or about June 13, 2019.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com, on May 21, 2019 by no later than 10:45 A.M. Prevailing Time. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids 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 for the Notes.

May 10, 2019

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 BIDDERS, AS MORE FULLY DESCRIBED IN THE RESPECTIVE NOTICES 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 WITH RESPECT TO THE NOTES. SEE "APPENDIX C - MATERIAL EVENT NOTICES" HEREIN.

TOWN OF SALINA

ONONDAGA COUNTY, NEW YORK



TOWN OFFICIALS

COLLEEN A. GUNNIP

Town Supervisor

TOWN BOARD

GERALD CICIARELLI
V. JAMES MAGNARELLI

NICHOLAS PARO
MICHAEL DEL VECCHIO, JR.

* * * * *

LINDA M. PEASE

Town Comptroller

LINDA CASTLE

Deputy Town Comptroller

JEANNIE VENTRE

Town Clerk

ROBERT D. VENTRE, ESQ.

Town Attorney



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor



TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

No person has been authorized by the Town 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.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
OF THE
TOWN OF SALINA
ONONDAGA COUNTY, NEW YORK

Relating To
\$6,480,000 Bond Anticipation Notes, 2019 (Renewals)

This Official Statement, which includes the cover page, has been prepared by the Town of Salina, Onondaga County, New York (the "Town," "County," and "State," respectively) in connection with the sale by the Town of \$6,480,000 principal amount of Bond Anticipation Notes, 2019 (Renewals) (the "Notes") (collectively 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 of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "TAX LEVY LIMITATION LAW" herein.

The Notes are dated June 13, 2019 and will mature, without the option of prior redemption, on June 12, 2020. Interest will be calculated on a 30-day month and 360-day year payable at maturity.

At the option of the successful bidder(s), the Notes will be registered in the name of the purchaser, in the denominations of \$5,000 or multiples thereof, as determined by the successful bidder(s) with principal and interest payable in Federal Funds at maturity. at such bank(s) or trust company(ies) located and authorized to do business in the State of New York, as may be determined by such successful bidder(s) with paying agent fees, if any paid by the successful bidder(s), or as stated below.

Alternatively, at the option of the successful bidder(s), the Notes will be registered in book-entry form, and if so issued, will be 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. In such case, Noteholders will not receive certificates representing their ownership interest in the notes purchased. In such case, 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.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and various bond resolutions adopted by the Town Board as follows:

<u>Date Authorized</u>	<u>Purpose</u>	<u>Outstanding</u>	<u>Renewal Notes</u>
February 25, 2008	Boulevard Sewer Main Repair	\$ 890,000	\$ 855,000
February 25, 2008 & April 28, 2008	Victoria Park Drainage Improvements	1,325,000	1,275,000
February 25, 2008	Syracuse Gardens Drainage Improvements	745,000	715,000
February 25, 2008 & April 28, 2008	Beechwood Hanover Drainage Improvements	463,000	441,000
February 25, 2008 & April 28, 2008	Donwood Estates Drainage Improvements	763,000	736,000
February 25, 2008	Duerr Park Pump Station Replacement	85,000	80,000
February 25, 2008	Sehr Park Sewer Main Repair	473,000	451,000
February 25, 2008	Electronics Parkway Sewer Main Repair	593,000	571,000
May 26, 2009	Malden Road Sewer Improvements	523,000	501,000
March 12, 2018	Town Hall Renovations and Improvements	540,000	525,000
March 12, 2018	Highway Garage Improvements	<u>360,000</u>	<u>330,000</u>
Total Renewal:		<u>\$ 6,760,000</u>	<u>\$ 6,480,000</u>

The proceeds of the Notes, together with \$280,000 available funds of the Town, will renew \$6,760,000 bond anticipation notes outstanding which mature on June 14, 2019 for the above-mentioned purposes.

Nature of the Obligation

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

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

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town subject to such taxation by the Town, subject to 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 requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

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

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in

beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

Source: The Depository Trust Company.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM 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 OR REDEMPTION PREMIUM 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

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 discontinued, the following provisions will apply:

The Notes will be issued in registered form registered in the name of the Purchaser in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at the Town. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE TOWN

General Information

The Town of Salina (the “Town”), with an area of 14 square miles, adjoins the City of Syracuse on the north and west. The Town is on the eastern shores of Onondaga Lake. The Town is a highly developed residential and industrial town.

The Town marks the juncture of two major transportation routes: The New York State Thruway, extending as Interstate 90 from the City of Boston to the City of Chicago; and Interstate 81 running from Canada to Pennsylvania, connecting via interstate highways to Washington and the south. The New York State Thruway is fed by six inter-changes within Onondaga County and of these six; three inter-changes are located within the Town. A portion of Syracuse Hancock International Airport is located in the Town. See “The I-81 Challenge” below for a discussion regarding potential changes to Interstate 81 in the near future.

The Village of Liverpool is located entirely within the Town. Gas and electrical power are provided by National Grid. Ample fire and police protection are provided by various agencies and volunteer groups.

Higher education opportunities are available from Syracuse University, Le Moyne College and Onondaga Community College, which are all located within close proximity to the Town.

Source: Town officials.

The I-81 Challenge

Interstate 81 (I-81) is a major commuter route, providing access to jobs, businesses and services in the Town of Salina and the City of Syracuse. It also serves as a national and international north-south trade route from Tennessee to the Canadian border. Portions of I-81, which was built in the 1950s and 1960s, are deteriorating and nearing the end of their useful life. This is especially true of the 1.4-mile elevated section, or “viaduct,” located near downtown Syracuse. The New York State Department of Transportation (NYSDOT) and the Federal Highway Administration (FHWA) commenced an environmental review process commonly known as “The I-81 Challenge” to address the structural deficiencies and non-standard highway features in the I-81 corridor while creating an improved corridor through the City of Syracuse that meets transportation needs and provides the transportation infrastructure to support long-range planning efforts.

Specifically, NYSDOT, in cooperation with the FHWA, is preparing an Environmental Impact Statement (EIS) for the I-81 project in accordance with the requirements of the Council on Environmental Quality’s regulations for implementing the procedural provisions of the National Environmental Policy Act (NEPA) and the NYSDOT Procedures for Implementation of the State Environmental Quality Review Act. FHWA, serving as the Federal Lead Agency, and NYSDOT, serving as Joint Lead Agency, are progressing the development of the EIS. As an initial step in the NEPA review process, a Scoping Report was published in April of 2015 that summarized the status of the project.

As described in Scoping Report, NYSDOT initially advanced three distinct alternatives for the project including a “Viaduct Alternative,” a “Community Grid Alternative” and a “No Build Alternative.” Based on public input received, NYSDOT retained an engineering consultant to perform further analysis to determine if there is a tunnel alternative that addresses the project’s needs, purpose and objectives. In December of 2017 the results of such study were released and showed that while a tunnel option is technically feasible, the cost of a tunnel could cost up to \$4.5 Billion and take 10 years to complete. Materials regarding these various alternatives are available at the NYSDOT website at <https://www.dot.ny.gov/i81opportunities>.

In June of 2014, the Salina Town Board adopted a resolution calling on the NYSDOT to maintain the existing alignment of I-81 through the City of Syracuse as plans to rehabilitate the aging portions of the highway are being considered. Specifically, the Salina Town Board expressed its belief that I-81 has served as a vital backbone for the economy of the Town of Salina and urged the NYSDOT to maintain the existing Interstate 81 alignment through Syracuse and the Town of Salina as an interstate highway.

On April 22, 2019 the NYSDOT released a preliminary Draft Design Report/Environmental Impact Statement (“DEIS”) for the Interstate 81 Viaduct Project. Pursuant to the DEIS, NYSDOT determined that a community grid alternative will best meet the objectives of the project.

Representatives of the Town of Salina have publicly expressed their opposition to the community grid design. Specifically, representatives of the Town Board, as well as local business owners, have expressed their concern that the proposed grid design may divert traffic away from the Town, causing a negative impact on local hotels, restaurants and other businesses.

Public comments on the DEIS will be accepted during a period of 45-day public comment period. During this period, a public hearing will be held, which will provide the public with an opportunity to review and comment on the DEIS. After the public comment period on the DEIS closes, a Final Environmental Impact Statement (FEIS) will be prepared. The FEIS will identify the preferred alternative and will include responses to the public’s comments on the DEIS, as well as any necessary revisions to the DEIS to address the comments.

Depending on the final alternative selected by NYSDOT, the I-81 Challenge could have a significant material adverse impact on the Town’s economy and finances.

Population Trends

<u>Year</u>	<u>Town of Salina</u>	<u>Onondaga County</u>	<u>New York State</u>
1980	37,400	463,324	17,558,072
1990	35,145	468,973	17,990,455
2000	32,290	458,336	18,976,457
2010	33,710	467,026	19,378,102
2016 (Estimate)	33,149	466,194	19,745,289
2017 (Estimate)	32,878	465,398	19,849,399
2018 (Estimate)	N/A	461,809	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 U.S. Census Reports, 2006-2010 and 2013-2017 American Community Survey 5 Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2013-2017</u>	<u>2000</u>	<u>2006-2010</u>	<u>2013-2017</u>
Towns of:						
Salina	\$ 21,839	\$ 25,864	\$ 30,097	\$ 49,394	\$ 57,883	\$ 64,114
County of:						
Onondaga	21,336	27,037	31,436	51,876	65,929	74,968
State of:						
New York	23,389	30,948	31,177	51,691	67,405	70,850

Note: 2014-2018 American Community Survey estimates are not available as of the date of this Official Statement.

Major Employers

The larger employers located in the Town include the following:

<u>Name</u>	<u>Type of Product or Service</u>	<u>Number of Employees</u>
Lockheed Martin	Electronics	2,300
Crouse Hinds Co.	Outdoor Signal & Lighting	700
Cxstec	Computer Cable Manufacturer	300
Haylor, Freyer & Coon	Insurance	220

Source: Town officials (2018).

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In addition, many of the Town residents are employed in the various industries, service companies or commercial establishments located outside of the Town that constitute the diverse economic base of the Syracuse metropolitan area. Listed below are the major industrial and service-related employers in Onondaga County and the number of employees:

<u>Rank</u>	<u>Name</u>	<u>Employees</u>
1.	Upstate University Health	9,000-9,500
2.	St. Joseph's Hospital Health Center	4,500-5,000
3.	Walmart	4,000-4,500
4.	Syracuse University	4,000-4,500
5.	Lockheed Martin	4,000-4,500
6.	Price Chopper Markets	3,500-4,000
7.	Crouse Health Center	3,000-3,500
8.	Welch Allyn	2,500-3,000
9.	National Grid	2,000-2,500
10.	Tops Friendly Markets	2,000-2,500
11.	Spectrum (formerly Time Warner)	1,500-2,000
12.	Wegmans Food Markets	1,000-1,500
13.	Loretto Health Group	1,000-1,500
14.	Byrne Dairy, Inc.	1,000-1,500
15.	Excellus BlueCross BlueShield	1,000-1,500
16.	Verizon Communications	1,000-1,500
17.	Carrier Corp.	1,000-1,500
18.	Eaton Corp.	1,000-1,500
19.	Syracuse Research Company	500-1,000
20.	AXA Equitable Life Insurance	500-1,000
21.	L.J. Stickley	500-1,000

Source: Center State CEO Community Guide (2016) and Syracuse, New York Fact Sheet - October 2017.

Unemployment Rate Statistics

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

	<u>Annual Averages</u>						
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Town of Salina	7.6%	6.8%	5.6%	4.7%	4.4%	4.5%	3.8%
Onondaga County	7.9	6.8	5.6	4.9	4.5	4.7	4.0
New York State	8.5	7.7	6.3	5.3	4.9	4.7	4.1

	<u>Monthly Figures</u>											
	<u>2018</u>							<u>2019</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>	<u>Apr</u>	<u>May</u>
Town of Salina	3.7%	3.6%	3.4%	3.3%	3.2%	3.3%	3.7%	4.0%	4.1%	3.8%	N/A	N/A
Onondaga County	4.1	3.9	3.7	3.5	3.3	3.4	3.8	4.2	4.1	4.0	N/A	N/A
New York State	4.1	4.2	4.0	3.6	3.6	3.5	3.9	4.6	4.4	4.1	N/A	N/A

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

Form of Town Government

The chief executive officer and the chief fiscal officer of the Town is the Supervisor, who is elected to a term of four years and is eligible for re-election. The Town Supervisor is also a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected to two-year terms. There is no limitation as to the number of terms which may be served by members of the Town Board. The Supervisor and the Town Board are elected at large.

The Town Board appoints the Town Comptroller, Town Clerk and Highway Superintendent, Receiver of Taxes, Assessor and the Town Attorney.

Financial Organization

Pursuant to the Local Finance Law, the Town Supervisor is the chief fiscal officer and the budget officer of the Town. The Supervisor's duties include administration, direction and control of the following divisions: Accounting, Accounts Payable, Accounts Receivable, Audit and Control and Budgeting.

Budgetary Procedures

The Supervisor is the Budget Officer of the Town. The Supervisor prepares a preliminary budget each year and submits the preliminary budget to the Town Board at its first September meeting (but no later than September 30) for possible amendments. In October special budget meetings are scheduled for the Town Board and department heads to review the Tentative Budget as well as their original requests and to make any changes that the majority of the Board feels are necessary. The Town Board then 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.

The Town voted to override its tax cap for 2018 and 2019. The Town exceeded its tax cap by 5.3% for 2019.

State Aid

The Town receives substantial financial assistance from the State. In its budget for the 2019 fiscal year, approximately 14.11% of the revenues of the Town are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, 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. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

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

<u>Fiscal Year</u>	<u>Total State Aid</u>	<u>Total Revenues</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2014	\$ 671,055	\$ 4,003,449	16.76%
2015	865,452	4,534,954	19.08
2016	707,703	4,580,776	15.15
2017	796,907	4,692,095	16.98
2018 (Unaudited)	764,939	5,057,792	15.12
2019 (Budgeted)	719,900	5,101,698	14.11

Source: Audited financial statements for the 2014 fiscal year through the 2017 fiscal year, unaudited results for the 2018 fiscal year, and adopted budget of the Town for the 2019 fiscal year.

Investment Policy

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

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, (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America, (4) obligations of the State of New York, (5) Repurchase agreements are permitted to the extent that all repurchase agreements must be entered into subject to a Master Repurchase Agreement with collateral held by a third party bank, (6) obligations issued, or fully insured or guaranteed as to the payment of principal in interest, by the United States of America, or (7) obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporations of the State of New York.

Employees

The Town employs approximately 60 full-time and 49 part-time employees. There are two collective bargaining organizations representing Town employees as follows:

<u>Number</u>	<u>Union</u>	<u>Contract Expiration Date</u>
31	Service Employees Benefit Fund	December 31, 2018 ⁽¹⁾
25	New York State Teamsters Union	December 31, 2021

⁽¹⁾ Currently under negotiation.

Source: Town officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS", the "Retirement System"). The ERS is generally also known as the "Common Retirement Fund". The Retirement System is a 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 System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the 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 the Retirement System, 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 the Retirement System, Tier 6 provides for:

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

The Town's payments to ERS since the 2014 fiscal year and budgeted payment for the 2019 fiscal year are as follows:

<u>Year</u>	<u>ERS</u>
2014	\$ 574,354
2015	469,597
2016	432,286
2017	425,494
2018	437,197
2019 (Budgeted)	440,250

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 Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the retirement system, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2016 to 2020) is shown below:

<u>Year</u>	<u>ERS</u>
2016	18.2%
2017	15.5
2018	15.3
2019	14.9
2020	14.6

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

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

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

The Town is not 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 System 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 System ("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 System administrative staff for further information on the latest actuarial valuations of the Retirement System.

Other Post-Employment Benefits

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

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

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

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

The Town contracted with Armory Associates LLC, an actuarial firm, to calculate its OPEB in accordance with GASB 45. Based on the actuarial valuation and financial data as of December 31, 2017, the following tables show the components of the Town's annual OPEB cost, the amount actuarially contributed to the plan, changes in the Town's net OPEB obligation and funding status for the fiscal years ending December 31, 2016 and December 31, 2017:

<i>Annual OPEB Cost and Net OPEB Obligation:</i>	<u>2016</u>	<u>2017</u>
Annual required contribution (ARC)	\$ 771,448	\$ 903,962
Interest on net OPEB obligation	158,397	151,881
Adjustment to ARC	<u>(256,287)</u>	<u>(285,258)</u>
Annual OPEB cost (expense)	673,558	770,585
Contributions made	<u>(297,011)</u>	<u>(278,300)</u>
Increase in net OPEB obligation	376,547	492,285
Net OPEB obligation - beginning of year	<u>3,959,914</u>	<u>4,339,461</u>
Net OPEB obligation - end of year	<u>\$ 4,339,461</u>	<u>\$ 4,831,746</u>
Percentage of annual OPEB cost contributed	44.1%	36.1%

Funding Status:

Actuarial Accrued Liability (AAL)	\$ 7,051,798	\$ 7,548,974
Actuarial Value of Assets	<u>0</u>	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 7,051,798</u>	<u>\$ 7,548,974</u>
Funded Ratio (Assets as a Percentage of AAL)	0.0%	0.0%

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 770,585	36.1%	\$ 4,831,746
2016	673,558	44.1	4,339,461
2015	646,854	43.2	3,959,914

Note: The above tables are not audited.

The aforementioned liability and ARC are recognized and will be disclosed in accordance with GASB 45 standards in the Town's audited financial statements.

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

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

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

Summary of Changes from the Last Valuation. The Town contracted with Armory Associates, LLC, an actuarial firm, to calculate its first actuarial valuation under GASB 75 for the fiscal year ending December 31, 2018.

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

Balance at December 31, 2017:	\$ 7,615,906
<u>Changes for the year:</u>	
Service cost	343,446
Interest	295,610
Differences between expected and actual experience	0
Changes of benefit terms	0
Changes in assumptions	362,824
Benefit payments	<u>(277,925)</u>
Net Changes	<u>723,955</u>
Balance at December 31, 2018:	<u>\$ 8,339,861</u>

Note: The above table is not audited.

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

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

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

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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 publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

The fiscal year of the Town is January 1 through December 31.

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

Financial Statements

The Town retains an independent certified public accountant firm for a continuous independent audit of all financial transactions of the Town. The financial affairs of the Town are also subject to annual audits by the State Comptroller. The last independent audit covers the fiscal year ending December 31, 2017 and is attached hereto as “APPENDIX – D”. The Town’s unaudited Annual Financial Report Update Document for the fiscal year ending December 31, 2018 is available and can be obtained by contacting the Town or Fiscal Advisors & Marketing, Inc.

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

Beginning with the fiscal year ending December 31, 2003, the Town is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis. The Town hired an outside consultant to assist in implementation of GASB 34, inclusive of a physical review and documentation of all assets owned by the Town. The Town is currently in full compliance with GASB 34.

New York State Comptroller Report of Examination

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

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.

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 In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2017	No Designation	5.0%
2016	No Designation	17.5%
2015	No Designation	6.3%

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

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

TAX INFORMATION

Taxable Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed Valuation	\$ 1,606,887,404	\$ 1,611,910,822	\$ 1,612,622,574	\$ 1,630,744,399	\$ 1,660,358,528
New York State					
Equalization Rate	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	\$ 1,606,887,404	\$ 1,611,910,822	\$ 1,612,622,574	\$ 1,630,744,399	\$ 1,660,358,528

Tax Rate per \$1,000 (Assessed)

<u>Fiscal Year Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General	\$ 1.57	\$ 1.68	\$ 1.73	\$ 1.96	\$ 1.97
Part Town	0.73	0.73	0.68	0.70	0.76
Highway	2.78	2.88	2.95	3.05	3.31

Tax Collection Procedure

Town and County taxes are due and payable to the Receiver of Taxes January 1st, and can be paid without penalty through January 31st. For the month of February, a fee of 1% is added; March 1.5%. Unpaid taxes are returned to the County Commissioner of Finance on April 1st. The Town retains the total amount of Town, Highway and Special District Levies from the total collection and returns the balance plus the uncollected items to the County, which assumes responsibility and holds annual tax sales.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Tax Levy ⁽¹⁾	\$ 12,352,898	\$ 12,415,348	\$ 12,813,120	\$ 13,614,399	\$ 14,809,418
Amount Uncollected ⁽²⁾	N/A	N/A	N/A	N/A	N/A
% Uncollected	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ Includes Fire, Lighting, Water and Sewer District taxes.

⁽²⁾ The Town receives 100% of its tax levy. See "Tax Collection Procedure" herein.

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Larger Taxpayers – 2018-2019 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Estimated Assessed Valuation</u>
National Grid	Utility	\$ 36,155,461
First Republic Corp of America	Apartments	12,900,000
East Coast Grenadier Village	Apartments	8,000,000
Orchard Estates LLC	Apartment	7,100,000
Cooper Crouse Hinds, LLC	Manufacturing	6,689,000 ⁽¹⁾
Salina Park LLC	Office Building	6,102,100
Morgan Residences	Apartments	5,300,000
O'Neill Intermediary LLC	Office	5,250,000
C&S Engineers Inc.	Engineering	4,820,200
AERO Syracuse, LLC	Real Estate	4,804,500

The ten taxpayers listed above have a total estimated assessed valuation of \$97,121,261, which represents approximately 5.85% of the tax base of the Town.

⁽¹⁾ Cooper Crouse Hinds, LLC is currently seeking to reduce its assessment to \$1. An appraisal is anticipated soon.

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

Source: Town Tax Rolls.

Additional Tax Information

Real property subject to Town taxes is assessed by the Town.

Veterans' and senior citizens' exemptions are offered to those who qualify.

The total assessed valuation of the Town consists of approximately 54%-residential, 39%-commercial and 7%-industrial properties.

The total property tax bill of a \$100,000 market value residential property located in the Town is approximately \$4,000 including County, School District and special purpose Town taxes.

Fund Balance

The Town has an informal fund balance policy of at least 15%. Fund balance for fiscal year ending 2017 represented about 56.19% of expenditures for the general fund. Unaudited results for the fiscal year ending 2018 show that fund balance represented about 64.85% of expenditures for the general fund.

TAX LEVY LIMITATION LAW

Chapter 97 of the Laws of 2011 (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 expires on June 15, 2020 unless legislation is extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

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

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 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 annual 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 Town 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 within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

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

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

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

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

Debt Outstanding End of Fiscal Year

<u>Years Ending December 31:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Bonds	\$ 8,443,279	\$ 14,337,856	\$ 13,271,573	\$ 12,041,744	\$ 10,790,614
Bond Anticipation Notes	14,345,444	6,415,000	6,432,000	6,095,000	6,760,000
Other Debt ⁽¹⁾	<u>0</u>	<u>175,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>\$ 22,788,279</u>	<u>\$ 20,927,856</u>	<u>\$ 19,703,573</u>	<u>\$ 18,136,744</u>	<u>\$ 17,550,614</u>

⁽¹⁾ Represents Installment Purchase Contract debt.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds and notes as of May 10, 2019.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2019-2045	\$ 10,415,614
<u>Bond Anticipation Notes</u>		
Various Capital Improvements	June 14, 2019	<u>6,760,000</u> ⁽¹⁾
Total Indebtedness		<u>\$ 17,175,614</u>

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

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin shown as of May 10, 2019:

Five-Year Average Full Valuation of Taxable Real Property	\$ 1,624,504,745
Debt Limit - 7% thereof	113,715,332

Inclusions:

Bonds	\$ 10,415,614
Bond Anticipation Notes	<u>6,760,000</u>
Total Inclusions	\$ 17,175,614

Exclusions:

Appropriations	\$ 780,000
Sewer Debt ⁽¹⁾	0
Water Debt ⁽²⁾	<u>1,033,136</u>
Total Exclusions	\$ <u>1,813,136</u>

Total Net Indebtedness Subject to Debt Limit	\$ <u>15,362,478</u>
Net Debt-Contracting Margin	<u>98,352,854</u>
Percent of Debt Contracting Power Exhausted	13.51%

- (1) Sewer Debt is excluded pursuant to Section 124.10 of the Local Finance Law. Should the Town apply for a Sewer Exclusion, the Town will be able to exclude an additional \$1,568,987 of outstanding sewer debt bringing the total net indebtedness of the Town down to \$13,793,491, raising the net debt contracting margin to \$99,921,841 and percent of debt contracting power exhausted to 12.13%.
- (2) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Bonded Debt Service

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

Authorized but Unissued Debt

Other than for the various capital improvements for which current outstanding bond anticipation notes were issued, the Town has no authorized projects contemplated at this time.

Cash Flow Borrowing

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

Salina Landfill Consent Order

In 1994, Onondaga Lake was added to the Environmental Protection Agency’s (EPA’s) Superfund National Priorities List (NPL). The Town of Salina Landfill site, a 55-acre tract of land (the “Landfill”) located in the Town was identified by the EPA as a contributing factor to the contamination of Onondaga Lake and, therefore, was identified as a “Sub-Site” of the Onondaga Lake NPL site. In 1996, the New York State Department of Environmental Conservation (NYSDEC) also designated the Town of Salina Landfill as a Class 2 Inactive Hazardous Waste Site. Approximately 29 acres of the Landfill is owned by the Town of Salina.

On October 29, 1997, the Town entered into an “Order on Consent” with the NYSDEC to perform a Remedial Investigation/Feasibility Study and undertake remedial action for the Landfill. In January 2003, NYSDEC and EPA released a Proposed Plan describing the remedial alternatives considered for the Landfill.

While the Town is obligated under the Order on Consent to remediate the environmental contamination associated with the Landfill, the financing of this project and the timeframe for this project is uncertain. Specifically, the total costs associated with remediating the Landfill have been estimated at \$19,802,003, of which the Town is responsible for 25%. The Town adopted an amended and restated bond resolution on September 12, 2011 increasing the cost of the project from \$14,050,000 to \$16,396,635.89. On August 12, 2013, the Town adopted a second amended and restated bond resolution that increased the cost of the project to \$19,802,003. NYSDEC will be paying for the remaining 75% and payments will be made over a 10 year period. Design was completed by the end of 2008, bidding commenced early 2009, construction started summer of 2009 and was completed in 2015. The Town originally issued a bond anticipation note in July, 2009 for \$1,550,000 for the first phase of financing, which bond anticipation note was renewed in part in September, 2011 by the issuance of \$1,500,000 in EFC clean water facility notes maturing on September 29, 2014. The Town also issued bond anticipation notes for \$6,000,000 in January 2011. These bond anticipation notes were renewed in full in January, 2012 and covered construction cash flow through January 2013. In January, 2013 the Town issued an additional \$2,195,000 in new money bond anticipation notes to cover costs through January 2014. In January 2014 the Town issued \$7,790,000 renewal notes. In January 2015, the January 2014 issue was financed through EFC for \$4,790,000. The Town issued debt in the amount of \$3,759,982 to permanently finance the project.

Capital Project Plans

The Town has implemented a Pavement and Drainage Inventory of Highways to provide a framework upon which to build a maintenance plan that will serve the present and future needs of the Town residents and ensure a cost-effective solution to the pavement and drainage problems. The plan is flexible and is intended to be adjusted based on changing conditions.

The Town is currently in the process of a street lighting project for \$3,605,963. The project will be undertaken by New York Power Authority and no financing will be needed until the project is complete. At this time, the project is expected to be completed by Fall 2019, at which time the Town would issue bond anticipation notes for the project.

The Town is currently reviewing capital improvement needs at both the Town Hall and the Highway Garage. The cost of the improvements is not known at this time. However, the ultimate cost of such improvements is expected to be financed with the issuance of bonds and/or bond anticipation notes. Discussion is anticipated to take place during 2019 or 2020 for a second phase of Town Hall upgrades.

The Town is constantly reviewing its need to upgrade infrastructure, including water and sewer projects. From time to time the Town has issued financing through the Environmental Facilities Corporation, a New York State Public Authority (EFC) and those projects are listed in "APPENDIX – B", attached hereto.

Estimated Overlapping Indebtedness

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

<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>Overlapping Net Indebtedness</u>
County of:						
Onondaga	12/31/2016	\$ 652,085,295	\$ 326,150,634 ⁽²⁾	\$ 325,934,661	6.04%	\$ 19,686,454
Village of:						
Liverpool	5/31/2017	2,235,379	1,650,379 ⁽²⁾	585,000	100.00%	585,000
School District:						
North Syracuse	6/30/2017	43,620,855	36,728,760 ⁽³⁾	6,892,095	10.00%	689,210
Liverpool	6/30/2017	92,264,050	76,579,162 ⁽³⁾	15,684,889	37.87%	5,939,867
Lyncourt	6/30/2017	3,955,000	3,476,445 ⁽³⁾	478,555	100.00%	478,555
					Total:	<u>\$ 27,379,085</u>

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

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

⁽³⁾ Estimated State Building aid.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2016 and 2017.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of May 10, 2019.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 15,362,478	\$ 467.26	0.93%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	42,741,563	1,300.00	2.57

(a) The 2017 estimated population of the Town is 32,878. (See "THE TOWN – Population Trends" herein.)

(b) The Town's full value of taxable real estate for the 2019 fiscal year is \$1,660,358,528. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

(d) Estimated net overlapping indebtedness is \$27,379,085. (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 County and the holder thereof. Under current law, provision is made for contract creditors of the County 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 County 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 County may not be enforced by levy and execution against property owned by the County.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the County, 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 County 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 County could be adversely affected by the restructuring of the County'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 County (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 County 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 commerce 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 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 County.

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 the 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 County 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 “State Debt Moratorium Law” herein.

No Past Due Debt. No principal of or interest on Town indebtedness is past due.

MARKET AND RISK FACTORS

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

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

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

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

On April 22, 2019 the NYSDOT released a preliminary Draft Design Report/Environmental Impact Statement ("DEIS") for the Interstate 81 Viaduct Project. Pursuant to the DEIS, NYSDOT determined that a community grid alternative will best meet the objectives of the project. Representatives of the Town of Salina have publicly expressed their opposition to the community grid design. Specifically, representatives of the Town Board, as well as local business owners, have expressed their concern that the proposed grid design may divert traffic away from the Town, causing a negative impact on local hotels, restaurants and other businesses. Depending on the final alternative selected by NYSDOT, the I-81 Challenge could have a significant material adverse impact on the Town's economy and finances.

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).

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, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

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 may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) or any other matters coming to the attention of Bond Counsel after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Accordingly, the opinion of Bond Counsel is not intended to and may not be relied upon in connection with any such actions, events or matters.

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.

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, 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's opinion will be in substantially the form attached hereto as "APPENDIX – E".

LITIGATION

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

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

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Town will enter into a Material Event Notices Certificate, a description of which is attached hereto as "APPENDIX – C".

Historical Compliance

Except as noted below, the Town is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

The Town did not timely file a notice of bond call to the Electronic Municipal Market Access ("EMMA") website. The Town was required to file a notice of bond call for its \$4,340,557 Public Improvement (Serial) Bonds, 2005 issue 30-60 days prior to the bonds being called. The bonds were called on July 15, 2014, and a notice was filed to EMMA on July 21, 2014.

The Town failed to file its Audited Financial Statements for the fiscal year ending December 31, 2015 in a timely manner. The audited financial statements were due no later than the last business day of the succeeding fiscal year but were not filed until January 13, 2017. A material event notification – disclosing such failure was filled to the EMMA website on January 13, 2017.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Town on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District 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.

RATING

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

Moody's Investors Service ("Moody's") has assigned their underlying rating of "Aa3" to the Town's outstanding bonds. A rating reflects only the view of the rating agency assigning such rating, and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

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

MISCELLANEOUS

So far as 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 that may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

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

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

Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the Town, expresses no opinions 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.

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

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

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

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 assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Town contact information is as follows: Linda Pease, Town Comptroller, Town Hall – 201 School Road, Liverpool, New York 13088, Phone: (315) 451-4210, Fax: (315) 413-0615, Email: lpease@salina.ny.us.

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

This Official Statement has been duly executed and delivered by the Town Supervisor of the Town of Salina.

TOWN OF SALINA

Dated: May 10, 2019

COLLEEN A. GUNNIP
Town Supervisor

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u> (Unaudited)
<u>ASSETS</u>					
Cash and Short-term Investments	\$ 1,369,671	\$ 1,792,152	\$ 2,281,837	\$ 3,780,855	\$ 2,208,628
Accounts Receivable	302,807	296,929	289,458	289,099	238,949
Due from Other Funds	-	-	-	175,000	262,000
Due from Other Governments	258,651	323,513	208,110	244,632	257,523
Prepaid Expenses	103,758	99,069	54,624	115,452	112,990
Other Assets	-	-	-	66,000	66,122
TOTAL ASSETS	<u><u>\$ 2,034,887</u></u>	<u><u>\$ 2,511,663</u></u>	<u><u>\$ 2,834,029</u></u>	<u><u>\$ 4,671,038</u></u>	<u><u>\$ 3,146,211</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 69,461	\$ 59,133	\$ 78,493	\$ 42,936	\$ 221,687
Accrued Liabilities	29,847	29,846	57,800	56,551	45,122
Due to Other Governments	33,737	163,227	191,254	113,926	-
Deferred Revenues	14,749	14,749	14,749	1,879,942	(85,671)
Overpayments	-	-	45	-	-
Due to Other Funds	188,370	-	118	-	-
TOTAL LIABILITIES	<u><u>336,164</u></u>	<u><u>266,955</u></u>	<u><u>342,459</u></u>	<u><u>2,093,355</u></u>	<u><u>181,138</u></u>
<u>FUND EQUITY</u>					
Nonspendable	\$ 103,758	\$ 99,069	\$ 54,624	\$ 115,452	\$ 112,990
Restricted	20,587	74,486	67,815	66,000	66,000
Assigned	200,000	498,524	356,451	232,501	564,140
Unassigned	1,374,378	1,572,629	2,012,680	2,163,730	2,221,944
TOTAL FUND EQUITY	<u><u>1,698,723</u></u>	<u><u>2,244,708</u></u>	<u><u>2,491,570</u></u>	<u><u>2,577,683</u></u>	<u><u>2,965,074</u></u>
TOTAL LIABILITIES and FUND EQUITY	<u><u>\$ 2,034,887</u></u>	<u><u>\$ 2,511,663</u></u>	<u><u>\$ 2,834,029</u></u>	<u><u>\$ 4,671,038</u></u>	<u><u>\$ 3,146,211</u></u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
REVENUES					
Real Property Taxes & Items	\$ 1,739,886	\$ 2,146,774	\$ 2,612,757	\$ 3,380,862	\$ 2,890,127
Franchise Fees - CATV	578,198	637,299	577,345	-	570,631
Departmental Income	19,392	21,054	23,688	23,818	24,428
Fees and Service Charges	-	-	-	-	-
Intergovernmental Charges	71,204	72,397	-	-	-
Use of Money and Property	67,345	72,290	69,575	4,368	4,561
Licenses and Permits	35,758	35,218	37,165	39,572	34,277
Fines and Forfeitures	316,427	288,751	337,565	328,802	284,698
Sale of Property and Compensation for Loss	438,584	54,727	10,153	-	-
Miscellaneous	7,060	3,885	1,254	95,651	86,466
Interfund Revenues	-	-	-	-	-
Revenues from State/Federal Sources	691,702	671,055	865,452	707,703	796,907
Total Revenues	<u>\$ 3,965,556</u>	<u>\$ 4,003,450</u>	<u>\$ 4,534,954</u>	<u>\$ 4,580,776</u>	<u>\$ 4,692,095</u>
Other Sources:					
Interfund Transfers	-	-	-	-	180
Total Revenues and Other Sources	<u>3,965,556</u>	<u>4,003,450</u>	<u>4,534,954</u>	<u>4,580,776</u>	<u>4,692,275</u>
EXPENDITURES					
General Government Support	\$ 1,669,097	\$ 1,692,443	\$ 1,726,851	\$ 1,771,256	\$ 1,877,050
Public Safety	169,070	159,428	162,563	148,632	174,400
Health	-	-	-	17,500	18,000
Transportation	184,186	179,028	214,903	249,196	237,795
Economic Assistance and Opportunity	-	-	-	-	-
Culture and Recreation	564,475	612,032	667,607	670,294	721,407
Home and Community Services	-	558	156,677	128,441	155,918
Employee Benefits	896,266	920,639	942,347	962,929	1,014,330
Debt Service	-	2,029	107,774	385,666	352,981
Total Expenditures	<u>\$ 3,483,094</u>	<u>\$ 3,566,157</u>	<u>\$ 3,978,722</u>	<u>\$ 4,333,914</u>	<u>\$ 4,551,881</u>
Other Uses:					
Interfund Transfers	-	-	10,247	-	54,281
Total Expenditures and Other Uses	<u>3,483,094</u>	<u>3,566,157</u>	<u>3,988,969</u>	<u>4,333,914</u>	<u>4,606,162</u>
Excess (Deficit) Revenues Over Expenditures	<u>\$ 482,462</u>	<u>\$ 437,293</u>	<u>\$ 545,985</u>	<u>\$ 246,862</u>	<u>\$ 86,113</u>
FUND BALANCE					
Fund Balance - Beginning of Year	778,968	1,261,430	1,698,723	2,244,708	2,491,570
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 1,261,430</u>	<u>\$ 1,698,723</u>	<u>\$ 2,244,708</u>	<u>\$ 2,491,570</u>	<u>\$ 2,577,683</u>

Source: Audited Financial Statements of the Town. This Appendix is not itself audited.

GENERAL FUND

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

Fiscal Years Ending December 31:

	2018		2019
	Adopted <u>Budget</u>	Unaudited <u>Actual</u>	Adopted <u>Budget</u>
REVENUES			
Real Property Taxes & Items	\$ 3,299,966	\$ 3,315,909	\$ 3,374,578
Non-Property Tax Items	580,000	566,348	580,000
Departmental Income	30,300	21,844	28,800
Fees and Service Charges	-	-	-
Intergovernmental Charges	-	-	-
Use of Money and Property	66,318	86,045	67,500
Licenses and Permits	36,610	37,009	37,820
Fines and Forfeitures	322,200	234,222	292,200
Sale of Property and Compensation for Loss	-	-	-
Miscellaneous	900	31,476	900
Interfund Revenues	-	-	-
Revenues from State/Federal Sources	719,900	764,939	719,900
Total Revenues	<u>\$ 5,056,194</u>	<u>\$ 5,057,792</u>	<u>\$ 5,101,698</u>
Other Sources:			
Interfund Transfers	-	-	-
Total Revenues and Other Sources	<u>5,056,194</u>	<u>5,057,792</u>	<u>5,101,698</u>
EXPENDITURES			
General Government Support	\$ 1,962,479	\$ 1,782,607	\$ 2,019,186
Public Safety	184,863	151,065	186,859
Health	18,000	18,000	18,000
Transportation	255,918	257,818	257,894
Economic Assistance and Opportunity	-	-	-
Culture and Recreation	753,725	743,127	866,452
Home and Community Services	317,550	241,884	186,900
Employee Benefits	1,239,694	1,021,116	1,199,000
Debt Service	349,965	356,839	367,407
Total Expenditures	<u>\$ 5,082,194</u>	<u>\$ 4,572,457</u>	<u>\$ 5,101,698</u>
Other Uses:			
Interfund Transfers	98,000	97,947	500,000
Total Expenditures and Other Uses	<u>5,180,194</u>	<u>4,670,404</u>	<u>5,601,698</u>
Excess (Deficit) Revenues Over Expenditures	<u>\$ (124,000)</u>	<u>\$ 387,388</u>	<u>\$ (500,000)</u>
FUND BALANCE			
Fund Balance - Beginning of Year	124,000	2,581,224	500,000
Prior Period Adjustments (net)	-	(3,538)	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 2,965,073</u>	<u>\$ -</u>

Source: 2018 Annual Financial Report Update Document of the Town. This Appendix is not itself audited.

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u> (Unaudited)
<u>WATER FUND</u>					
Fund Equity - Beginning of Year	\$ 29,406	\$ 31,461	\$ 33,461	\$ 41,174	\$ 44,578
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	42,588	44,788	47,070	49,128	50,660
Expenditures & Other Uses	40,534	42,788	39,357	45,725	45,423
Fund Equity - End of Year	31,461	33,461	41,174	44,578	49,813
<u>SEWER FUND</u>					
Fund Equity - Beginning of Year	\$ 97,134	\$ 249,512	\$ 717,475	\$ 509,209	\$ 653,796
Prior Period Adjustments (net)	-	-	(265,979)	-	-
Revenues & Other Sources	1,095,701	1,165,090	1,087,897	1,029,237	1,223,976
Expenditures & Other Uses	943,323	697,127	1,030,184	884,649	1,012,302
Fund Equity - End of Year	249,512	717,475	509,209	653,796	865,471
<u>HIGHWAY FUND - PART TOWN</u>					
Fund Equity - Beginning of Year	\$ 1,887,353	\$ 2,135,000	\$ 2,064,541	\$ 1,342,965	\$ 1,047,600
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	4,671,535	4,549,278	4,641,670	4,962,527	5,239,854
Expenditures & Other Uses	4,423,888	4,619,736	5,363,246	5,257,892	5,156,889
Fund Equity - End of Year	2,135,000	2,064,541	1,342,965	1,047,600	1,130,566
<u>REFUSE AND GARBAGE</u>					
Fund Equity - Beginning of Year	\$ 177,228	\$ 178,076	\$ 177,950	\$ 157,336	\$ 242,796
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	1,717,858	1,716,884	1,717,072	1,804,440	1,804,495
Expenditures & Other Uses	1,717,010	1,717,010	1,737,686	1,718,980	1,937,234
Fund Equity - End of Year	178,076	177,950	157,336	242,796	110,055

Source: Audited Financial Statements, except where otherwise specified, of the Town. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st				
	Principal	Interest	Total	
2019	\$ 1,235,467	\$ 215,567.57	\$ 1,451,034.57	
2020	856,771	190,940.51	1,047,711.51	
2021	843,105	174,772.35	1,017,877.35	
2022	859,425	157,616.61	1,017,041.61	
2023	670,744	138,752.08	809,496.08	
2024	622,063	125,578.45	747,641.45	
2025	633,382	113,263.55	746,645.55	
2026	649,701	99,766.83	749,467.83	
2027	481,020	86,576.16	567,596.16	
2028	482,339	74,037.63	556,376.63	
2029	493,659	60,643.57	554,302.57	
2030	399,978	48,181.83	448,159.83	
2031	406,297	36,971.23	443,268.23	
2032	157,616	30,243.04	187,859.04	
2033	158,935	27,696.08	186,631.08	
2034	160,254	25,018.44	185,272.44	
2035	161,573	22,340.88	183,913.88	
2036	162,892	19,663.24	182,555.24	
2037	164,212	16,985.72	181,197.72	
2038	170,531	14,288.08	184,819.08	
2039	171,850	11,360.04	183,210.04	
2040	173,169	8,366.00	181,535.00	
2041	174,488	5,372.04	179,860.04	
2042	160,807	2,378.00	163,185.00	
2043	112,126	-	112,126.00	
2044	113,445	-	113,445.00	
2045	114,765	-	114,765.00	
TOTALS	\$ 10,790,614	\$ 1,706,379.88	\$ 12,496,993.88	

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2004 Sewer EFC			2008 Various Purposes		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 20,000	\$ 4,540.76	\$ 24,540.76	\$ 35,000	\$ 6,024.37	\$ 41,024.37
2020	20,000	3,711.76	23,711.76	35,000	4,742.50	39,742.50
2021	20,000	2,864.76	22,864.76	35,000	3,430.00	38,430.00
2022	20,000	1,999.76	21,999.76	35,000	2,082.50	37,082.50
2023	25,000	1,118.76	26,118.76	35,000	700.00	35,700.00
TOTALS	\$ 105,000	\$ 14,235.80	\$ 119,235.80	\$ 175,000	\$ 16,979.37	\$ 191,979.37

Fiscal Year Ending Dec 31st	2012 EFC - Sewer System			2013 EFC - Sewer System		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 15,000	\$ 13,939.27	\$ 28,939.27	\$ 30,000	\$ 36,725.01	\$ 66,725.01
2020	15,000	13,686.52	28,686.52	30,000	36,079.09	66,079.09
2021	15,000	13,402.27	28,402.27	30,000	35,343.21	65,343.21
2022	15,000	13,091.00	28,091.00	30,000	34,517.29	64,517.29
2023	15,000	12,726.95	27,726.95	30,000	33,610.41	63,610.41
2024	15,000	12,319.72	27,319.72	35,000	32,645.61	67,645.61
2025	15,000	11,879.15	26,879.15	35,000	31,421.64	66,421.64
2026	15,000	11,400.07	26,400.07	35,000	30,167.61	65,167.61
2027	15,000	10,899.20	25,899.20	35,000	28,871.52	63,871.52
2028	15,000	10,379.00	25,379.00	35,000	27,530.01	62,530.01
2029	15,000	9,916.27	24,916.27	35,000	26,153.44	61,153.44
2030	15,000	9,438.52	24,438.52	35,000	24,724.41	59,724.41
2031	15,000	8,945.79	23,945.79	35,000	23,277.84	58,277.84
2032	20,000	8,438.00	28,438.00	40,000	21,805.04	61,805.04
2033	20,000	7,604.24	27,604.24	40,000	20,091.84	60,091.84
2034	20,000	6,770.40	26,770.40	40,000	18,248.04	58,248.04
2035	20,000	5,936.64	25,936.64	40,000	16,404.24	56,404.24
2036	20,000	5,102.80	25,102.80	40,000	14,560.44	54,560.44
2037	20,000	4,269.04	24,269.04	40,000	12,716.68	52,716.68
2038	20,000	3,415.20	23,415.20	45,000	10,872.88	55,872.88
2039	20,000	2,561.44	22,561.44	45,000	8,798.60	53,798.60
2040	20,000	1,707.60	21,707.60	45,000	6,658.40	51,658.40
2041	20,000	853.84	20,853.84	45,000	4,518.20	49,518.20
2042	-	-	-	50,000	2,378.00	52,378.00
TOTALS	\$ 395,000	\$ 198,682.93	\$ 593,682.93	\$ 900,000	\$ 538,119.37	\$ 1,438,119.37

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2013 Refunding of 2004 and 2005 Bonds			2013 Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 575,000	\$ 30,487.50	\$ 605,487.50	\$ 140,000	\$ 21,450.00	\$ 161,450.00
2020	190,000	16,112.50	206,112.50	145,000	18,885.00	163,885.00
2021	195,000	11,362.50	206,362.50	155,000	16,185.00	171,185.00
2022	200,000	6,000.00	206,000.00	160,000	13,365.00	173,365.00
2023	-	-	-	160,000	10,515.00	170,515.00
2024	-	-	-	165,000	7,620.00	172,620.00
2025	-	-	-	170,000	4,635.00	174,635.00
2026	-	-	-	175,000	1,560.00	176,560.00
TOTALS	\$ 1,160,000	\$ 63,962.50	\$ 1,223,962.50	\$ 1,270,000	\$ 94,215.00	\$ 1,364,215.00

Fiscal Year Ending Dec 31st	2016 Plow Truck			2014 EFC - Sewer System		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 35,000	\$ 1,750.00	\$ 36,750.00	\$ 85,000	\$ 24,269.06	\$ 109,269.06
2020	35,000	875.00	35,875.00	85,000	23,073.54	108,073.54
2021	-	-	-	85,000	21,640.02	106,640.02
2022	-	-	-	90,000	19,942.70	109,942.70
2023	-	-	-	90,000	18,015.34	108,015.34
2024	-	-	-	90,000	15,953.00	105,953.00
2025	-	-	-	90,000	13,694.90	103,694.90
2026	-	-	-	95,000	11,097.76	106,097.76
2027	-	-	-	95,000	8,202.64	103,202.64
2028	-	-	-	95,000	5,106.12	100,106.12
2029	-	-	-	100,000	1,753.76	101,753.76
TOTALS	\$ 70,000	\$ 2,625.00	\$ 72,625.00	\$ 1,000,000	\$ 162,748.85	\$ 1,162,748.85

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2015			2015		
	EFC - Sewer System			EFC - Sewer System		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 80,467	\$ -	\$ 80,467.00	\$ 220,000	\$ 76,381.60	\$ 296,381.60
2020	81,771	-	81,771.00	220,000	73,774.60	293,774.60
2021	83,105	-	83,105.00	225,000	70,544.60	295,544.60
2022	84,425	-	84,425.00	225,000	66,618.36	291,618.36
2023	85,744	-	85,744.00	230,000	62,065.62	292,065.62
2024	87,063	-	87,063.00	230,000	57,040.12	287,040.12
2025	88,382	-	88,382.00	235,000	51,632.86	286,632.86
2026	89,701	-	89,701.00	240,000	45,541.40	285,541.40
2027	91,020	-	91,020.00	245,000	38,602.80	283,602.80
2028	92,339	-	92,339.00	245,000	31,022.50	276,022.50
2029	93,659	-	93,659.00	250,000	22,820.10	272,820.10
2030	94,978	-	94,978.00	255,000	14,018.90	269,018.90
2031	96,297	-	96,297.00	260,000	4,747.60	264,747.60
2032	97,616	-	97,616.00	-	-	-
2033	98,935	-	98,935.00	-	-	-
2034	100,254	-	100,254.00	-	-	-
2035	101,573	-	101,573.00	-	-	-
2036	102,892	-	102,892.00	-	-	-
2037	104,212	-	104,212.00	-	-	-
2038	105,531	-	105,531.00	-	-	-
2039	106,850	-	106,850.00	-	-	-
2040	108,169	-	108,169.00	-	-	-
2041	109,488	-	109,488.00	-	-	-
2042	110,807	-	110,807.00	-	-	-
2043	112,126	-	112,126.00	-	-	-
2044	113,445	-	113,445.00	-	-	-
2045	114,765	-	114,765.00	-	-	-
TOTALS	\$ 2,635,614	\$ -	\$ 2,635,614.00	\$ 3,080,000	\$ 614,811.06	\$ 3,694,811.06

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 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 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 Note, 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 Note
- (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 District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, 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 District, 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.

For the purposes of the event identified in paragraph (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for 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 governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

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

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

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

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

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

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**TOWN OF SALINA
ONONDAGA COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

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

TOWN OF SALINA, NEW YORK, NEW YORK
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D'Arcangelo & Co., LLP

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Independent Auditor's Report

Town Board
Town of Salina, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Salina, New York, as of and for the year ended December 31, 2017, and the related notes to the financial statements which collectively comprise the Town of Salina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the Town of Salina, New York, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Salina's basic financial statements. The combining individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2018 on our consideration of the Town of Salina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Salina, New York's internal control over financial reporting and compliance.

D'Arcangelo & Co., LLP

May 17, 2018

Rome, New York

D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Town Board

Town of Salina, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Salina, New York, as of, and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Town of Salina, New York's basic financial statements, and have issued our report thereon dated May 17, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo & Co., LLP

May 17, 2018

Rome, New York

**TOWN OF SALINA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017**

The Town of Salina's discussion and analysis of financial performance provides an overall review of the Town's financial activities for the fiscal year ended December 31, 2017. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. This section will explain the differences between the current and prior-year assets, liabilities, and changes in net position. This should be read in conjunction with the financial statements, which immediately follow this section.

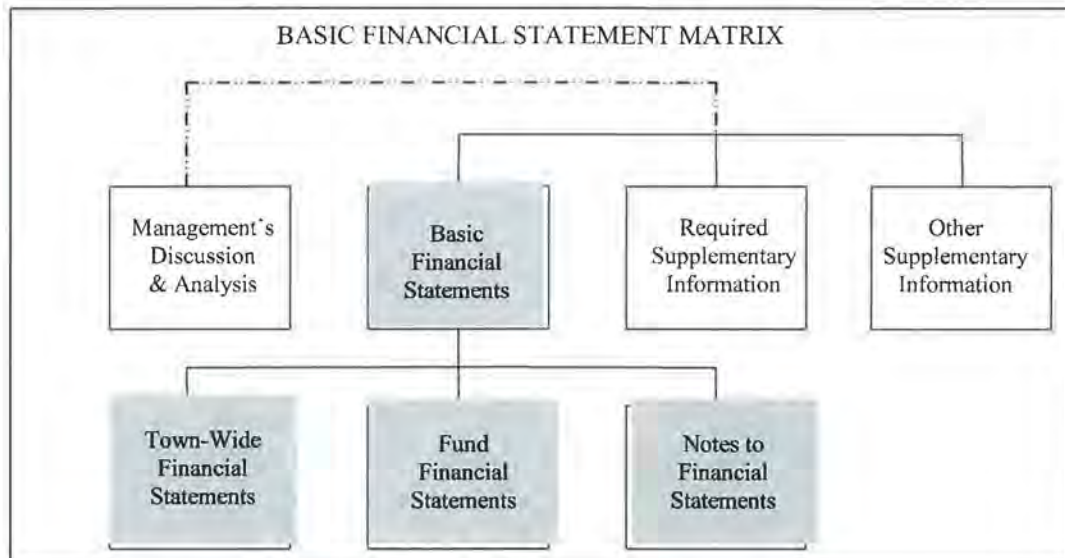
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2017 are as follows:

- The Town's total Net Position, as reflected in the Town-wide financial statements, increased by \$456,399.
- The Town's expenses for the year, as reflected in the Town-wide financial statements, totaled \$15,129,961. This amount was directly offset by the following revenue sources: \$681,489 charges for services, \$295,185 operating grants, and \$114,432 capital grants. General revenues of \$14,495,254 amount to 93.0% of total revenues.
- The General Whole Town Fund's total fund balance, as reflected in the fund financial statements on pages 16 and 18, increased by \$86,113, to a balance of \$2,577,683. This was primarily due to general government support, culture and recreation, and employee benefit expenditures coming in under budget by \$193,238; \$42,787, and \$39,122, respectively.
- The Highway Fund's total fund balance, as reflected in the fund financial statements on pages 16 and 18, decreased by \$295,366, to \$1,047,599. This was due to Board approval to amend the budget by appropriating fund balance and reserves for highway improvements.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's discussion and analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of Town-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



TOWN OF SALINA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

A. Town-wide Financial Statements

The Town-wide financial statements are organized to provide an understanding of the fiscal performance of the Town as a whole in a manner similar to a private sector business. There are two Town-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the Town's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the Town's assets, deferred outflows, liabilities and deferred inflows, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net positions are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the Town's funds, not the Town as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the Town are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources, and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the Town-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the Town's operations and the services it provides.

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

The Town maintains seven major individual governmental funds, General Whole Town, General Part Town, Highway Part Town, Sewer, Fire Protection, Refuse and Capital funds, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in its capacity as agent or trustee. All of the Town's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the Town's Town-wide financial statements because the Town cannot use these assets to finance its operations.

TOWN OF SALINA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

3. FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

A. Net Position

The Town's total net position increased between fiscal year 2017 and 2016. A summary of the Town's Statement of Net Position at December 31, 2017 and 2016, are as follows:

	2017	Restated 2016	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 8,728,119	\$ 7,361,882	\$ 1,366,237	18.6%
Capital Assets, (Net of Accumulated Depreciation)	26,991,279	27,838,300	(847,021)	(3.0%)
Total Assets	<u>\$ 35,719,398</u>	<u>\$ 35,200,182</u>	<u>\$ 519,216</u>	1.5%
Deferred Outflow - Pensions	<u>\$ 1,010,272</u>	<u>\$ 1,937,475</u>	<u>\$ (927,203)</u>	(47.9%)
Non-Current Liabilities	\$ 18,948,598	\$ 20,109,117	\$ (1,160,519)	(5.8%)
Net Pension Liability - Proportionate Share	995,872	1,723,249	(727,377)	(42.2%)
Other Liabilities	7,151,074	7,951,996	(800,922)	(10.1%)
Total Liabilities	<u>\$ 27,095,544</u>	<u>\$ 29,784,362</u>	<u>\$ (2,688,818)</u>	(9.0%)
Deferred Inflows	<u>\$ 2,056,565</u>	<u>\$ 232,133</u>	<u>\$ 1,824,432</u>	785.9%
Net Position				
Net Investment in Capital Assets	\$ 8,816,111	\$ 8,261,768	\$ 554,343	6.7%
Restricted	107,871	249,860	(141,989)	(56.8%)
Unrestricted (Deficit)	(1,268,005)	(1,390,466)	122,461	8.8%
Total Net Position	<u>\$ 7,655,977</u>	<u>\$ 7,121,162</u>	<u>\$ 534,815</u>	7.5%

Current and other assets increased by \$1,366,237, as compared to the prior year. This increase was mainly due to an increase in unrestricted cash by \$1,133,099, which was mainly due to the collection of 2018 property taxes prior to year-end.

Capital assets decreased by \$847,021, as compared to the prior year. This decrease is primarily due to the depreciation exceeding capital outlay expense in 2017.

Non-current liabilities decreased by \$1,160,519 as compared to the prior year. This decrease is the result of the payments of serial bonds in the amount of a \$1,391,829.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* was implemented in 2015. The statement required the recognition of the Town's proportionate share of Net Pension Assets/Liabilities and Deferred Outflows/Inflows of Resources for the New York State Employees' retirement system. The new accounting pronouncement required that the prior year be restated for the implementation of the standard. The details of the above changes in the respective pension accounts are more fully described on page 33 of the financial statements.

Other liabilities decreased by \$800,922. This decrease is due to a decrease in accounts payable for \$278,869 for a waste removal contract. The decrease is also due to a \$162,000 decrease in bond anticipation notes payable and a \$458,601 decrease in amounts due to other governments.

Deferred inflows increased \$1,824,432. This increase is primarily due to the increase in unearned revenue related to the prepayment of property taxes for the subsequent year.

The Net Position invested in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support Town operations.

TOWN OF SALINA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

The Restricted Net Position represents funds being held for capital and repair reserves. The funds can only be spent on specific public improvements. The decrease represents the various refuse fees collected in the current year in excess of previously collected refuse fees being allocated.

The Unrestricted Net deficit at December 31, 2017, is \$1,307,213, which represents the amount by which the Town's liabilities, excluding debt related to capital construction, exceeded the Town's assets other than capital assets.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. Nonproperty tax items primarily consist of New York State sales tax and franchise tax. A summary of this statement for the years ended December 31, 2017 and 2016, is as follows.

Revenues	2017	2016	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	\$ 681,489	\$ 661,025	\$ 20,464	3.1%
Operating Grants	295,185	255,633	39,552	15.5%
Capital Grants	114,432	42,503	71,929	169.2%
General Revenues				
Property Taxes and Other Items	12,999,604	12,583,593	416,011	3.3%
Nonproperty Tax Items	570,631	582,932	(12,301)	(2.1%)
Gain on Disposition of Property	6,479	18,402	(11,923)	(64.8%)
State and Federal Sources	800,331	737,703	62,628	8.5%
Other	118,209	100,599	17,610	17.5%
Total Revenues	<u>15,586,360</u>	<u>14,982,390</u>	<u>603,970</u>	4.0%
Expenses				
General Government Support	\$ 2,990,954	\$ 3,048,265	(57,311)	(1.9%)
Public Safety	2,619,593	2,184,273	435,320	19.9%
Public Health	18,000	17,500	500	2.9%
Transportation	3,969,916	4,832,474	(862,558)	(17.8%)
Home and Community Services	3,968,153	3,837,005	131,148	3.4%
Culture and Recreation	1,227,844	1,057,061	170,783	16.2%
Debt Service - Interest	335,501	290,336	45,165	15.6%
Total Expenses	<u>15,129,961</u>	<u>15,266,914</u>	<u>(136,953)</u>	(0.9%)
Total Change in Net Position	<u>\$ 456,399</u>	<u>\$ (284,524)</u>	<u>\$ 740,923</u>	

The increase in Property Taxes and Other items revenues are primarily due to budgeted tax rate increases.

The increase in Capital and Operating Grant revenues are primarily due to an increase of \$39,528 for New York State Department of Transportation funding and \$100,000 grant funding for the storm-water management projects.

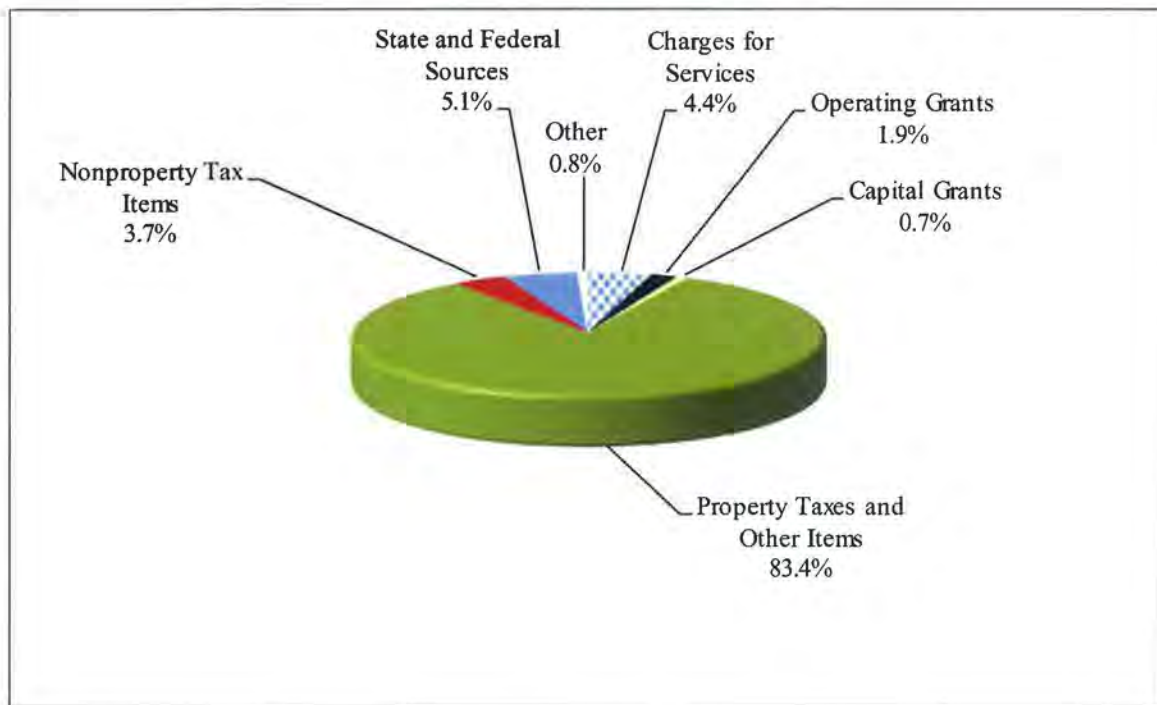
State and Federal Sources increased by \$62,628 mainly due to an increase of \$82,204 in mortgage tax state aid.

Public Safety expenses increased by \$435,320 in the current year. This increase is mainly due to an increase in fire protection expenses in the amount of \$180,770 as well as an increase in depreciation expense over current year additions.

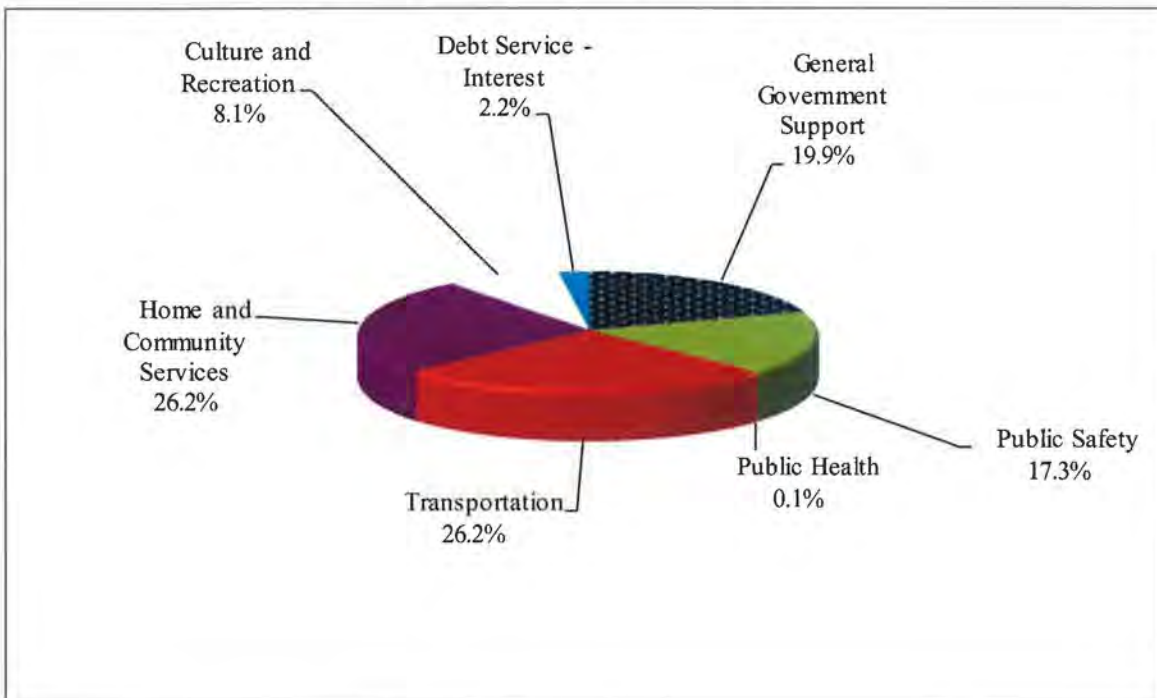
Transportation expenses decreased \$862,558 in the current year. The decrease is primarily due to decreases in allocation of employee benefits as well as disposition of various paving maintenance projects.

**TOWN OF SALINA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017**

Revenues for the Year Ended December 31, 2017

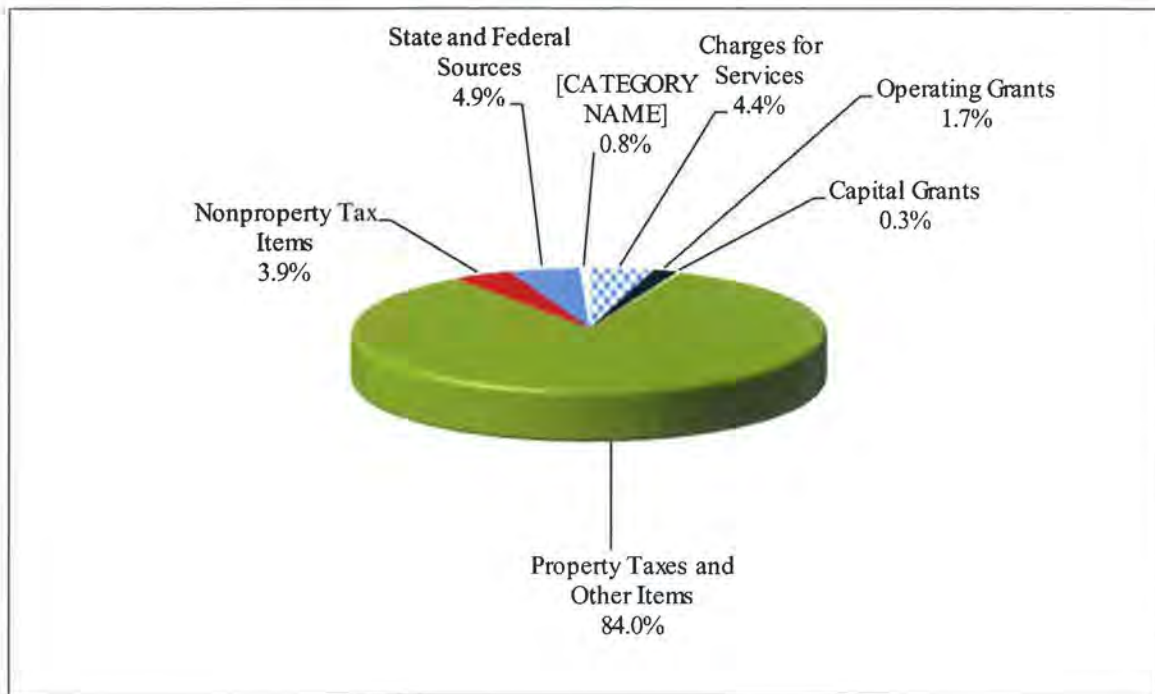


Expenses for the Year Ended December 31, 2017

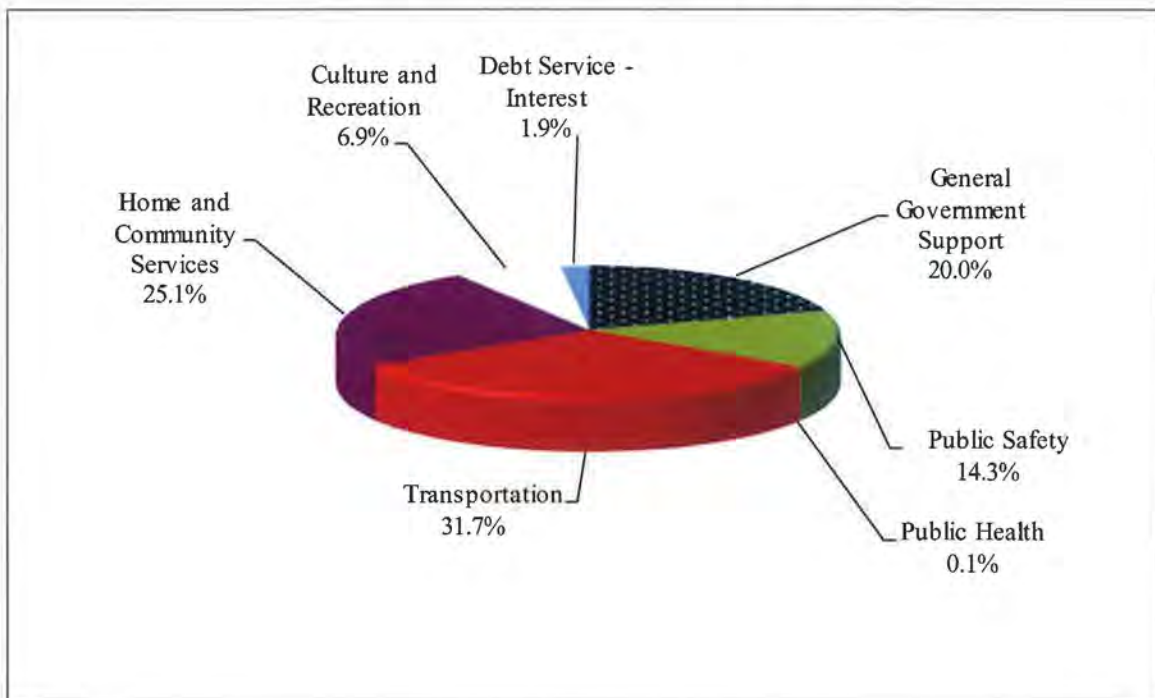


**TOWN OF SALINA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017**

Revenues for the Year Ended December 31, 2016



Expenses for the Year Ended December 31, 2016



TOWN OF SALINA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

4. FINANCIAL ANALYSIS OF THE TOWN'S FUND BALANCES

At December 31, 2017, the Town's governmental funds reported a combined deficit fund balance of \$230,190, which is an increase of \$176,589 from the prior year. This increase is due to an excess of revenues over expenditures for the year. A summary of the change in fund balance by fund is as follows:

	2017	Restated 2016	Increase (Decrease)
General Whole Town			
Nonspendable	\$ 115,452	\$ 54,624	\$ 60,828
Restricted	66,000	67,815	(1,815)
Assigned	232,501	356,451	(123,950)
Unassigned	<u>2,163,730</u>	<u>2,012,680</u>	<u>151,050</u>
	<u>2,577,683</u>	<u>2,491,570</u>	<u>86,113</u>
General Part Town			
Nonspendable	12,343	9,678	2,665
Assigned	<u>787,528</u>	<u>704,622</u>	<u>82,906</u>
	<u>799,871</u>	<u>714,300</u>	<u>85,571</u>
Highway			
Nonspendable	99,241	50,086	49,155
Restricted	2,663	134,086	(131,423)
Assigned	<u>945,695</u>	<u>1,158,793</u>	<u>(213,098)</u>
	<u>1,047,599</u>	<u>1,342,965</u>	<u>(295,366)</u>
Fire			
Assigned	<u>33,036</u>	<u>37,800</u>	<u>(4,764)</u>
Sewer			
Assigned	<u>653,792</u>	<u>539,208</u>	<u>114,584</u>
Refuse			
Assigned	<u>242,796</u>	<u>157,336</u>	<u>85,460</u>
Capital			
Unassigned (Deficit)	<u>(6,038,113)</u>	<u>(5,909,033)</u>	<u>(129,080)</u>
Non-Major			
Restricted	39,208	47,959	(8,751)
Assigned	<u>413,938</u>	<u>171,116</u>	<u>242,822</u>
	<u>453,146</u>	<u>219,075</u>	<u>234,071</u>
 Total Fund Balance	 <u>\$ (230,190)</u>	 <u>\$ (406,779)</u>	 <u>\$ 176,589</u>

TOWN OF SALINA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. Budget

The Town's adopted budget's for the year ended December 31, 2017, for the following funds was \$15,587,501. This is an increase of \$529,929 over the prior year's adopted budgets. The budgets were adopted and amended as follows:

	General Whole Town	General Part Town	Highway Part Town	Fire	Refuse	Sewer
Change from Adopted Budget to Revised Budget						
Adopted Budget	\$ 4,847,067	\$1,214,144	\$4,834,451	\$ 1,759,219	\$ 1,803,844	\$ 1,128,776
Add: Prior Year's Encumbrances	38,073	28,345	29,672			
Original and Adopted Budget	\$ 4,885,140	\$1,242,489	\$4,864,123	\$ 1,759,219	\$ 1,803,844	\$ 1,122,437
Amendments:						
Highway Equipment Capital Reserve			133,922			
Youth Program	7,000					
JCAP Grant	1,586					
Town Hall - Water Leak	9,356					
Judgements and Claims	30,000					
Highway Comp Time	25,000					
Excrow Accounts		35,858				
Highway Improvements - Jewel drive			626,679			
Highway - Paving			15,000			
Total Amendments	72,942	35,858	775,601			
Final Budget	\$ 4,958,082	\$1,278,347	\$5,639,724	\$ 1,759,219	\$ 1,803,844	\$ 1,122,437

The majority of this funding source for the budgets consisted of \$12,986,145 in property taxes, \$580,000 in non-property taxes that include sales and franchise taxes, and \$972,400 in State Aid.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

At December 31, 2017, the Town had invested in a broad range of capital assets, including land, buildings and improvements and equipment. The net decrease in capital assets is due to depreciation exceeding capital outlays recorded for the year ended December 31, 2017. A summary of the Town's capital assets, net of depreciation at December 31, 2017 and 2016, is as follows:

	2017	2016	Increase/ (Decrease)
Land	\$ 39,875	\$ 39,875	\$
Construction in Progress	43,461	764,215	(720,754)
Buildings	140,158	99,707	40,451
Infrastructure	26,039,961	26,276,002	(236,041)
Land Improvements	172,594	192,590	(19,996)
Equipment	555,231	465,911	89,320
Capital Assets, Net	\$ 26,991,280	\$ 27,838,300	\$ (847,020)

TOWN OF SALINA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

B. Debt Administration

At December 31, 2017, the Town had total bonds payable of \$12,041,744. A summary of the outstanding debt at December 31, 2017 and 2016, is as follows:

Description		Date of Original Issue	Date of Final Maturity	Interest Rate (%)	Outstanding Amount		Increase (Decrease)
					2017	2016	
Sewer Fund							
2004b	NYSEFC	Mar-2004	Mar-2024	1.06-4.48%	\$ 125,000	\$ 145,000	\$ (20,000)
2008		May-2008	May-2023	3.25-4.00%	210,000	245,000	(35,000)
2012b	NYSEFC	Jun-2012	Jun-2042	0.26-4.27%	410,000	425,000	(15,000)
2013b	NYSEFC	Jun-2013	Jun-2043	0.26-4.76%	930,000	960,000	(30,000)
2015b	NYSEFC	Dec-2015	Oct-2045	0%	2,714,762	2,792,591	(77,829)
2013		Sep-2013	Jul-2022	2.0-3.0%	290,662	344,204	(53,542)
					<u>4,680,424</u>	<u>4,911,795</u>	<u>(231,371)</u>
Highway Fund							
2013		Jun-2013	Jun-2026	2.0-3.0%	1,410,000	1,545,000	(135,000)
2015		Dec-2015	Dec-2020	2.50%	105,000	140,000	(35,000)
2013		Feb-2013	Feb-2018	2.10%	32,000	64,000	(32,000)
2013		Sep-2013	Jul-2022	2.0-3.0%	1,292,581	1,763,847	(471,266)
					<u>2,839,581</u>	<u>3,512,847</u>	<u>(673,266)</u>
General Fund-Part Town							
2013		Sep-2013	Jul-2022	2.0-3.0%	<u>136,757</u>	<u>161,949</u>	<u>(25,192)</u>
General Fund-Landfill							
2014	NYSEFC	Jul-2014	Jun-2036	0.18-3.51%	1,085,000	1,170,000	(85,000)
2015	NYSEFC	Aug-2015	Mar-2031	0.20-3.65%	3,299,982	3,514,982	(215,000)
					<u>4,384,982</u>	<u>4,684,982</u>	<u>(300,000)</u>
Total Long Term Debt					\$ <u>12,041,744</u>	\$ <u>13,271,573</u>	\$ <u>(1,229,829)</u>

**TOWN OF SALINA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017**

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town is not experiencing growth from new developments or influx of business. It has no significant amounts of land available for development and growth. Future development in the Town is expected to center on smaller areas with limited number of homes and redeveloping existing parcels. Property values for the Town slightly increased from the previous two years, due to recent sales activity and minimal building of new residential homes.

The population is aging, and encompasses a larger number of retirees, which is similar to other municipalities in the Central New York area. This creates the need to rely on tax revenues to a greater degree to pay for current operations and upgrades for infrastructure. The ability of the residents to pay the higher taxes in the future is a factor that could affect the future financial health of the Town.

The Town has been named a responsible party by New York State and the Federal Government concerning pollution in Lower Ley Creek. Negotiations have been ongoing on the financial responsibility the Town has, if any. These negotiations are not finalized. However, the Town could face financial costs in the settlement. Currently, the Town believes there are adequate funds available, but would issue debt if needed, to pay this possible cost if that is the result of the negotiations.

New York State Aid to the Town is also a factor bearing directly on the Towns' future. State aid to the Town is a direct result of political actions taken by the legislative body in New York State. It is impossible to determine whether state aid will be significantly adjusted upward or downward at the present time.

In May 2011, New York State enacted a law capping property taxes. Under this legislation, starting in 2012 property tax levies can increase the lesser of 2% or the rate of inflation as determined by the CPI index, except for limited exceptions. These exceptions are not expected to apply to the Town. To override, this requires a 60% vote for the governing board and adoption of a local law, which is valid for one year. With the loss of sales tax revenues and enactment of the property tax, the Town will face serve pressure to drastically cut costs and services to its residents.

New York State and Onondaga County continue to experiencing economic uncertainty, which could trickle down to local governments. A large defense contractor is located within the Town. Its future is based upon successfully obtaining new governmental contracts. Public discussions are underway concerning the future of a major interstate highway that runs through the town and provide a large economic benefit for hotels and restaurants. This highway, which also runs though the City of Syracuse on an elevated platform, is nearing the end of its useful life. Some options include rerouting this interstate around the City of Syracuse and would directly impact the Town's economy. No decision has been finalized as to what action will happen. The effects of these on the Town's residents and the ability to raise additional taxes for operations are unknown at this time.

8. CONTACTING THE TOWN

This financial report is designed to provide the Town's citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the:

**Town Supervisor
Town of Salina
201 School Road
Liverpool, NY 13088**

TOWN OF SALINA, NEW YORK
STATEMENT OF NET POSITION
December 31, 2017

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 7,664,005
Restricted Cash	107,871
Accounts Receivable	295,856
Due From	
Due From Other Governments	258,352
Fiduciary Fund	175,000
Prepaid Expenditures	227,035
Capital Assets (Net of Accumulated Depreciation)	<u>26,991,280</u>
Total Assets	35,719,399
Deferred Outflows of Resources	
Deferred Outflow - Pensions	<u>1,010,272</u>
Total Assets and Deferred Outflows of Resources	\$ 36,729,671
Liabilities	
Accounts Payable	\$ 424,115
Accrued Liabilities	158,352
Consumer Deposits	83,223
Accrued Interest	101,349
Due To Other Governments	114,036
Bond Anticipation Notes Payable	6,095,000
Due To Fiduciary Fund	175,000
Net Pension Liability - Proportionate Share	995,872
Noncurrent Liabilities	
Due Within One Year	
Bonds Payable	1,251,130
Bond Premium	9,535
Due in More Than One Year	
Bond Premium	28,889
Bonds Payable	10,790,614
OPEB	4,831,746
Landfill Closure	<u>2,036,684</u>
Total Liabilities	<u>27,095,545</u>
Deferred Inflows of Resources	
Deferred Inflow - Pensions	176,623
Deferred Inflow - Real Property Tax	<u>1,879,942</u>
Total Deferred Inflows of Resources	<u>2,056,565</u>
Total Liabilities and Deferred Inflows of Resources	
Net Position	
Net Investment in Capital Assets	8,816,112
Restricted	107,871
Unrestricted (Deficit)	<u>(1,346,422)</u>
Total Net Position	<u>7,577,561</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ <u>36,729,671</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF SALINA, NEW YORK
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General Government Support	\$ 2,990,954	\$ 267,670	\$	\$	\$ (2,723,284)
Public Safety	2,619,593	296,528			(2,323,065)
Public Health	18,000	9,432			(8,568)
Transportation	3,969,916	90,115	295,185		(3,584,616)
Home and Community Services	3,968,153	4,520		114,432	(3,849,201)
Culture and Recreation	1,227,844	13,224			(1,214,620)
Debt Service - Interest	335,501				(335,501)
Total Governmental Activities	\$ 15,129,961	\$ 681,489	\$ 295,185	\$ 114,432	(14,038,855)

General Revenues

Real Property Taxes	12,801,864
Other Real Property Taxes Items	197,740
Nonproperty Tax Items	570,631
General State Aid	800,331
Use of Money and Property	37,148
Gain on Disposition of Property	6,479
Miscellaneous	14,297
Premium on Debt	66,764
Total General Revenues	14,495,254
Change in Net Position	456,399
Net Position, Beginning of Year	7,091,162
Prior Period Adjustment	30,000
Net Position, Beginning of Year (Restated)	7,121,162
Net Position, End of Year	\$ 7,577,561

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF SALINA, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2017

	Governmental								Total
	General Whole Town	General Part Town	Highway	Fire	Sewer	Refuse	Capital	Non-major Governmental	Governmental Funds
Assets									
Current Assets									
Unrestricted Cash	\$ 3,780,855	\$ 852,965	\$ 1,081,956	\$ 33,146	\$ 997,821	\$ 242,796	\$ 231,887	\$ 442,579	\$ 7,664,005
Restricted Cash	66,000		2,663					39,208	107,871
Accounts Receivable	289,099	1,675	5,082						295,856
Due from Other Funds	175,000								175,000
Due from Other Governments	244,632		13,720						258,352
Prepaid Expenditures	115,452	12,343	99,241						227,036
Total Current Assets	\$ 4,671,038	\$ 866,983	\$ 1,202,662	\$ 33,146	\$ 997,821	\$ 242,796	\$ 231,887	\$ 481,787	\$ 8,728,120
Liabilities and Fund Equity									
Current Liabilities									
Accounts Payable	\$ 42,936	\$ 54,111	\$ 66,263	\$	\$ 260,807	\$	\$	\$	\$ 424,117
Accrued Liabilities	56,551	13,001	88,800						158,352
Consumer Deposits					83,222				83,222
Accrued Interest								28,641	28,641
Due to Other Funds							175,000		175,000
Due to Other Governments	113,926			110					114,036
Bond Anticipation Notes Payable							6,095,000		6,095,000
Total Current Liabilities	213,413	67,112	155,063	110	344,029		6,270,000	28,641	7,078,368
Deferred Revenue - Real Property Tax	1,879,942								1,879,942
Fund Equity									
Non-spendable	115,452	12,343	99,241						227,036
Restricted	66,000		2,663					39,208	107,871
Assigned	232,501	787,528	945,695	33,036	653,792	242,796		413,938	3,309,286
Unassigned (Deficit)	2,163,730						(6,038,113)		(3,874,383)
Total Fund Equity (Deficit)	2,577,683	799,871	1,047,599	33,036	653,792	242,796	(6,038,113)	453,146	(230,190)
Total Liabilities, Deferred Revenue, and Fund Equity	\$ 4,671,038	\$ 866,983	\$ 1,202,662	\$ 33,146	\$ 997,821	\$ 242,796	\$ 231,887	\$ 481,787	\$ 8,728,120

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF SALINA, NEW YORK
RECONCILIATION OF TOTAL GOVERNMENTAL FUND EQUITY TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2017

Governmental Fund Equity			\$ (230,190)
Amounts reported for governmental activities in the statement of Net Position are different due to the following:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
	Original Cost of Capital Assets	67,320,415	
	Accumulated Depreciation	<u>(40,329,136)</u>	26,991,279
Accrued Interest			(72,707)
Proportionate share of long-term asset and liability associated with participation in state retirement system are not current financial resources or obligations and are not reported in the funds.			
	Deferred Outflows - Pensions	1,010,272	
	Net Pension Liability - Proportionate Share	(995,872)	
	Deferred Inflows - Pensions	<u>(176,623)</u>	(162,223)
Long-term liabilities and OPEB Liability, are not due and payable in the current-period and therefore are not reported in the funds.			
	Bonds Payable	(12,041,744)	
	Bond Premium	(38,424)	
	Landfill Closure	(2,036,684)	
	OPEB	<u>(4,831,746)</u>	(18,948,598)
Net Position of Governmental Activities			<u>\$ 7,577,561</u>

TOWN OF SALINA, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	Governmental								Total
	General Whole Town	General Part Town	Highway Part Town	Fire	Sewer	Refuse	Capital	Non-major Governmental	Governmental Funds
Revenues									
Real Property Taxes	\$ 2,794,476	\$ 1,004,140	\$ 4,388,928	\$ 1,742,471	\$ 1,018,736	\$ 1,803,985	\$	\$ 49,128	\$ 12,801,864
Other Real Property Tax Items	95,651	22,371	79,718						197,740
Nonproperty Tax Items	570,631								570,631
Departmental Income	24,428	165,604	90,115		9,432				289,579
Use of Money and Property	4,561	734	2,103		1,069	455	134	334	9,390
Premium From Debt								94,522	94,522
Licenses and Permits	34,277								34,277
Fines and Forfeitures	284,698								284,698
Sale of Property and Compensation for Loss			6,479						6,479
Miscellaneous	86,466	766							87,232
State Aid	796,907		395,185				17,856		1,209,948
Total Revenues	4,692,095	1,193,615	4,962,528	1,742,471	1,029,237	1,804,440	17,990	143,984	15,586,360
Expenditures									
General Government Support	1,877,050	13,967	59,507						1,950,524
Public Safety	174,400	282,707		1,747,235					2,204,342
Public Health	18,000								18,000
Transportation	237,795	528,279	3,409,274						4,175,348
Home and Community Services	155,918	111,152			394,902	1,718,980	62,975	45,725	2,489,652
Culture and Recreation	721,407						60,227		781,634
Employee Benefits	1,014,330	139,243	1,059,277						2,212,850
Debt Service - Principal	300,000	29,700	644,750		417,379				1,391,829
Debt Service - Interest	52,981	2,996	85,086		102,372			104,157	347,592
Total Expenditures	4,551,881	1,108,044	5,257,894	1,747,235	914,653	1,718,980	123,202	149,882	15,571,771
Excess (Deficit) Revenues Over Expenditures	140,214	85,571	(295,366)	(4,764)	114,584	85,460	(105,212)	(5,898)	14,589
Other Financing Sources (Uses)									
Interfund Transfers From	180						54,281	240,149	294,610
Interfund Transfers To	(54,281)						(240,149)	(180)	(294,610)
Bond Anticipation Notes Redeemed from Appropriations							162,000		162,000
Total Other Financing Sources (Uses)	(54,101)						(23,868)	239,969	162,000
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	86,113	85,571	(295,366)	(4,764)	114,584	85,460	(129,080)	234,071	176,589
Fund Equity (Deficit), Beginning of Year	2,491,570	714,300	1,342,965	37,800	509,208	157,336	(5,909,033)	219,075	(436,779)
Prior Period Adjustment					30,000				30,000
Fund Equity (Deficit), Beginning of Year (Restated)	2,491,570	714,300	1,342,965	37,800	539,208	157,336	(5,909,033)	219,075	(406,779)
Fund Equity (Deficit), End of Year	\$ 2,577,683	\$ 799,871	\$ 1,047,599	\$ 33,036	\$ 653,792	\$ 242,796	\$ (6,038,113)	\$ 453,146	\$ (230,190)

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF SALINA, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

Net Changes in Fund Balance - Total Governmental Funds **\$ 176,589**

Capital Outlays to purchase or build capital assets are reported in Governmental Funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation expense in the statement of activities. This is the amount by which depreciation in the period exceeds capital outlays.

Capital Outlays	963,946	
Depreciation	<u>(1,810,967)</u>	(847,021)

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

Principal Payments on Long Term Debt		1,391,829
Bond Anticipation Notes Redeemed from Appropriations		<u>(162,000)</u>

(Increases) Decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Employees' Retirement System		(36,244)
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Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.

OPEB Liability	(492,285)	
Landfill Liability	413,440	
Bond Premium	9,535	
Accrued Interest	<u>2,556</u>	<u>(66,754)</u>

Change in Net Positions Governmental Activities **\$ 456,399**

TOWN OF SALINA, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2017

	<u>Agency</u>
Assets	
Unrestricted Cash	\$ 71,887
Service Award Program Assets	<u>1,470,703</u>
Total Assets	<u><u>\$ 1,542,590</u></u>
Liabilities and Net Position	
Agency Liabilities	\$ 71,887
Service Awards	<u>1,470,703</u>
Total Liabilities	<u><u>\$ 1,542,590</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the primary standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have been prepared primarily from accounts maintained by the Town.

GASB is responsible for establishing U.S. GAAP for State and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies, established in U.S. GAAP and used by the Town, are discussed below.

Background

The Town of Salina, New York (the Town), was incorporated in 1847 and operates under an elected Town Supervisor and four member Town Board. The Town Board is the elected legislative body and consists of four district members. The Town provides services of general government, public works, public safety, community enrichment and economic development to its residents.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government which is the Town of Salina, (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.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, no other organizations have been included or excluded from the reporting entity.

Financial Statements - Government-Wide

The Town's financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Maintenance of roads, public works, social services, recreation and culture, and general administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's Net Position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. All direct expenses incurred are charged to the corresponding function. Capital asset additions that cannot be identified to a specific function are allocated based on total expenses by program.

Employee benefits are reported as a separate function on the fund financial statements. These costs have been allocated for the government-wide financial statements based on the respective payroll for each function.

The net costs (by function or business-type activity) are normally covered by general revenues (property, non-property, or sales taxes, intergovernmental revenues, interest income, etc.).

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

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Fund Financial Statements

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Town reports the following major governmental funds:

(a) Major Funds:

The emphasis in the fund financial statements is on the major governmental fund categories. Non-major funds are summarized into a single column. The non-major funds consist of Debt Service, Water, Electronics Parkway Drainage, Ambulance, and Parks.

General Fund— this is the principal operating fund which is used to account for and report all operations not required to be recorded in other funds. This fund includes general whole-town and general part-town.

Special Revenue Funds— Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This fund is further broken down into the following categories:

Highway-This fund is used to account for maintenance of the Town's streets and highways.

Refuse and Garbage- This fund is used to account for Town-wide residential and commercial refuse and garbage removal contracts.

Fire Protection- This fund is used to account for the Town's fire department.

Sewer Fund- This fund is used to account for the Town's sewer operations.

Capital Fund— This fund is used to account for financial resources to be used for the acquisition, construction, or renovation of major capital facilities or equipment. The principal sources of financing are from the sale of bonds or issuance of bond anticipation notes and state aid.

(b) Fiduciary Fund Types—Fiduciary funds are used to account for and report assets held in a trustee or agency capacity for others and therefore, are not available to support Town programs.

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

Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual— The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Nonexchange transactions are transactions in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. Nonexchange revenues are generally reported as nonoperating revenues. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified Accrual Basis - All governmental funds financial statements are reported for using the current financial resources measurement focus and 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. The Town has defined the period of availability to be 30 days.

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Material revenues that are accrued include real property taxes, Federal and State 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.

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

- a. Expenditures for inventory-type items are recognized at the time of the disbursements.
- b. Principal on indebtedness is not recognized as an expenditure until due.
- c. Capital fund expenditures are recorded when paid.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

Property Taxes

Taxes are collected by the receiver of taxes during the period January 1 to January 31 without penalty. Taxes are due by January 31. If received during February, there is a 1% penalty. If payment is received in March, there is a 1.5% penalty. After March 31, the unpaid amount is turned over to Onondaga County. The County is responsible for collecting all taxes after April 1. The County pays the Town for the delinquent taxes and assumes enforcement responsibility for all taxes levied in the Town.

Capital Assets/Property, Plant, and Equipment

Capital assets purchased or acquired with an original cost of \$5,000 or more and a useful life of two years or more, are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure assets are capitalized on a prospective basis. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-30 Years
Machinery and Equipment	5-15 Years
Improvements (land and Building)	10-30 Years
Infrastructure	20-50 Years

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimate portion that is expected to be uncollectible. Estimated unbilled revenues are estimated at the end of each fiscal year. Sewer fund receivables are fully guaranteed by the General Fund of the Town. Therefore, no allowance for doubtful accounts has been established for these funds.

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item that qualifies for reporting in this category. The item is for the pensions reported in the Town-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension asset or liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions not included in pension expense.

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Insurance

The Town insures against liability for most risks 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 availability has been incurred and the amount of loss can be reasonably estimated.

Retirement Plan

The Town provides retirement benefits for substantially all of its regular, full-time employees through contributions to the New York State Employees' Retirement System. The System is a cost-sharing, multiple-employer, public employee retirement system. The System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

In addition to providing pension benefits, the Town provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if Town employees are eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the Town and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting.

Interfund Activity

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

Compensated Absences

Town employees are granted vacation and sick leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation at various rates subject to certain maximum limits. Sick leave is not paid when an employee leaves due to termination or retirement.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category. The first item is related to pensions reported in the Town-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Town's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to property taxes for the 2018 fiscal year that were paid before December 31, 2017.

Cash and Cash Equivalents

State statutes require that collateral be pledged at 100 percent of all deposits not covered by Federal Deposit Insurance Corporation insurance for demand deposits, time deposits, repurchase agreements, and certificates of deposit. Obligations of the United States Treasury and its agencies as well as obligations of New York State and its municipalities and Towns may be pledged. Investments are carried at market value.

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the Town's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

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

Short-Term Debt

The Town may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes are converted to long-term financing within five years after the original issue date.

Equity classifications

(a) Government-wide Financial Statements

In the Government-wide statements there are three classes of net position:

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted Net Position – reports Net Position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – reports all other Net Positions that do not meet the definition of the above two classifications and are deemed to be available for general use by the Town.

(b) Fund Statements

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the balances in prepaid expenditure and inventory accounts.

Restricted Resources

Amounts constrained by specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance

Amounts constrained to specific purposes by the Town itself, by vote of the Town Board, the Town's highest level of decision-making authority. The Town Board must approve the establishment (or modification) of any fund balance commitment.

Assigned fund balance

Amounts the Town intends to use for a specific purpose; intent for which must be expressed by the Town Board or Department management.

Unassigned fund balance

Amounts within the General Fund that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town and amounts in other funds with negative fund balances.

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standard Adopted

GASB Statement No. 82: Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73 - GASB 82 addresses: 1) Presentation of payroll-related measures in required supplementary information; 2) Selection of assumptions and the treatment of deviations from guidance in Actuarial Standards of Practice for financial reporting purposes, and 3) Classification of payments made by employers to satisfy plan member contribution requirements.

New Accounting Standard To Be Adopted Next Year

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions- The GASB has issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide.

2. DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENTS

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

Total Fund Balances of Governmental Funds Compared To Net Positions of Governmental Activities

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

Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. The amounts shown below represent:

(a) Long-Term Revenue Differences

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

(b) Capital Related Differences

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

(c) Long-Term Debt Transaction Differences

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

(d) Employee Benefit Allocation

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Equity based on the requirements of New York State. These costs have been allocated based on total salary for each function on the Statement of Activities.

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

2. DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENTS
(Continued)

(e) *Pension Differences*

Pension differences occur as a result of changes in the Town's proportion of the collective net position, asset/liability and differences between the Town's contributions and its proportionate share of the total contributions to pension expense.

Budgets and Budgetary Accounting

(a) *Budget Basis of Accounting*

The budget is adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

(b) *Budget Policies*

- Budgets are adopted annually on a basis consistent with U.S. generally accepted accounting principles.
- No later than October 5, the Town Supervisor submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of legislative resolution no later than Thursday after election date. Certified copies are filed no later than November 20 with the tax roll coordinator (Onondaga County) for the purpose of preparing the tax levy.
- The Town Supervisor is authorized to transfer certain budgeted amounts within departments and/or individual funds.

(c) *Legally Adopted Budgets*

All of the Funds, except capital, have legally adopted budgets. The Funds' budgets are adopted on a departmental and object level of expenditure basis in which expenditures may not legally exceed appropriations on a departmental and object of expenditure level.

Individual governmental fund comparisons of budget and actual data at the legal level of control established by the adopted budget (i.e., minimally at the department and object level) are not presented in this report for those funds with annual adopted budgets due to the excessive detail involved. However, a separate budgetary comparison report is available which contains this information.

3. ENCUMBRANCE ACCOUNTING

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the governmental funds. Encumbrances are reported as reservations 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.

4. BUDGET LIMITATIONS AND SUPPLEMENTAL APPROPRIATIONS

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

4. BUDGET LIMITATIONS AND SUPPLEMENTAL APPROPRIATIONS (Continued)

The following supplemental appropriations occurred during the year:

	General Whole Town	General Part Town	Highway Part Town	Fire	Refuse	Sewer
Change from Adopted Budget to Revised Budget						
Adopted Budget	\$ 4,847,067	\$ 1,214,144	\$ 4,834,451	\$ 1,759,219	\$ 1,803,844	\$ 1,128,776
Add: Prior Year's Encumbrances	38,073	28,345	29,672			
Original and Adopted Budget	\$ 4,885,140	\$ 1,242,489	\$ 4,864,123	\$ 1,759,219	\$ 1,803,844	\$ 1,122,437
Amendments:						
Highway Equipment Capital Reserve			133,922			
Youth Program	7,000					
JCAP Grant	1,586					
Town Hall - Water Leak	9,356					
Judgements and Claims	30,000					
Highway Comp Time	25,000					
Excrow Accounts		35,858				
Highway Improvements - Jewel drive			626,679			
Highway - Paving			15,000			
Total Amendments	72,942	35,858	775,601			
Final Budget	\$ 4,958,082	\$ 1,278,347	\$ 5,639,724	\$ 1,759,219	\$ 1,803,844	\$ 1,122,437

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

Assets

(a) Custodial Credit Risk

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

As of December 31, 2017, of the Town's bank balances of \$6,086,252 were not exposed to custodial credit risk because the deposits were fully covered by FDIC and collateral pledged by financial institutions in the Town's name.

Restricted Cash and Cash Equivalents

1. Restricted cash of \$66,000 in the General Whole Town fund represents the Town Hall Repair Reserve.
2. Restricted cash of \$2,663 in the Highway fund represents the Highway Equipment reserve.

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

(b) *Capital Assets*

Capital asset activity for the governmental activities for the year ended December 31, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 39,875	\$	\$	\$ 39,875
Construction in Progress	764,215	64,520	785,274	43,461
Total	804,090	64,520	785,274	83,336
Capital Assets Being Depreciated				
Buildings	5,166,777	52,334		5,219,111
Infrastructure	55,923,718	1,347,583		57,271,301
Land Improvements	554,527			554,527
Equipment	5,532,256	284,784	1,624,899	4,192,141
Total	67,177,278	1,684,701	1,624,899	67,237,080
Accumulated Depreciation				
Land Improvements	361,939	19,996		381,935
Buildings	5,067,070	11,883		5,078,953
Infrastructure	29,647,716	1,583,624		31,231,340
Equipment	5,066,343	195,464	1,624,899	3,636,908
Total	40,143,068	1,810,967	1,624,899	40,329,136
Net Capital Assets Being Depreciated	27,034,210	(126,266)		26,907,944
Net Capital Assets	\$ 27,838,300	\$ (61,746)	\$ 785,274	\$ 26,991,280

Depreciation expense was charged to the functions/programs as follows:

Governmental Activities

General Government Support	\$ 11,590
Transportation	552,345
Social Services	20,102
Home and Community Services	1,226,930
Total Depreciation Expense	<u>\$ 1,810,967</u>

Liabilities

(a) *Bond Anticipation Notes (BANs)*

Changes in the Town's short-term outstanding debt for the year ended December 31, 2017 is as follows:

	Outstanding Beginning Balance	Issued	Paid	Outstanding Ending Balance
Description	Balance			Balance
Governmental Activities				
Various Projects	\$ 6,257,000	\$	\$ (162,000)	\$ 6,095,000

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

The following is a summary of the BAN outstanding at December 31, 2017:

<u>Payable From/Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
Sewer Fund					
Syracuse Gardens	06/17	\$ 816,000	06/18	2.25%	\$ 775,000
Sehr Park	06/17	525,000	06/18	2.25%	495,000
Boulevard Sewer	06/17	975,000	06/18	2.25%	925,000
Beechwood Hanover	06/17	510,000	06/18	2.25%	485,000
Vicotoria Park	06/17	1,445,000	06/18	2.25%	1,375,000
Electronics Parkway	06/17	645,000	06/18	2.25%	615,000
Duerr Park Pump	06/17	94,000	06/18	2.25%	90,000
Donwood Estates	06/17	830,000	06/18	2.25%	790,000
Malden Road	06/17	575,000	06/18	2.25%	545,000
Total					<u>\$ 6,095,000</u>

Interest costs for short-term debt for the year ended December 31, 2017 were as follows:

Interest Paid	\$ 55,736
Less: Interest Accrued in the Prior Year	(31,620)
Plus: Interest Accrued in the Current Year	<u>34,260</u>
Total Interest Expense on Short-Term Debt	<u>\$ 58,376</u>

(b) *Long Term Debt*

The Town borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities for governmental funds are maintained separately and represent a reconciling item between the fund and Town-wide statements. Interest associated with long-term debt is recorded as an expenditure when such amounts are due.

Long-term liability balances and activity are as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Serial Bonds Payable	\$ 13,271,573	\$	\$ (1,229,829)	\$ 12,041,744	\$ 1,251,130
Premium on Bonds Payable	47,959		(9,535)	38,424	9,535
Landfill Closure	2,450,124		(413,440)	2,036,684	
OPEB	4,339,461	770,585	(278,300)	4,831,746	
Total Governmental	<u>\$ 20,109,117</u>	<u>\$ 770,585</u>	<u>\$ (1,931,104)</u>	<u>\$ 18,948,598</u>	<u>\$ 1,260,665</u>

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Future principal and interest payments due on serial bonds debt are as follows:

Fiscal Year Ended December 31,	Principal	Interest	Total
2018	\$ 1,251,130	\$ 255,800	\$ 1,506,930
2019	1,235,467	214,874	1,450,341
2020	856,771	203,781	1,060,552
2021	843,105	185,812	1,028,917
2022	859,425	166,752	1,026,177
2023-2027	3,056,910	580,557	3,637,467
2028-2032	1,939,889	250,077	2,189,966
2033-2037	807,866	111,704	919,570
2038-2042	850,845	41,764	892,609
2043-2045	340,336		340,336
Total	<u>\$ 12,041,744</u>	<u>\$ 2,011,121</u>	<u>\$ 14,052,865</u>

Details relating to general obligation (serial) bonds of the Town outstanding at December 31, 2017, are summarized as follows:

Description	Date of Original Issue	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
Sewer Fund				
2004b NYSEFC	Mar-2004	Mar-2024	1.06-4.48%	\$ 125,000
2008	May-2008	May-2023	3.25-4.00%	210,000
2012b NYSEFC	Jun-2012	Jun-2042	0.26-4.27%	410,000
2013b NYSEFC	Jun-2013	Jun-2043	0.26-4.76%	930,000
2015b NYSEFC	Dec-2015	Oct-2045	0%	2,714,762
2013	Sep-2013	Jul-2022	2.0-3.0%	290,662
				<u>4,680,424</u>
Highway Fund				
2013	Jun-2013	Jun-2026	2.0-3.0%	1,410,000
2015	Dec-2015	Dec-2020	2.50%	105,000
2013	Feb-2013	Feb-2018	2.10%	32,000
2013	Sep-2013	Jul-2022	2.0-3.0%	1,292,581
				<u>2,839,581</u>
General Fund-Part Town				
2013	Sep-2013	Jul-2022	2.0-3.0%	136,757
				<u>136,757</u>
General Fund-Landfill				
2014 NYSEFC	Jul-2014	Jun-2036	0.18-3.51%	1,085,000
2015 NYSEFC	Aug-2015	Mar-2031	0.20-3.65%	3,299,982
				<u>4,384,982</u>
Total				<u>\$ 12,041,744</u>

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Interest costs for long-term debt for the year ended December 31, 2017 were as follows:

Total interest for the year was as follows:

Interest Paid	\$ 278,701
Premium Amortization	(9,535)
Less: Interest Accrued in the Prior Year	(75,263)
Plus: Interest Accrued in the Current Year	<u>83,222</u>
Total Interest Expense on Long-Term Debt	<u>\$ 277,125</u>

Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the Town. The Town may issue indebtedness to the extent that the aggregate outstanding debt issued, which is subject to such limit, does not exceed 7% of the average full valuation of taxable real estate within such Town. At December 31, 2017, the total outstanding indebtedness of the Town aggregated \$18,136,744, of this amount; \$15,107,710 was subject to the constitutional debt limit and represented approximately 13.37% of its statutory debt limit.

Pension Plans

(a) Plan Description & Benefits Provided

The Town participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2014, he was elected for a new term commencing January 1, 2015. 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 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, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) 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 who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

For the Year Ended March 30	ERS
2018	\$ 425,494
2017	\$ 432,286
2016	\$ 445,475

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

At December 31, 2017, the Town reported a liability of \$995,872 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2017, 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 December 31, 2017 and 2016, the Town's proportion of the net pension liability was 0.0105986 percent and 0.01073667 percent respectively.

For the year ended December 31, 2017, the Town recognized pension expense of \$564,715. At December 31, 2017, the Town reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 24,956	\$ 151,229
Change of Assumptions	340,226	
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	198,916	
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	20,680	25,394
Contributions Subsequent to the Measurement Date	425,494	
Total	<u>\$ 1,010,272</u>	<u>\$ 176,623</u>

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

<u>Year Ended June 30,</u>	<u>ERS</u>
2018	\$ 187,848
2019	\$ 187,848
2020	\$ 164,564
2021	\$ (132,105)

(d) *Actuarial Assumptions*

The total pension liability at March 31, 2017 was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2016 valuation were as follows:

Investment Rate of Return

(Net of Investment Expense,
including Inflation)

7.00%

Salary Scale

3.80%

Decrement Tables

April 1, 2010 - March 31, 2015

System's Experience

Inflation Rate

2.50%

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36.00%	4.55%
International Equity	14.00%	6.35%
Private Equity	10.00%	7.75%
Real Estate	10.00%	5.80%
Absolute Return Strategies	2.00%	4.00%
Opportunistic Portfolio	3.00%	5.89%
Real Assets	3.00%	5.54%
Bonds and Mortgages	17.00%	1.31%
Cash	1.00%	-0.25%
Inflation-Indexed Bonds	4.00%	1.50%

(e) *Discount Rate*

The discount rate used to calculate the total pension asset/liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

(f) *Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption*

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

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Proportionate Share of the Net Pension Liability (Assets)			
ERS	\$ 3,180,617	\$ 995,872	\$ (851,326)

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

(g) *Pension Plan Fiduciary Net Position*

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

Other Postemployment Benefits (OPEB)

(a) *Plan Description*

The Town administers the Medical Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit plan. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the Town subject to applicable collective bargaining and employment agreements. Generally, employees may retire with benefits when they reach the minimum age of 55 and have 20 years of service with the Town.

The Plan does not issue a stand-alone publicly available financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

(b) *Funding Policy*

The obligations of the Plan members, employers, and other entities are established by action of the Town pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. For the year ended December 31, 2017, the Town's contributions to the Plan ranged from 85% to 100% of the required annual premiums. The retirees currently contribute enough money to the Plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the Plan are paid by the Town.

The Town's other postemployment benefit (OPEB) cost for all employee health insurance benefits is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation.

(c) *Annual OPEB Cost*

	Total
Normal Cost	\$ 390,356
Amortization of UAL	<u>513,606</u>
ARC	903,962
Interest on OPEB Obligation	151,881
Adjustment to ARC	<u>(285,258)</u>
OPEB Expense	<u>\$ 770,585</u>

(d) *Reconciliation of Net OPEB Obligation*

Net OPEB Obligation at the Beginning of the Year	\$ 4,339,461
Annual Required Contribution	770,585
Net OPEB Contributions Made During the Fiscal Year	<u>(278,300)</u>
Net OPEB Obligation at the End of the Year	<u>\$ 4,831,746</u>
Percentage of Expense Contributed	36.1%

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

(e) *Trend Information*

<u>Fiscal Year Ending</u>	<u>Net OPEB Expense</u>	<u>OPEB Expense Contributed</u>	<u>% of Expense Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2015	\$ 646,854	\$ 279,131	43.2%	\$ 3,959,914
December 31, 2016	\$ 673,558	\$ 294,011	43.7%	\$ 4,339,461
December 31, 2017	\$ 770,585	\$ 278,300	36.1%	\$ 4,831,746

(f) *Funding Status*

Actuarial Accrued Liability	\$ 7,548,974
Actuarial Value of Assets	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 7,548,974</u>
Funded Ratio	0%

(g) *Actuarial Methods and Assumptions*

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. For this reason, the results in this report should be viewed as estimates. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The projections of benefits are based on the types of benefits provided under the substantive plan at the time of the valuation date and on the pattern of cost-sharing between the employer and Plan members. In addition, the projections do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and Plan members in the future.

The actuarial calculations reflect a long-term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial measurement date was dated January 1, 2017.

(h) *Health Care Trend Factors*

Medical care costs are assumed to increase in accordance with the following schedule:

<u>Year</u>	<u>Trend</u>
2017	6.5%
2018 and Later	6.3% to 4.3%

(i) *Additional Information*

Actuarial Valuation Date	January 1, 2017
Actuarial Cost Method	Projected Unit Credit
Amortization Period	30
Funding Interest Rate	4%

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Interfund receivables and Payables

Interfund receivables and payables at December 31, 2017, were as follows:

<u>Fund Type</u>	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
General Whole Town	\$ 175,000	\$
Trust and Agency		175,000
Total	<u>\$ 175,000</u>	<u>\$ 175,000</u>

6. LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

The Town established a defined benefit LOSAP for the active volunteer firefighters of the Liverpool Fire Co., Inc. The Liverpool Fire Co., Inc. Service Award Program took effect on March 1, 1997. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded, pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town is the sponsor of the program.

The Town's financial statements are for the years ended December 31, 2016. However, the actuarially calculated obligations of the plan contained in this note is based on information for the LOSAP for the plan year ended on January 1, 2016, which is the most recent plan year for which complete information is available.

Under Section 4579(e)(11) of the Internal Revenue Code, Service Award Programs for volunteer firefighters and EMS volunteers are referred to as LOSAP.

Participation, Vesting, and Service Credit

Active volunteer firefighters who have reached the age of 18 and who are current active members for one year on the Emergency Service organization's membership roster are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 55. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates points in accordance with the method used by the sponsor to determine active status. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed forty. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by the Fire Company having members who participate in the program. The Fire Company must maintain all required records on forms prescribed by the governing board.

The governing board of the sponsor has retained and designated Unity Mutual Life Insurance Company to assist in the administration of the program. The designated program administrator's functions include providing flexible premium group annuities.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The trust agreement is dated March 10, 1997, and the trustees are the Town Clerk and the Town Comptroller.

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

6. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (Continued)

The Town is required to retain an actuary to determine the amount of the Town's contributions to the plan. The actuary retained by the Town for this purpose is Ascensus, Inc. Portions of the following information are derived from the valuation report prepared by the actuary dated April 26, 2016.

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Benefits at December 31, 2017	\$	1,959,102
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Less: Assets Available for Benefits

	<u>% of Total</u>	
Mutual Funds	82%	\$ 1,200,546
Annuities	18%	<u>\$ 270,157</u>

Total Net Assets Available for Benefits		<u>1,470,703</u>
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Total Unfunded Benefits		739,858
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Less: Unfunded Liability for Prior Service		<u>(739,858)</u>
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Unfunded Normal Benefits	\$	<u>0</u>
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Prior Service Costs

Prior service costs are being amortized over a range of 10 to 15 years at a discount rate of 5.25%.

Plan Net Assets, beginning of year	\$	1,459,779
Changes during the year		<u>10,924</u>
Plan Net Assets, end of year	\$	<u>1,470,703</u>

Contributions

Amount of Town's contribution recommended by actuary: \$157,332 to \$178,082. Actual contributions were \$175,000 for the year ended December 31, 2017.

Funding Methodology and Actuarial Assumptions

Normal Costs

The actuarial valuation methodology used by the actuary to determine the Town's contribution is the unit credit cost method.

The assumptions used by the actuary to determine the Town's contribution and the actuarial present value of benefits are:

Assumed rate of return on investment 5.25%

Mortality Tables used for Retirement were the 1994 Group Annuity-Male. No other mortality tables were used.

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

7. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and Federal law and regulations require the Town to repair and replace the final cover on its solid waste landfill which stopped accepting waste in the 1980's and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Primary closing and a water treatment plant have been completed in 2015. The Town receives reimbursement from the State for 75% of the eligible costs.

The US Environmental Protection Agency (EPA) identified the Town of Salina as a potentially responsible party (PRP), along with six other parties, for contamination that exists in the Lower Ley Creek subsite to the Onondaga Lake Superfund Site. The basis for this finding was the assertion that contaminants from the former Salina landfill have migrated and/or leached into the Lower Ley Creek. The estimated cost of the remedial design has been determined to total \$1,735,300 and shall be equally divided amongst all of the PRPs. The Town's total allocated share is \$247,900, and shall be paid in two (2) equal payments of \$123,950. The Town's first payment was made in April 2017; the second payment shall be made on or before April 1, 2018.

The present value of future costs to monitor the landfill, including the above remediation costs, is established at approximately \$2,036,684. This liability is reflected in the government-wide financial statements.

These amounts are based on estimates of what it would cost to perform all post closure care as of December 31, 2017. Actual costs may be higher in the near term due to approval of certain elements by the New York State Department of Environmental Conservation, inflation, changes in technology or changes in regulations.

8. COMMITMENTS AND CONTINGENCIES

Litigation

The US Environmental Protection Agency (EPA) identified the Town of Salina as a potentially responsible party (PRP), along with six other parties, for contamination that exists in the Lower Ley Creek subsite to the Onondaga Lake Superfund Site. The basis for this finding was the assertion that contaminants from the former Salina landfill have migrated and/or leached into the Lower Ley Creek. The estimated cost of the remedial design has been determined to total \$1,735,300 and shall be equally divided amongst all of the PRPs. The Town's total allocated share is \$247,900, and shall be paid in two (2) equal payments of \$123,950. The Town's first payment was made in April 2017; the second payment shall be made on or before April 1, 2018. The preliminary design investigation work plan was submitted and approved by EPA. The PRP Group's technical advisor, ARCADIS, is currently completing the design investigation work at the subsite. The potential liability for the full project has not been determined.

Potential Grantor Liability

The Town has received proceeds from various state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that programs have been operated in accordance with grant agreements and any required refunds will be minimal. No provision has been made in the accompanying financial statements for the refund of grant monies.

9. DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and administered by New York State. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts are immediately 100% vested to the participant. The Town does not make contributions to the 457 plan.

TOWN OF SALINA, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

10. FUND BALANCE

- (a) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at December 31, 2017:

	General Whole Town	General Part Town	Highway	Fire	Sewer	Refuse	Capital	Non-Major Governmental	Total
Nonspendable	\$ 115,452	\$ 12,343	\$ 99,241	\$	\$	\$	\$	\$	\$ 227,036
Restricted									
Reserve for Town Hall Repair	66,000								66,000
Reserve for Debt Service								39,208	39,208
Reserve for Highway Equipment			2,663						2,663
Total Restricted	<u>66,000</u>		<u>2,663</u>					<u>39,208</u>	<u>107,871</u>
Assigned									
Landfill Closure	232,501								232,501
Public Safety				33,036					33,036
Transportation			945,695						945,695
Home and Community Services		787,528			653,792	242,796		413,938	2,098,054
Total Assigned	<u>232,501</u>	<u>787,528</u>	<u>945,695</u>	<u>33,036</u>	<u>653,792</u>	<u>242,796</u>		<u>413,938</u>	<u>3,309,286</u>
Unassigned	<u>2,163,730</u>						(6,038,113)		<u>(3,874,383)</u>
Total Fund Equity	<u>\$ 2,577,683</u>	<u>\$ 799,871</u>	<u>\$ 1,047,599</u>	<u>\$ 33,036</u>	<u>\$ 653,792</u>	<u>\$ 242,796</u>	<u>\$ (6,038,113)</u>	<u>\$ 453,146</u>	<u>\$ (230,190)</u>

- (b) The following is a summary of the change in restricted reserve funds during the year ended December 31, 2017

	Beginning Balance	Additions	Disbursement	Ending Balance
General Fund				
Town Hall Repair Reserve	\$ 66,000	\$	\$	\$ 66,000
Reserve-DWI Justice Court	1,815		1,815	
	<u>67,815</u>		<u>1,815</u>	<u>66,000</u>
Highway Part Town Fund				
Highway Equipment Capital Reserve	<u>134,086</u>	<u>2,499</u>	<u>133,922</u>	<u>2,663</u>
Debt Service Fund				
Restricted for Debt-Salina Sewer #5		74,458	74,458	
Restricted for Debt-Mattydale Sewer District Phase 3		160,481	160,481	
Restricted for Debt-2015 Dump Truck		5,210	5,210	
Restricted for Debt-Hickory Hollow	<u>47,959</u>		<u>8,751</u>	<u>39,208</u>
	<u>47,959</u>	<u>240,149</u>	<u>248,900</u>	<u>39,208</u>
Total	<u>\$ 249,860</u>	<u>\$ 242,648</u>	<u>\$ 384,637</u>	<u>\$ 107,871</u>

11. DEFICIT FUND BALANCES

Capital

The Capital Fund had a fund deficit of \$6,038,113 at December 31, 2017. This deficit is due to the timing of funding and reimbursements for active capital projects. The deficit will be eliminated when permanent financing is obtained or appropriations are made from the appropriate funds.

12. PRIOR PERIOD ADJUSTMENT

Sewer Fund

There was a prior period adjustment of \$30,000 made in the sewer fund in the current year. This adjustment related to the fund's debt offered by New York State EFC. The amount represents money that should have been recorded as revenue in the prior year as depicted from the debt adjustment statements from New York State EFC.

TOWN OF SALINA, NEW YORK
SCHEDULES OF FUNDING PROGRESS OF OTHER POST EMPLOYMENT BENEFITS
For the Year Ended December 31, 2017

<u>Fiscal Year Ending</u>	<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability-Projected Unit Credit</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
		(a)	(b)	(b)-(a)	(a)/(b)	(c)	[(b)-(a)]/(c)
12/31/2015	1/1/2014	\$ 0	\$ 6,774,563	\$ 6,774,563	0%	\$ 2,889,804	234%
12/31/2016	1/1/2014	\$ 0	\$ 7,051,798	\$ 7,051,798	0%	\$ 3,158,913	223%
12/31/2017	1/1/2017	\$ 0	\$ 7,548,974	\$ 7,548,974	0%	\$ 3,422,085	221%

See Independent Auditor's Report

TOWN OF SALINA, NEW YORK
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended December 31, 2017

ERS Pension Plan

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.1059860%	0.0107366%	0.0112407%
Town's proportionate share of the net pension liability	\$ 995,872	\$ 1,723,249	\$ 379,740
Town's covered-employee payroll	\$ 3,422,085	\$ 3,158,913	\$ 2,889,804
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	29%	55%	13%
Plan fiduciary net position as a percentage of total pension liability	94.7%	90.7%	97.9%

Information is presented only for the years available.

TOWN OF SALINA, NEW YORK
SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS
For the Year Ended December 31, 2017

ERS Pension Plan

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 425,494	\$ 432,286	\$ 445,475	\$ 574,354	\$ 529,061	\$ 524,884	\$ 446,260
Contributions in Relation to the Contractually Required Contribution	<u>425,494</u>	<u>432,286</u>	<u>445,475</u>	<u>574,354</u>	<u>529,061</u>	<u>524,884</u>	<u>446,260</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Town's Covered-ERS Employee Payroll	\$ 2,827,238	\$ 2,841,664	\$ 3,158,913	\$ 2,889,804	\$ 2,564,511	\$ 2,662,215	\$ 2,759,918
Contributions as a Percentage of Covered-Employee Payroll	15.05%	15.21%	14.10%	19.88%	20.63%	19.72%	16.17%

Information is presented only for the years available.

TOWN OF SALINA, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - GENERAL WHOLE TOWN FUND
For the Year Ended December 31, 2017

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Real Property Taxes	\$ 2,795,336	\$ 2,795,336	\$ 2,794,476	\$ (860)
Other Real Property Tax Items	96,720	96,720	95,651	(1,069)
Nonproperty Tax Items	580,000	580,000	570,631	(9,369)
Departmental Income	20,300	20,300	24,428	4,128
Use of Money and Property	4,000	4,000	4,561	561
Licenses and Permits	33,810	33,810	34,277	467
Fines and Forfeitures	307,500	307,500	284,698	(22,802)
Miscellaneous	68,633	68,633	86,466	17,833
State Aid	716,768	723,768	796,907	73,139
Federal Aid				
Total Revenues	<u>4,623,067</u>	<u>4,630,067</u>	<u>4,692,095</u>	<u>62,028</u>
Expenditures				
General Government Support	1,962,929	2,070,288	1,877,050	193,238
Public Safety	171,068	197,486	174,400	23,086
Public Health	18,000	18,000	18,000	
Transportation	227,933	252,933	237,795	15,138
Home and Community Services	305,700	186,525	155,918	30,607
Culture and Recreation	756,486	764,194	721,407	42,787
Employee Benefits	1,077,102	1,053,452	1,014,330	39,122
Debt Service - Principal	300,000	300,000	300,000	
Debt Service - Interest	65,922	60,922	52,981	7,941
Total Expenditures	<u>4,885,140</u>	<u>4,903,800</u>	<u>4,551,881</u>	<u>351,919</u>
Excess (Deficit) Revenues Over Expenditures	<u>(262,073)</u>	<u>(273,733)</u>	<u>140,214</u>	<u>413,947</u>
Other Financing Sources				
Interfund Transfers From			180	180
Interfund Transfers To		54,281		54,281
Appropriated Fund Balance	262,073	219,452		(219,452)
Total Other Financing Sources	<u>262,073</u>	<u>273,733</u>	<u>180</u>	<u>(164,991)</u>
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 140,394</u>	<u>\$ 248,956</u>

TOWN OF SALINA, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - GENERAL PART TOWN FUND
For the Year Ended December 31, 2017

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Real Property Taxes	\$ 1,008,472	\$ 1,008,472	\$ 1,004,140	\$ (4,332)
Other Real Property Tax Items	26,672	26,672	22,371	(4,301)
Departmental Income	76,750	76,750	165,604	88,854
Use of Money and Property	750	750	734	(16)
Miscellaneous	1,500	1,500	766	(734)
Total Revenues	<u>1,114,144</u>	<u>1,114,144</u>	<u>1,193,615</u>	<u>79,471</u>
Expenditures				
General Government Support	12,924	13,974	13,966	8
Public Safety	306,718	341,063	282,707	58,356
Transportation	578,000	578,000	528,279	49,721
Home and Community Services	138,845	140,358	111,152	29,206
Employee Benefits	173,305	172,255	139,243	33,012
Debt Service - Principal	29,700	29,700	29,700	
Debt Service - Interest	2,997	2,997	2,997	
Total Expenditures	<u>1,242,489</u>	<u>1,278,347</u>	<u>1,108,044</u>	<u>170,303</u>
Excess (Deficit) Revenues Over Expenditures	<u>(128,345)</u>	<u>(164,203)</u>	<u>85,571</u>	<u>249,774</u>
Other Financing Sources				
Interfund Transfers From				
Appropriated Fund Balance	<u>128,345</u>	<u>164,203</u>		<u>(164,203)</u>
Total Other Financing Sources	<u>128,345</u>	<u>164,203</u>		<u>(164,203)</u>
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 85,571</u>	<u>\$ 85,571</u>

TOWN OF SALINA, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - HIGHWAY FUND
For the Year Ended December 31, 2017

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Real Property Taxes	\$ 4,393,332	\$ 4,393,332	\$ 4,388,928	\$ (4,404)
Other Real Property Tax Items	98,834	98,834	79,718	(19,116)
Departmental Income	73,153	73,153	90,115	16,962
Use of Money and Property	3,000	3,000	2,103	(897)
Sale of Property and Compensation for Loss	10,500	10,500	6,479	(4,021)
State Aid	<u>255,632</u>	<u>255,632</u>	<u>395,185</u>	<u>139,553</u>
Total Revenues	<u>4,834,451</u>	<u>4,834,451</u>	<u>4,962,528</u>	<u>128,077</u>
Expenditures				
General Government Support	62,843	64,249	59,507	4,742
Transportation	2,914,636	3,723,737	3,409,274	314,463
Employee Benefits	1,141,307	1,106,401	1,059,277	47,124
Debt Service - Principal	649,750	649,750	644,750	5,000
Debt Service - Interest	<u>95,587</u>	<u>95,587</u>	<u>85,086</u>	<u>10,501</u>
Total Expenditures	<u>4,864,123</u>	<u>5,639,724</u>	<u>5,257,894</u>	<u>381,830</u>
(Deficit) Revenues Over Expenditures	<u>(29,672)</u>	<u>(805,273)</u>	<u>(295,366)</u>	<u>509,907</u>
Other Financing Sources				
Interfund Transfers From		641,679		(641,679)
Appropriated Capital Reserve		133,922		(133,922)
Appropriated Fund Balance	<u>29,672</u>	<u>29,672</u>		<u>(29,672)</u>
Total Other Financing Sources	<u>29,672</u>	<u>805,273</u>		<u>(805,273)</u>
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ (295,366)</u>	<u>\$ (295,366)</u>

See Independent Auditor's Report

TOWN OF SALINA, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - FIRE FUND
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Actual</u>	<u>Variance with Amended Budget</u>
Revenues				
Real Property Taxes	\$ 1,744,219	\$ 1,744,219	\$ 1,742,471	\$ (1,748)
Total Revenues	<u>1,744,219</u>	<u>1,744,219</u>	<u>1,742,471</u>	<u>(1,748)</u>
Expenditures				
General Government Support				
Public Safety	1,584,219	1,584,219	1,572,235	11,984
Employee Benefits	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	
Total Expenditures	<u>1,759,219</u>	<u>1,759,219</u>	<u>1,747,235</u>	<u>11,984</u>
(Deficit) Expenditures Over Revenues	<u>(15,000)</u>	<u>(15,000)</u>	<u>(4,764)</u>	<u>10,236</u>
Appropriated Fund Balance	<u>15,000</u>	<u>15,000</u>		<u>(15,000)</u>
Total Other Financing Sources	<u>15,000</u>	<u>15,000</u>		<u>(15,000)</u>
(Deficit) Expenditures Over Revenues and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ (4,764)</u>	<u>\$ (4,764)</u>

TOWN OF SALINA, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - SEWER FUND
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Actual</u>	<u>Variance with Amended Budget</u>
Revenues				
Real Property Taxes	\$ 1,018,716	\$ 1,018,716	\$ 1,018,736	\$ 20
Departmental Income	9,300	9,300	9,432	132
Use of Money and Property	760	760	1,069	309
Total Revenues	<u>1,028,776</u>	<u>1,028,776</u>	<u>1,029,237</u>	<u>461</u>
Expenditures				
Home and Community Services	597,250	597,250	394,902	202,348
Debt Service - Principal	417,379	417,379	417,379	
Debt Service - Interest	114,147	114,147	102,372	11,775
Total Expenditures	<u>1,128,776</u>	<u>1,128,776</u>	<u>914,653</u>	<u>214,123</u>
Excess (Deficit) Revenues Over Expenditures	<u>(100,000)</u>	<u>(100,000)</u>	<u>114,584</u>	<u>214,584</u>
Other Financing Sources				
Appropriated Fund Balance	<u>100,000</u>	<u>100,000</u>		<u>(100,000)</u>
Total Other Financing Sources	<u>100,000</u>	<u>100,000</u>		<u>(100,000)</u>
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 114,584</u>	<u>\$ 114,584</u>

TOWN OF SALINA, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - REFUSE FUND
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Actual</u>	<u>Variance with Amended Budget</u>
Revenues				
Real Property Taxes	\$ 1,803,844	\$ 1,803,844	1,803,985	\$ 141
Use of Money and Property			455	455
Total Revenues	<u>1,803,844</u>	<u>1,803,844</u>	<u>1,804,440</u>	<u>596</u>
Expenditures				
Home and Community Services	<u>1,803,844</u>	<u>1,803,844</u>	<u>1,718,980</u>	<u>84,864</u>
Total Expenditures	<u>1,803,844</u>	<u>1,803,844</u>	<u>1,718,980</u>	<u>84,864</u>
Excess Revenues Over Expenditures	<u>\$</u>	<u>\$</u>	<u>\$ 85,460</u>	<u>\$ 85,460</u>

TOWN OF SALINA, NEW YORK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Debt Service	Water	Ambulance	Parks	Electronics Parkway Drainage	Total Nonmajor Governmental Funds
Assets						
Current Assets						
Unrestricted Cash	\$ 303,399	\$ 44,577	\$ 23,104	\$	\$ 71,499	\$ 442,579
Restricted Cash	39,208					39,208
Total Current Assets	<u>\$ 342,607</u>	<u>\$ 44,577</u>	<u>\$ 23,104</u>	<u>\$</u>	<u>\$ 71,499</u>	<u>\$ 481,787</u>
Liabilities and Fund Equity						
Current Liabilities						
Accrued Interest	\$ 28,641	\$	\$	\$	\$	\$ 28,641
Total Current Liabilities	<u>28,641</u>					<u>28,641</u>
Fund Equity						
Restricted	39,208					39,208
Assigned	274,758	44,577	23,104		71,499	413,938
Total Fund Equity	<u>313,966</u>	<u>44,577</u>	<u>23,104</u>		<u>71,499</u>	<u>453,146</u>
Total Liabilities and Fund Equity	<u>\$ 342,607</u>	<u>\$ 44,577</u>	<u>\$ 23,104</u>	<u>\$</u>	<u>\$ 71,499</u>	<u>\$ 481,787</u>

See Independent Auditor's Report

TOWN OF SALINA, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	Debt Service	Water	Ambulance	Parks	Electronics Parkway Drainage	Total Nonmajor Governmental Funds
Revenues						
Real Property Taxes	\$	\$ 49,128	\$	\$	\$	\$ 49,128
Use of Money and Property	334					334
Premium From Debt	94,522					94,522
Total Revenues	94,856	49,128				143,984
Expenditures						
Public Safety		45,725				45,725
Debt Service - Principal	95,406					95,406
Debt Service - Interest	8,751					8,751
Total Expenditures	104,157	45,725				149,882
Excess (Deficit) Revenues Over Expenditures	(9,301)	3,403				(5,898)
Other Financing Sources (Uses)						
Interfund Transfers From	240,149					240,149
Interfund Transfers To				(180)		(180)
Total Other Financing Sources (Uses)	240,149			(180)		239,969
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	230,848	3,403		(180)		234,071
Fund Equity, Beginning of Year	83,118	41,174	23,104	180	71,499	219,075
Fund Equity, End of Year	\$ 313,966	\$ 44,577	\$ 23,104	\$	\$ 71,499	\$ 453,146

See Independent Auditor's Report

FORM OF BOND COUNSEL'S OPINION

June 13, 2019

Town of Salina
Town Hall - 201 School Road
Liverpool, New York 13088

Re: Town of Salina, Onondaga County, New York
\$6,480,000 Bond Anticipation Notes, 2019 (Renewals)

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$6,480,000 Bond Anticipation Notes, 2019 (Renewals) (the "Notes"), of the Town of Salina, Onondaga County, New York, State of New York (the "Town"). The Notes are being issued pursuant to the Constitution and laws of the State of New York, including the Town Law, Local Finance Law and Resolutions of the Town adopted on February 25, 2008, April 28, 2008, May 26, 2009, and March 12, 2018 and a certificate of Determination dated the date hereof 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 certain 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 Supervisor of 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.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage and Use of Proceeds Certificate and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

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 Note, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

TRESPASZ & MARQUARDT, LLP