

# PRELIMINARY OFFICIAL STATEMENT DATED JULY 30, 2018

## NEW ISSUE

## BOND ANTICIPATION NOTES

*In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law and (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, however interest on the Notes is included in the calculation of a corporation's adjusted current earnings for purposes of, and thus may be subject to, the corporate alternative minimum tax (applicable only to taxable years beginning before January 1, 2018) and the Notes are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code and (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Notes may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "Tax Matters" herein.*

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

**\$6,000,000**

### **BOND ANTICIPATION NOTES – 2018 (the "Notes")**

Dated Date: August 23, 2018

Maturity Date: August 23, 2019

**Security and Sources of Payment:** The Notes are general obligations of the Town of Plattsburgh, Clinton County, New York (the "Town"), and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"). (See "Tax Levy Limit Law," herein).

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

**Form and Denomination:** At the option of the purchaser, the Notes may be either registered to the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes. For those Notes registered to the purchaser, a single note certificate shall be delivered to the purchaser(s), for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Those Notes issued in book-entry form will be issued as registered notes, and, when 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. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Individual purchases of any Notes issued in book-entry form may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof. Noteholders will not receive certificates representing their respective ownership interests in any Notes issued in book-entry form. (See "Book-Entry System" herein).

**Payment:** Payment of the principal of and interest on any Notes issued in book-entry form 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 Participants or Indirect Participants and not of DTC or the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. Principal and interest payments on any book-entry Notes shall be payable at the office of the Town Clerk. See "Book-Entry System" herein. Payment of the principal of and interest on the Notes registered to the Purchaser will be payable in lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

Proposals for the Notes will be received at 11:00 A.M. (Prevailing Time) on August 8, 2018 at the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

*The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the final approving opinion of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel. It is expected that the Notes will be available for delivery in Jersey City, New Jersey or as otherwise agreed with the purchaser on or about August 23, 2018.*

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



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Ricky Collins, Town Clerk  
James Coffey, Esq., Attorney for the Town

\* \* \*

**BOND COUNSEL**



Squire Patton Boggs (US) LLP  
New York, New York

\* \* \*

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

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# **OFFICIAL STATEMENT**

## **Relating to**

### **TOWN OF PLATTSBURGH CLINTON COUNTY, NEW YORK**

#### **\$6,000,000 BOND ANTICIPATION NOTES – 2018 (the “Notes”)**

This Official Statement, including the cover page and appendices thereto, has been prepared by the Town and presents certain information relating to the Town's \$6,000,000 Bond Anticipation Notes – 2018 (the “Notes”). All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York (the “State”) and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

## **THE NOTES**

### **Description of the Notes**

The Notes are general obligations of the Town. The Town has pledged its faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See “*Tax Levy Limit Law*” herein).

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

Paying agent fees, if any, for those Notes registered to the purchaser will be paid by the purchaser(s).

The Town will act as Fiscal Agent for any Notes, issued in book-entry form. The Town’s contact information is as follows: Patrick Bowen, Finance Manager, Town of Plattsburgh, Town Hall, 151 Banker Road, Plattsburgh, New York 12901, telephone number 518/562-6837, email: [patrickb@townofplattsburgh.org](mailto:patrickb@townofplattsburgh.org).

### **Optional Redemption**

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

### **Book-Entry System**

DTC will act as securities depository for any Notes issued as book-entry notes. Such Notes will be issued as fully-registered securities, 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 and deposited with DTC for each maturity of the Notes.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of certificates.

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

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

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

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Town on the payable date, in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC (nor its nominee) or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

### **Authorization and Purpose**

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

Notes of this Issue	Bond Resolution	Date of Adoption by Town Board
\$ 500,000	\$1,433,000 Serial Bond Resolution (Improvements to Base Sewer District)	March 15, 2018
500,000	\$4,567,944 Serial Bond Resolution (Improvements to Base Water District)	March 15, 2018
1,000,000	\$4,780,000 Serial Bond Resolution (Improvements to Consolidated Sewer District)	March 15, 2018
4,000,000	\$13,194,899 Serial Bond Resolution (Improvements to Consolidated Water District)	March 15, 2018
<u>6,000,000</u>	Total Notes of this Issue	

### **Nature of Obligation**

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

Holders of any series of 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 the applicable provisions of Chapter 97 of the Laws of 2011.

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 Limit Law," herein.

## **Tax Levy Limit Law**

On June 24, 2011, Chapter 97 of the Laws of 2011 (the “Tax Levy Limit Law” or “TLLL”) was enacted. The Tax Levy Limit Law expires on June 16, 2020 unless extended. The Tax Levy Limit Law imposes a tax levy limitation on the Town for any fiscal year each commencing after January 1, 2012 without providing an express exclusion for real property taxes levied for payment of principal of and interest on general obligations issued by the Town under the Local Finance Law. Accordingly, the power of the Town to levy real property taxes on all taxable real property within the Town without limitation as to rate or amount in furtherance of the pledge of its faith and credit as required in the New York Constitution is subject to statutory limitations pursuant to formulae set forth in the Tax Levy Limit Law.

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

Nonetheless, the TLLL does not provide an express exclusion from the tax levy limitation for payment of principal and interest on general obligations authorized and issued by the Town under the Local Finance Law. A plain English reading of the TLLL compared with the applicable and corresponding provisions of Article VIII of the New York Constitution (Local Government Finance) could lead to the conclusion that the TLLL is contrary to and violative of certain provisions of Article VIII the New York Constitution. On February 19, 2013, the New York State United Teachers organization (“NYSUT”) filed a lawsuit in State Supreme Court in Albany against the State, challenging Chapter 97 of the Laws of 2011 as applied to school districts on multiple federal and state constitutional grounds. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT’s causes of action but granted NYSUT’s motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015, a New York State Supreme Court Justice denied NYSUT’s motion for a preliminary injunction and dismissed all causes of action contained in NYSUT’s second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016, the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution “does not require that equal educational offerings be provided to every student”, and further noted “the legitimate government interest of restraining crippling property tax increases”. Press reports indicate that NYSUT is reviewing the decision and is likely to appeal to the Court of Appeals.

Aside from the State United Teachers lawsuit, as of the date hereof, the Town, without diligence, is unaware of any action threatened or pending in a court of competent jurisdiction to challenge the constitutionality or validity of the TLLL, or any administrative proceeding noticed or scheduled by a committee of the Legislature or a State agency to gather evidence and determine whether corrective legislative action is required to ensure that the TLLL is a valid general law. In the opinion of bond counsel, under current law, the limitations imposed by TLLL on real property tax levies do not diminish the prior lien on the first revenues of the Town set forth in the New York State Constitution and established by the aforesaid pledge of the Town’s faith and credit requiring the Town to raise the necessary moneys and to exceed normal real estate tax limitations to pay the principal of and interest on the Notes. Bond counsel expresses no opinion on the validity of Chapter 97 of the Laws of 2011 under the applicable provisions of Article VIII of the New York Constitution.



## **SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT**

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

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

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

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

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

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

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

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

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such Town 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, as described below, enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

**Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law.** The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an “emergency financial control board” for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in 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 Town has not applied to the FRB and does not 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 noteholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “Nature of Obligation” and “State Debt Moratorium Law” herein.

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

## **MARKET MATTERS**

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.

There can be no assurance that the State appropriation for State aid to the Town will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. (See "State Aid" herein).

Should the Town fail to receive monies expected from the State in the amounts and at the times expected, the Town is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

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. 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 the 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 could have an adverse effect on the market value of the Notes (See "*Tax Matters*" herein).

The enactment of Chapter 97 of the Laws of 2011 on June 24, 2011, which imposes a tax levy limitation upon municipalities, school districts, including the Town, and fire districts in the State could have an impact upon operations of the Town and as a result, the market price for the Notes. (See "Tax Levy Limit Law," herein).

## **THE TOWN**

There follows in this Official Statement a brief description of the Town, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures and general and specific funds.

### **General Information**

The Town, which is a First Class Town pursuant to State Law, encompasses an area of 48 square miles and has a population of 11,866 according to the 2016 U.S. Census, is located in the central eastern portion of the County and completely surrounds the City of Plattsburgh. It is bound on the north by the Town of Beekmantown, on the west by the Town of Saranac, on the south by the Towns of Schuyler Falls and Peru and on the east by Lake Champlain.

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

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

### **Government**

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

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

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

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

### **Utilities and Other Services**

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

### **Transportation**

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

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

### **Plattsburgh International Airport**

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

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

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

- Approximately 60,000 +/- SF expansion of the existing terminal building including additional boarding gates, ticket counters, passenger screening facilities, concessions, baggage makeup and claim facilities, passenger circulation and waiting rooms and concessions.
- Re-configuration and expansion of vehicular access and circulation roadway system within the airport property.

- Re-configuration and expansion of existing terminal parking lot to accommodate future demand and replace parking capacity that will be lost due to the terminal building expansion.
- Convert the existing aircraft apron between nose docks 7 and 8 to vehicle parking lots to provide vehicle parking to accommodate 2030 forecast demand and replace parking capacity that will be lost due to terminal building expansion.
- Upgrade and reallocation of utilities, as needed.
- Storm water management measures needed to meet regulatory requirements for added impervious surface.
- Security enhancements as needed to comply with Transportation Security Administration requirements for perimeter and access control, monitoring, etc.

### **Education**

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

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

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

### **Healthcare**

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

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

### **Culture and Recreation**

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

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

## Employees

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

<u>Name of Union</u>	<u>Approximate Membership</u>	<u>Date Contract Expires</u>
Teamster Local 687	30	12/31/2019

## ECONOMIC AND DEMOGRAPHIC INFORMATION

### Population Characteristics

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

<u>Year</u>	<u>Town of Plattsburgh</u>	<u>Clinton County</u>	<u>State of New York</u>
1990	11,241	85,969	17,990,455
2000	11,190	79,894	18,976,457
2010	11,844	82,128	19,378,102
2016	11,866	81,505	19,697,457

Source: U.S. Bureau of the Census

### Income Data

	<u>Per Capita Money Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2016<sup>a</sup></u>
Town of Plattsburgh	\$11,283	\$19,385	\$26,094	\$27,553
County of Clinton	11,444	17,946	22,607	25,024
State of New York	16,501	23,389	30,791	34,212

  

	<u>Median Family Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2016<sup>a</sup></u>
Town of Plattsburgh	\$26,019	\$41,713	\$53,610	\$53,816
County of Clinton	26,903	37,028	46,843	50,502
State of New York	32,965	43,393	55,603	60,741

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2012-2016)

### Building Permits

<u>Year</u>	<u>Total</u>	<u>Estimated Costs</u>
2013	463	\$21,685,173
2014	462	36,196,317
2015	451	14,842,813
2016	514	36,380,877
2017	484	37,371,964
2018 (YTD)	151	4,689,561

### Selected Listing of Larger Employers in the Town

<u>Name<sup>a</sup></u>	<u>Type</u>	<u>Estimated Number Of Employees</u>
Nova Bus	Manufacturer	339
Advocacy Resource Center	NFP Vocational/Health	337
Swarovski	Manufacturer	263
Clinton Community College	Educational	260
Walmart Supercenter	Retail	200
Salerno	Manufacturer	199
Camso Manufacturing	Manufacturer	168
Sam's Club	Retail	150
Champlain Valley Services	Vocational Services	140
B3CG Interconnect	Manufacturer	122
Jeffords Steel	Commercial	110

Source: Town Officials.

### Unemployment Rate Statistics

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

<u>Annual Averages:</u>	<u>County of Clinton (%)</u>	<u>New York State (%)</u>
2013	8.7	7.7
2014	6.9	6.4
2015	5.9	5.3
2016	5.3	4.9
2017	5.4	4.7
2018 (5 month average)	5.6	4.6

Source: Department of Labor, State of New York



## INDEBTEDNESS OF THE TOWN

### Constitutional Requirements

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

**Purpose and Pledge.** The Town shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

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

**Payment and Maturity.** Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the periods of probable usefulness of the objects or purposes as determined by statute or weighted average maturity thereof; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

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

### Statutory Procedure

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

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

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

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

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

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

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

**Debt Limit.** The Town has the power to contract indebtedness for any Town purpose so long as the aggregate outstanding principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the New York State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

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

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

**Computation of Debt Limit and Calculation of Net Debt Contracting Margin<sup>a</sup>**  
(As of July 30, 2018)

<u>Fiscal Year ending Dec 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate (%)</u>	<u>Full Valuation</u>
2013	\$1,086,330,288	100.00	\$1,086,330,288
2014	1,097,846,659	100.00	1,097,846,659
2015	1,141,247,380	100.00	1,141,247,380
2016	1,158,813,955	100.00	1,158,813,955
2017	1,159,040,244	100.00	1,159,040,244
Total Five Year Full Valuation			\$5,643,278,526
Average Five Year Full Valuation			1,128,655,705
Debt Limit - 7% of Average Full Valuation			79,005,899
Inclusions:			
Various Purpose Debt			270,000
Sewer Purpose Debt			2,158,242
Water Purpose Debt			1,745,210
Bond Anticipation Notes			<u>645,000</u>
Total Indebtedness			<u>4,818,452</u>
Exclusions:			
Appropriations for Bonds			199,232
Appropriations for Notes			275,000
Water Purpose Debt			<u>1,745,210</u>
Total Exclusions			<u>2,219,442</u>
Total Net Indebtedness Before Issuing the Notes			<u>2,599,010</u>
The Notes			6,000,000
Less: Excluded Water Debt			<u>4,500,000</u>
Net Effect of the Notes			1,500,000
Total Net Indebtedness After Issuing the Notes			4,099,010
Net Debt Contracting Margin			<u><u>74,906,889</u></u>
Per Cent of Debt Contracting Margin Exhausted			5.19%

### Debt Service Requirements - Outstanding Bonds<sup>a</sup>

Fiscal Year Ending <u>December 31</u>	<u>Principal</u>	<u>Interest<sup>b</sup></u>	<u>Total</u>
2018	\$ 566,756	\$ 88,608	\$ 655,364
2019	573,329	81,048	654,377
2020	444,136	73,222	517,358
2021	441,942	69,170	511,112
2022	427,748	65,178	492,926
2023	110,975	62,218	173,193
2024	116,203	59,155	175,358
2025	116,430	55,835	172,265
2026	111,657	52,431	164,088
2027	116,884	49,193	166,077
2028	109,112	45,367	154,479
2029	109,339	42,242	151,581
2030	109,566	39,058	148,624
2031	114,793	35,889	150,682
2032	99,542	32,254	131,796
2033	104,880	28,618	133,498
2034	85,000	24,756	109,756
2035	85,000	20,894	105,894
2036	90,000	17,031	107,031
2037	90,000	12,888	102,888
2038	95,000	8,746	103,746
2039	<u>95,000</u>	<u>4,373</u>	<u>99,373</u>
Totals	\$ <u>4,213,292</u>	\$ <u>968,173</u>	\$ <u>5,181,465</u>

a. Does not include payments made to date.

b. The subsidies received from Environmental Facilities Corporation (EFC) has been deducted from the interest due.

### Details of Short-Term Indebtedness Outstanding (As of July 30, 2018)

The Town has outstanding bond anticipation notes in the amount of \$645,000 for water improvements to the Town that mature in September, 2018. Such bond anticipation notes will be redeemed with the issuance of bond anticipation notes, along with \$275,000 of available funds.

### Capital Water and Wastewater Plan

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

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

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

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

#### **CONSOLIDATED WATER DISTRICT**

#### **FUNDING**

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

#### **BASE WATER DISTRICT**

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

#### **NON-DISTRICT SPECIFIC WATER**

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

Total Water System Improvement Capital Required	<u>\$17,763,000</u>	
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#### **CONSOLIDATED SEWER DISTRICT**

#### **FUNDING**

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

#### **BASE SEWER DISTRICT**

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

#### **NON-DISTRICT SPECIFIC SEWER**

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

As of the date of this Official Statement, the Town has authorized but unissued debt in the aggregated amount of \$23,975,843. The Notes will finance \$6,000,000 of such amount.

### Trend of Town Indebtedness

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

	Fiscal Year Ending December 31:				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Outstanding End of Year:					
Bonds	\$5,747,146	\$5,983,726	\$5,399,387	\$4,809,243	\$4,213,293
BANs	3,715,000	2,375,000	1,712,500	1,165,000	645,000
Other Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$9,462,146</u>	<u>\$8,358,726</u>	<u>\$7,111,887</u>	<u>\$5,974,243</u>	<u>\$4,858,293</u>

### Calculation of Estimated Overlapping and Underlying Indebtedness

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

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
Clinton County	05/11/2018	31.40	\$18,037,109	\$15,801,981
Saranac CSD	10/25/2017	33.20	1,593,600	1,593,600
Beekmantown CSD	12/26/2017	69.30	3,603,600	3,603,600
Peru CSD	12/14/2017	25.60	3,787,264	3,787,264
Cumberland Head FD	12/31/2016	100.00	1,120,000	1,120,000
Fire District 3	12/31/2016	100.00	0	0
Cadyville FD	12/31/2016	53.00	127,183	127,183
Morrisonville FD	12/31/2016	57.00	1,273,950	1,273,950
South Plattsburgh FD	12/31/2016	83.00	4,000,600	4,000,600
Totals			<u>\$33,543,306</u>	<u>\$31,308,178</u>

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

**Debt Ratios**  
(As of July 30, 2018)

	<u>Amount</u>	<u>Per Capita<sup>a</sup></u>	<u>Percentage of Full Value (%)<sup>b</sup></u>
Total Direct Debt	\$ 4,818,452	\$ 406	0.416
Net Direct Debt	2,599,010	219	0.224
Total Direct & Applicable Total Overlapping Debt	38,361,758	3,233	3.310
Net Direct & Applicable Net Overlapping Debt	33,907,188	2,858	2.925

- a. The estimated population of the Town is 11,866.  
c. The full valuation of taxable real property in the Town is \$1,159,040,244.

**FINANCES OF THE TOWN**

**Financial Statements and Accounting Procedures**

The Town maintains its financial records in accordance with the Uniform System of Accounts for Towns prescribed by the State Comptroller. The financial records of the Town are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2017, such report is attached as Appendix B. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

*Fund Structure and Accounts*

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

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

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

*Basis of Accounting*

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

## **Investment Policy**

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

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

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

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

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

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

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



## **Budgetary Procedures**

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

Budget Summaries for the 2017 and 2018 fiscal years may be found in Appendix A.

## **Financial Operations**

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

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

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

## **The State Comptroller's Fiscal Stress Monitoring System**

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation". (Fiscal Score: 1.7%).

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

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

### **Revenues**

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

### **State Aid**

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

Based on the audited financial statements of the Town, the Town received approximately 8.23% of its total General Fund operating revenue from State aid in 2017. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

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

The following table sets forth the percentage of the Town's General Fund revenue (including transfers) comprised of State aid for each of the fiscal years 2013 through 2017, and budgeted for 2018.

Fiscal Year Ending <u>December 31:</u>	General Fund <u>Total Revenue</u>	<u>State Aid</u>	State Aid to <u>Revenues (%)</u>
2013	\$3,421,477	\$352,235	10.29
2014	3,502,283	408,780	11.67
2015	3,434,882	309,487	9.01
2016	3,538,347	362,584	10.25
2017	3,788,340	336,629	8.89
2018 (Budgeted) <sup>a</sup>	3,466,454	310,803	8.97

Source: Audited financial statements (2013-2017), and the Adopted Budget for 2018.

a. Budgeted revenues do not include the use of appropriated fund balance.

### **Expenditures**

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

## **Pension Systems**

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

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

### **Required Contributions to the Retirement Systems**

<u>Fiscal Year Ending</u> <u>December 31:</u>	<u>ERS</u>
2013	\$605,904
2014	603,063
2015	481,977
2016	437,184
2017	456,846

## Other Post Employment Benefits

The Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. Accounting rules now require governmental entities, such as the Town, to account for post-retirement health care benefits as its accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") described below requires such accounting.

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," meaning benefits other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

GASB 45 requires municipalities to account for OPEB liabilities in the same manner as they already account for pension liabilities. It requires them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities have not set aside any funds against this liability. Unlike GASB Statement No. 27, which covers accounting for pensions, GASB 45 does not require municipalities to report a net OPEB obligation at the start.

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

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:

<u>Annual OPEB Cost and Net OPEB Obligation</u>	<u>Fiscal Year Ended December 31, 2017</u>
Annual required contribution (ARC)	\$526,474
Interest on net OPEB obligation	137,226
Less: Adjustments to ARC	(222,032)
Annual OPEB cost (expense)	441,668
Less: Contributions made	69,870
Increase in net OPEB obligation	371,798
Net OPEB obligation-beginning of year	3,430,649
Net OPEB obligation-end of year	<u>\$3,802,447</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2017 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed (%)</u>	<u>Net OPEB Obligation End of Year</u>
12/31/2017	\$441,668	15.82	\$3,802,447
12/31/2016	417,920	13.39	3,430,649
12/31/2015	672,650	10.88	3,068,681

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

## **TAX INFORMATION**

### **Real Property Taxes**

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

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

The following table sets forth the percentage of the Town’s General Fund revenue (excluding other financing sources) comprised of real property tax items for each of the fiscal years 2013 through 2017 inclusive and budgeted for the fiscal year 2018.

<u>Fiscal Year Ending</u> <u>December 31:</u>	<u>Total Revenue</u>	<u>Real Property Tax Items</u>	<u>Real Property Tax Items</u> <u>to Revenues (%)</u>
2013	\$3,421,477	\$79,110	2.31
2014	3,502,283	80,224	2.29
2015	3,434,882	77,897	2.27
2016	3,538,347	84,807	2.40
2017	3,788,340	80,143	2.12
2018 (Budgeted) <sup>a</sup>	3,466,454	63,000	1.82

Source: Audited financial statements (2013-2017), and the Adopted Budget for 2018.

a. Budgeted revenues do not include the use of appropriated fund balance.

### **Tax Collection Procedure**

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

### **Sales Tax**

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

The County presently imposes a sales tax and use tax of 4%, in addition to the 4% tax imposed by the State for a countywide sales tax rate of 8%. Such sales and use tax collections are administered by the State Tax Commission and paid at least monthly to the County. The County, pursuant to a Sales Tax Sharing Agreement (which expires November 30, 2019), shares the proceeds of the County’s 4% sales and use tax with the one city, fourteen towns and four villages within the County. Under the terms of the Agreement, on the first 3%, the County retains 55% of the sales tax revenues up to \$27.1 million, 65% of the sales tax revenues over \$27.1 million with the balance disbursed quarterly to the municipalities on a formula basis. The additional 1% is retained by the County.

The following table sets forth the percentage of the Town's General Fund revenue (excluding other financing sources) comprised of sales tax for each of the fiscal years 2013 through 2016 and unaudited for 2017.

<u>Fiscal Year Ending</u> <u>December 31:</u>	<u>Total Revenue</u>	<u>Sales Taxes</u>	<u>Sales Taxes to</u> <u>Revenues (%)</u>
2013	\$3,421,477	\$2,469,172	72.17
2014	3,502,283	2,565,071	73.24
2015	3,434,882	2,567,438	74.75
2016	3,538,347	2,598,681	73.44
2017	3,788,340	2,902,360	76.61
2018 (Budgeted) <sup>a</sup>	3,466,454	2,500,001	72.12

Source: Audited financial statements (2013-2017), and the Adopted Budget for 2018.

a. Budgeted revenues do not include the use of appropriated fund balance.

**Large Taxable Properties**  
2017 Assessment Roll<sup>a</sup>

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Champlain Centre North LLC <sup>b</sup>	Mall	\$43,000,000
Plattcon A, LLC	Industrial	32,000,000
Pyramid Company of Plattsburgh	Commercial	16,500,000
UMS Property	Industrial	12,300,000
Prevost Car US Inc.	Industrial	9,850,000
Target Corporation	Retail	8,500,000
NYSEG	Utility	8,186,229
NYSEG	Utility	7,677,946
CVPH Medical Center	Medical	7,000,000
Lowe's	Retail	6,350,000
UMS Property	Industrial	6,100,000
NYSEG	Utility	6,020,529
Nine Platt Corporation	Commercial	5,350,000
NYSEG	Utility	5,294,239
City of Plattsburgh	Utility	4,785,466
NYSEG	Utility	4,517,600
BRE/LQ Properties LLC	Commercial	4,500,000
Schonbeck & Co. Inc.	Industrial	4,500,000
NYSEG	Utility	4,517,600
Rt. 3 Development	Commercial	4,200,000
Plattsburgh Holiday Inn LLC	Hotel	4,100,000
<b>Total<sup>c</sup></b>		<b>\$205,249,609</b>

a. Assessment Roll established in 2017 for levy and collection of taxes in 2018.

b. There is an outstanding tax certiorari claim by Champlain Centre North LLC. See "Tax Certiorari Claims" herein.

c. Represents 17.71% of the 2018 Taxable Assessed Valuation of the Town.

## **Tax Certiorari Claims**

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

## **LITIGATION**

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

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax, however, interest on the Notes is included in the calculation of a corporation’s adjusted current earnings for purposes of, and thus may be subject to, the corporate alternative minimum tax (applicable only to taxable years beginning before January 1, 2018), and the Notes are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code, and (ii) interest on the Notes is exempt from personal income taxes imposed by the State and political subdivisions thereof, including The City of New York and the City of Yonkers. Bond Counsel will express no opinion as to any other tax consequences regarding the Notes.

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

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

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

Interest on the Notes is included in the calculation of a corporation’s adjusted current earnings for purposes of, and thus may be subject to, the federal corporate alternative minimum tax applicable only to taxable years beginning before January 1, 2018). In addition, interest on the Notes may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies,

recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other tax items of the owner of the Notes. Bond Counsel will express no opinion regarding those consequences.

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

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Town or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

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

### **Risk of Future Legislative Changes and/or Court Decisions**

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

For example, the recent federal tax legislation that was enacted on December 22, 2017 reduces corporate tax rates, modifies individual tax rates, eliminates many deductions, repeals the corporate alternative minimum tax (for taxable years beginning after December 31, 2017) and eliminates tax-exempt advance refunding bonds, among other things. This legislation may increase, reduce or otherwise change the financial benefits currently provided to certain owners of state and local government notes. Additionally, investors in the Notes should be aware that future legislative actions may retroactively change the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be affected and the ability of holders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rates on the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes).

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

### **Original Issue Discount and Original Issue Premium**

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



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

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

## **DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS**

### **Legal Matters**

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinion of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel to the Town. Such opinion will be available at the time of delivery of and payment for the Notes and will be to the effect that the Notes are valid and legally binding general obligations of the Town, for the payment of which the Town has validly pledged its faith and credit, and all the real property within the Town subject to taxation by the Town, is subject to the levy by the Town of ad valorem taxes, without limitation as to rate or amount, subject to the applicable provisions of Chapter 97 of the Laws of 2011. Chapter 97 of the Laws of 2011 imposes a statutory limit on the power of the Town to increase its annual real property tax levy based on formulae set forth therein, including such taxes to pay principal of and interest on the Notes. However, in the opinion of Bond Counsel, under current law, the limitations imposed by Chapter 97 of the Laws of 2011 do not diminish the prior lien on the first revenues of the Town set forth in the New York Constitution and established by the aforesaid pledge of the Town's faith and credit requiring the Town to raise the necessary moneys and to exceed normal real estate tax limitations to pay the principal of and interest on the Notes. Bond Counsel expresses no opinion on the validity of Chapter 97 of the Laws 2011 under the applicable provisions of Article VIII of the New York Constitution.

Said opinion will also contain further statements to the effect that assuming continuing compliance with certain covenants and the accuracy of certain representations of the Town contained in the record of proceedings relating to the authorization and issuance of the Notes, (a) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, however interest on the Notes is included in the calculation of a corporation's adjusted current earnings for purposes of, and thus may be subject to the federal corporate alternative minimum tax (applicable only to taxable year beginning before January 1, 2018) and the Notes are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code, (b) interest on the Notes is exempt from personal income taxes imposed by the State and political subdivisions thereof, including The City of New York and the City of Yonkers, (c) interest on the Notes may be subject to certain federal taxes imposed only on certain corporations, and (d) the enforceability of the Notes is subject to bankruptcy and other laws affecting creditors' rights and the exercise of judicial discretion.

### **Closing Certificates**

Upon delivery of and payment for the Notes, the purchaser of the Notes will also receive, without cost, in form satisfactory to Bond Counsel the following, dated as of the date of delivery of and payment for the Notes: (a) a certificate or certificates evidencing execution, delivery and receipt of payment for the Notes; (b) a certificate or certificates executed by the officer of the Town who executed the Notes on behalf of the Town stating that (1) no litigation is then pending or, to the knowledge of such officer, threatened to restrain or enjoin the issuance or delivery of the Notes, (2) no authority or proceedings for the issuance of the Notes has or have been repealed, revoked or rescinded, and (3) the statements contained in this Official Statement, on the date hereof and on the date of delivery of and payment for the Notes, were and are true in all material respects and did not, and do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (c) the unqualified legal opinion as to the validity of the Notes of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel, as more fully described under "Legal Matters" herein; (d) a Tax Compliance Certificate executed by the Town Supervisor; and (e) a continuing disclosure agreement executed by the Town Supervisor for purposes of SEC Rule 15c2-12, as described under the caption "Disclosure Undertaking" herein.

## DISCLOSURE UNDERTAKING

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

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or 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]; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

### Compliance History

The Town has no outstanding bonds that are subject to a Continuing Disclosure Agreement. Upon the issuance of the Notes, the Town will be entering a Disclosure Undertaking on such Notes.

### RATING

The Notes are not rated.

## **MUNICIPAL ADVISOR**

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

## **ADDITIONAL INFORMATION**

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

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

Except for its review of the descriptions of the terms of the Notes and its approving legal opinion to be rendered on the Notes as Bond Counsel to the Town, Squire Patton Boggs (US) LLP, has not participated in the preparation of this Official Statement, nor verified the accuracy, completeness or fairness of the information contained herein, and accordingly, expresses no opinion with respect thereto.

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

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

By: s/s MICHAEL S. CASHMAN  
Supervisor and Chief Fiscal Officer  
Town of Plattsburgh  
Plattsburgh, NY

August , 2018

## **APPENDIX A**

### **FINANCIAL INFORMATION**

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

	Fiscal Year Ending December 31:				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues:					
Real Property Taxes	\$ 79,110	\$ 80,224	\$ 77,897	\$ 84,807	\$ 80,143
Non-property Taxes	2,469,172	2,565,071	2,567,438	2,598,681	2,902,360
Departmental Income	35,781	33,370	44,193	45,365	45,288
Charges for Services	3,859	5,347	5,972	5,598	4,592
Use of Money and Property	8,727	8,173	9,450	9,466	17,997
Licenses and Permits	76,201	89,306	75,295	92,143	100,535
Fines and Forfeitures				328,695	277,962
Sale of Property and Comp. for Loss	326,850	301,578	327,322	15	
Miscellaneous	69,541	10,434	17,828	10,993	22,834
State Aid	352,236	408,780	309,487	362,584	336,629
Federal Aid					
Total Revenues	<u>3,421,477</u>	<u>3,502,283</u>	<u>3,434,882</u>	<u>3,538,347</u>	<u>3,788,340</u>
Other Financing Sources:					
Proceeds of Obligations					
Operating Transfers In	<u>55,185</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>34,435</u>
Total Revenues and Other Financing Sources	<u>3,476,662</u>	<u>3,517,283</u>	<u>3,449,882</u>	<u>3,553,347</u>	<u>3,822,775</u>
Expenditures:					
General Government Support	1,537,064	1,484,191	1,429,175	1,565,350	1,470,489
Public Safety	31,445	27,834	26,744	26,875	23,407
Health	1,997	578	600	600	600
Transportation	76,355	77,193	77,312	79,634	81,199
Economic Assistance and Opportunity	28,877	27,288	31,063	32,294	32,578
Culture and Recreation	396,214	248,540	161,870	158,865	155,466
Home and Community Services	339,426	323,103	401,202	476,707	460,527
Employee Benefits	823,078	804,186	790,433	835,044	854,399
Debt Service		3,426	75,103	75,667	146,995
Capital Outlay	<u>41,444</u>	<u>20,515</u>	<u>114,121</u>	<u>10,212</u>	<u>113,063</u>
Total Expenditures	<u>3,275,900</u>	<u>3,016,854</u>	<u>3,107,623</u>	<u>3,261,248</u>	<u>3,338,723</u>
Other Financing Uses:					
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures and Other Financing Uses	<u>3,275,900</u>	<u>3,016,854</u>	<u>3,107,623</u>	<u>3,261,248</u>	<u>3,338,723</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>200,762</u>	<u>500,429</u>	<u>342,259</u>	<u>292,099</u>	<u>484,052</u>
Fund Balance Beginning of Year	391,928	592,690	1,151,666	1,491,490	1,783,589
Adjustment		58,547	(2,435)		
Fund Balance, Restated	<u>391,928</u>	<u>651,237</u>	<u>1,149,231</u>	<u>1,491,490</u>	<u>1,783,589</u>
Fund Balance End of Year	<u>\$ 592,690</u>	<u>\$ 1,151,666</u>	<u>\$ 1,491,490</u>	<u>\$ 1,783,589</u>	<u>\$ 2,267,641</u>

Sources: Audited Annual Financial Reports (2013-2017)  
This Schedule Not Audited.

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

	Fiscal Year Ending December 31:				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues:					
Real Property Taxes	\$ 790,295	1,093,073	1,069,742	1,088,479	1,179,257
Non Property Taxes	1,385,000	1,260,346	1,215,100	1,208,354	1,071,396
Charges for Services	66,868	68,877	70,944	71,281	71,622
Use of Money and Property	81	1,215	859	1,331	1,684
Sale of Property and Comp. for Loss	12,349	12,151	15,712	6,887	1,102
Miscellaneous	39,590	231	23,566	15,501	21,638
State Aid	164,475	166,041	170,151	183,936	210,433
Federal Aid					
Total Revenues	<u>2,458,658</u>	<u>2,601,934</u>	<u>2,566,074</u>	<u>2,575,769</u>	<u>2,557,132</u>
Other Financing Sources:					
Debt Proceeds					
Operating Transfers In			31,982	2	
Total Revenues and Other Financing Sources	<u>2,458,658</u>	<u>2,601,934</u>	<u>2,598,056</u>	<u>2,575,771</u>	<u>2,557,132</u>
Expenditures:					
General Government Support					
Transportation	1,288,430	1,312,850	1,222,892	1,135,487	1,355,494
Home and Community Services	37,725				
Employee Benefits	546,619	525,796	502,612	490,852	510,775
Debt Service	38,400	107,595	153,557	149,819	146,138
Capital Outlay	468,726	449,124	535,872	519,118	478,081
Total Expenditures	<u>2,379,900</u>	<u>2,395,365</u>	<u>2,414,933</u>	<u>2,295,276</u>	<u>2,490,488</u>
Other Financing Uses:					
Operating Transfers Out					
Total Expenditures and Other Financing Uses	<u>2,379,900</u>	<u>2,395,365</u>	<u>2,414,933</u>	<u>2,295,276</u>	<u>2,490,488</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>78,758</u>	<u>206,569</u>	<u>183,123</u>	<u>280,495</u>	<u>66,644</u>
Fund Balances Beginning of Year	330,928	409,686	615,946	798,176	1,078,671
Prior Period Adjustment		(309)	(893)		
Fund Balances, Restated	<u>330,928</u>	<u>409,377</u>	<u>615,053</u>	<u>798,176</u>	<u>1,078,671</u>
Fund Balances End of Year	<u>\$ 409,686</u>	<u>615,946</u>	<u>798,176</u>	<u>1,078,671</u>	<u>1,145,315</u>

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

Sources: Audited Annual Financial Reports (2013-2017)

Note: This Schedule Not Audited.

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

	Fiscal Year Ending December 31:				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues:					
Real Property Taxes	\$ 467,081	\$ 489,780	\$ 510,752	\$ 539,352	\$ 557,051
Departmental Income	1,405,831	1,381,304	1,318,166	1,207,062	1,150,802
Use of Money and Property	3,582	3,321	3,671	6,147	13,370
Sale of Property and Comp. for Loss	2,400			9,435	214,077
Miscellaneous	36,830	36,514	36,090	35,980	34,924
State Aid					
Federal Aid	2,744				
<b>Total Revenues</b>	<u>1,918,468</u>	<u>1,910,919</u>	<u>1,868,679</u>	<u>1,797,976</u>	<u>1,970,224</u>
Other Financing Sources:					
Proceeds of Obligations					
Operating Transfers In		29,229		24,485	54,172
<b>Total Revenues and Other Financing Sources</b>	<u>1,918,468</u>	<u>1,940,148</u>	<u>1,868,679</u>	<u>1,822,461</u>	<u>2,024,396</u>
Expenditures:					
Home and Community Services	862,255	854,498	893,695	801,108	889,756
Debt Service	189,576	126,553	126,909	125,144	123,143
Capital Outlay	8,806			445	12,700
<b>Total Expenditures</b>	<u>1,060,637</u>	<u>981,051</u>	<u>1,020,604</u>	<u>926,697</u>	<u>1,025,599</u>
Other Financing Uses:					
Operating Transfers Out	(1,368,867)	(332,000)	(487,999)	(522,921)	(974,318)
<b>Total Expenditures and Other Financing Uses</b>	<u>2,429,504</u>	<u>1,313,051</u>	<u>1,508,603</u>	<u>1,449,618</u>	<u>1,999,917</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(511,036)</u>	<u>627,097</u>	<u>360,076</u>	<u>372,843</u>	<u>24,479</u>
Fund Balance Beginning of Year	2,677,300	2,166,264	2,793,361	2,739,943	3,112,786
Adjustment			(413,494)		
Fund Balance, Restated	<u>2,677,300</u>	<u>2,166,264</u>	<u>2,379,867</u>	<u>2,739,943</u>	<u>3,112,786</u>
Fund Balance End of Year	<u>\$ 2,166,264</u>	<u>\$ 2,793,361</u>	<u>\$ 2,739,943</u>	<u>\$ 3,112,786</u>	<u>\$ 3,137,265</u>

Sources: Audited Annual Financial Reports (2013-2017)  
This Schedule Not Audited.

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

	Fiscal Year Ending December 31:				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues:					
Real Property Taxes	\$ 1,374,702	\$ 1,544,150	\$ 1,601,100	\$ 1,651,325	1,498,921
Departmental Income	964,809	951,762	1,008,910	967,085	941,037
Use of Money and Property	2,965	2,699	3,093	6,493	14,966
Licenses and Permits	101,121	88,729	68,528	70,816	73,183
Sale of Property and Comp. for Loss	26,800				
State Aid					14,975
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>2,470,397</u>	<u>2,587,340</u>	<u>2,681,631</u>	<u>2,695,719</u>	<u>2,543,082</u>
Other Financing Sources:					
Proceeds of Obligations					
Operating Transfers In	62	6,509			3
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	<u>2,470,459</u>	<u>2,593,849</u>	<u>2,681,631</u>	<u>2,695,719</u>	<u>2,543,085</u>
Expenditures:					
Home and Community Services	286,922	383,167	347,058	315,830	327,769
Debt Service	807,339	844,912	868,981	754,216	652,724
Capital Outlay	29,316			9,775	38,750
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>1,123,577</u>	<u>1,228,079</u>	<u>1,216,039</u>	<u>1,079,821</u>	<u>1,019,243</u>
Other Financing Uses:					
Operating Transfers Out	(2,258,117)	0	(586,611)	(640,952)	(910,604)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	<u>3,381,694</u>	<u>1,228,079</u>	<u>1,802,650</u>	<u>1,720,773</u>	<u>1,929,847</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(911,235)</u>	<u>1,365,770</u>	<u>878,981</u>	<u>974,946</u>	<u>613,238</u>
Fund Balance Beginning of Year	1,739,618	828,383	2,194,153	2,074,914	3,049,860
Adjustment			(998,220)		
Fund Balance, Restated	<u>1,739,618</u>	<u>828,383</u>	<u>1,195,933</u>	<u>2,074,914</u>	<u>3,049,860</u>
Fund Balance End of Year	<u>\$ 828,383</u>	<u>\$ 2,194,153</u>	<u>\$ 2,074,914</u>	<u>\$ 3,049,860</u>	<u>\$ 3,663,098</u>

Sources: Audited Annual Financial Reports (2013-2017)  
This Schedule Not Audited.



# Balance Sheets

Fiscal Year Ending December 31, 2017

	General Fund	Highway Funds	Sewer Funds	Water Funds
<b>ASSETS</b>				
Cash	\$ 1,553,623	\$ 774,197	\$ 2,956,950	\$ 3,607,702
Due from Other Funds	2,335			
State & Federal Receivables	9,700			
Due from Other Governments	665,810	400,000	111,257	83,735
Other Receivables	146,930	7,109	172,646	145,090
Prepaid Expenses	60,229	25,382		
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	\$ <u>2,438,627</u>	\$ <u>1,206,688</u>	\$ <u>3,240,853</u>	\$ <u>3,836,527</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Accounts Payable	\$ 77,171	\$ 30,193	\$ 82,186	\$ 37,229
Accrued Liabilities	13,092	31,180		
Bond Anticipation Notes Payable				
Due to Other Funds			2,602	
Due to Other Governments	80,723			
Deferred Revenues			18,800	136,200
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>170,986</u>	<u>61,373</u>	<u>103,588</u>	<u>173,429</u>
<b>FUND BALANCES</b>				
Nonspendable	60,229	25,382		
Assigned	300,020	1,119,933	3,137,265	3,663,098
Unassigned	1,907,392			
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Equity	<u>2,267,641</u>	<u>1,145,315</u>	<u>3,137,265</u>	<u>3,663,098</u>
Total Liabilities & Fund Equity	\$ <u>2,438,627</u>	\$ <u>1,206,688</u>	\$ <u>3,240,853</u>	\$ <u>3,836,527</u>

Sources: 2017 Audited Financial Statements

Note: This Schedule Not Audited.

# Balance Sheets

Fiscal Year Ending December 31, 2016

	General Fund	Highway Funds	Sewer Funds	Water Funds
<b>ASSETS</b>				
Cash	\$ 888,051	\$ 839,152	\$ 2,936,008	\$ 2,844,666
Due from Other Funds	4,791		200	
State & Federal Receivables	10,474			
Due from Other Governments	810,713	246,679	96,319	80,216
Other Receivables	182,095		216,180	144,164
Prepaid Expenses	56,091	27,920		
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	\$ 1,952,215	\$ 1,113,751	\$ 3,248,707	\$ 3,069,046
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES AND FUND EQUITY</b>				
Accounts Payable	\$ 52,393	\$ 19,411	\$ 62,271	\$ 19,186
Accrued Liabilities	56,860	15,669		
Bond Anticipation Notes Payable				
Due to Other Funds			73,650	
Due to Other Governments	59,373			
Deferred Revenues				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	168,626	35,080	135,921	19,186
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCES</b>				
Nonspendable	56,091	27,920		
Assigned	233,305	1,050,751	3,112,786	3,049,860
Unassigned	1,494,193			
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Equity	1,783,589	1,078,671	3,112,786	3,049,860
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities & Fund Equity	\$ 1,952,215	\$ 1,113,751	\$ 3,248,707	\$ 3,069,046
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Sources: 2016 Audited Financial Statements

Note: This Schedule Not Audited.

# ADOPTED BUDGETS - GENERAL FUND

	Fiscal Years Ending December 31	
	<u>2017</u>	<u>2018</u>
Revenues:		
Real Property Taxes	\$ 62,700	\$ 63,000
Other Property Tax Items	15,000	15,000
Non-Property Tax items	2,463,812	2,500,001
Departmental Income	241,500	242,500
Use of Money and Property	8,500	9,000
Licenses and Permits	55,150	61,150
Fines and Forfeitures	300,000	250,000
Interfund Revenues	15,000	15,000
State and Other Local Government Aid	295,803	310,803
Appropriated Fund Balance	197,469	300,020
Total Revenues	<u>3,654,934</u>	<u>3,766,474</u>
Expenditures:		
General Government Support	2,394,110	2,444,703
Public Safety	43,825	42,880
Health	810	800
Transportation	128,900	144,043
Economic Assistance & Opportunity	38,965	41,618
Culture and Recreation	216,775	225,805
Home & Community Services	757,024	866,625
Debt Service	74,525	
Operating Transfers Out		
Total Expenditures	<u>3,654,934</u>	<u>3,766,474</u>

Source: Adopted Budgets of the Town of Plattsburgh

**TOWN OF PLATTSBURGH**  
**APPENDIX B**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2017**

TOWN OF PLATTSBURGH, NEW YORK

Basic Financial Statements  
Supplementary Information and  
Independent Auditors' Report

December 31, 2017

# TOWN OF PLATTSBURGH, NEW YORK

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# TOWN OF PLATTSBURGH, NEW YORK

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## INDEPENDENT AUDITORS' REPORT

Town Board and Supervisor  
Town of Plattsburgh, New York:

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

### Management's Responsibility for the Financial Statements

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

### 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 Governmental 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 audit opinions.



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information for the Town of Plattsburgh, 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.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and additional information on pages 42 through 49 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 Plattsburgh, New York's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements on pages 50 and 51 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 16, 2018, on our consideration of the Town of Plattsburgh, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
May 16, 2018

## TOWN OF PLATTSBURGH, NEW YORK

### Management's Discussion and Analysis

December 31, 2017

As management of the Town of Plattsburgh (the Town), this narrative is an overview and analysis of the financial activities of the Town for the year ended December 31, 2017. This material is presented here in conjunction with additional information that the Town has furnished in the financial statement that follows this narrative.

#### **Financial Highlights**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of 2017 by \$39,033,213; an increase of \$1,121,260 from 2016.
- At the close of the current year, the Town's funds reported a total ending fund balance of \$11,114,056, a decrease of \$90,794 from the previous year. Approximately 51.6% is available for spending at the government's discretion (assigned-unappropriated and unassigned fund balance).
- At the end of the current year, the unassigned fund balance for the General Fund was \$1,907,392 for 2017. This represents a \$413,199 increase from 2016.
- The Town's total long-term debt decreased by \$1,131,456 during the current year which consists of other postemployment benefits, net pension liability - proportionate share, bonds payable - long-term portion and compensated absences.

#### **Overview of the Financial Statements**

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

#### **Basic Financial Statements**

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

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

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

**Government-wide Financial Statements**

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

The government-wide financial statements are on pages 12 and 13 of this report.

**Fund Financial Statements**

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

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

The Town adopts an annual budget for its General Fund as required by General Statutes. The budget is a legally adopted document that incorporates input from the citizens, the management of the Town and the decisions of the Town Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund on page 42 demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting in the same format and classifications as the legal budget document.

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

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

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 20 through 41 of this report.

**Government-wide Financial Analysis**

Statement of Net Position

	<u>2017</u>	<u>2016</u>
Current assets	\$ 13,959,128	12,807,915
Capital assets, net	<u>36,987,675</u>	<u>35,954,739</u>
Total assets	<u>50,946,803</u>	<u>48,762,654</u>
Deferred outflows	<u>945,311</u>	<u>1,969,947</u>
Total assets and deferred outflows	\$ <u>51,892,114</u>	<u>50,732,601</u>
Current liabilities	3,258,253	2,236,360
Long-term liabilities	<u>9,160,779</u>	<u>10,263,041</u>
Total liabilities	<u>12,419,032</u>	<u>12,499,401</u>
Deferred inflows	<u>439,869</u>	<u>321,247</u>
Net position:		
Net investment in capital assets	32,129,382	29,980,496
Restricted	9,812,634	9,200,831
Unrestricted	<u>(2,908,803)</u>	<u>(1,269,374)</u>
Total net position	<u>39,033,213</u>	<u>37,911,953</u>
Total liabilities, deferred inflows and net position	\$ <u>51,892,114</u>	<u>50,732,601</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources by \$39,033,213 as of December 31, 2017. The Town's net position increased by \$1,121,260 for the year ended December 31, 2017. However, the largest portion (82.3%) of net position reflects the Town's net investment in capital assets (e.g. land, buildings, machinery and equipment); less any related debt still outstanding that was issued to acquire those items. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities.

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

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

- Sales tax revenues continue to remain steady due to economic growth in the Town.
- Continued low cost of debt due to the current interest rate structure.
- Review by the Town Board of all expenditures to control unnecessary spending, including financial analysis of the town funds.

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

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

The General Fund is the main operating fund of the Town. At the end of the current year, the unassigned fund balance of the General Fund was \$1,907,392. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents 57.1% of the total General Fund expenditures.

At December 31, 2017, the governmental funds of the Town reported a combined fund balance of \$11,114,056; a 0.8% decrease over 2016. The change in fund balance is primarily due to an increase in capital expenditures.

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

**Capital Assets and Debt Administration**

The Town's net investment in capital assets for its governmental activities as of December 31, 2017 total \$32,129,382. These assets include buildings, roads, land, machinery, equipment, park facilities and vehicles. Major transactions during the year include improvements in the Water and Sewer Districts and continuing road paving projects.

	<u>Capital Assets, Net</u>	
	<u>2017</u>	<u>2016</u>
Land	\$ 1,018,024	1,018,024
Construction in progress	2,658,195	182,806
Building and infrastructure	31,560,673	32,945,269
Furniture and equipment	<u>1,750,783</u>	<u>1,808,640</u>
Total capital assets, net	\$ <u>36,987,675</u>	<u>35,954,739</u>

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

As of December 31, 2017 the Town had total bonded debt outstanding of \$4,213,293, a decrease in debt when compared to the end of 2016 of \$595,950. The general statutes limit the amount of general obligation debt that the Town can issue up to seven percent of the five-year average total assessed value taxable property located within that government's boundaries. The legal debt limit for the Town in 2017 was \$77,661,856.

	<u>Outstanding Debt</u>	
	<u>2017</u>	<u>2016</u>
Serial bonds outstanding	\$ 4,213,293	4,809,243
BANs outstanding	<u>645,000</u>	<u>1,165,000</u>
Total outstanding debt	\$ <u>4,858,293</u>	<u>5,974,243</u>

Below is a comparative statement of the activities for the Town's years ended 2017 and 2016.

	<u>Statement of Activities</u>	
	<u>2017</u>	<u>2016</u>
Functions and programs:		
Program revenues:		
Charges for services	\$ 2,966,420	3,075,079
Operating grant and contributions	500,193	379,084
Capital grants and contributions	<u>304,066</u>	<u>183,936</u>
	<u>3,770,679</u>	<u>3,638,099</u>
Program expenses:		
General government support	4,062,560	4,284,139
Public safety	33,136	38,313
Health	440,017	634,042
Transportation	3,030,686	2,810,773
Economic assistance and development	40,250	40,161
Culture and recreation	262,325	275,585
Home and community services	3,031,028	2,736,066
Interest	<u>103,506</u>	<u>133,815</u>
Total expenses	(11,003,508)	(10,952,894)
Total functions and programs	<u>(7,232,829)</u>	<u>(7,314,795)</u>

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

	<u>2017</u>	<u>2016</u>
General revenue:		
Real property taxes and related tax items	\$ 4,104,800	4,080,213
Non-property tax items	3,973,756	3,807,035
Use of money and property	65,847	34,180
Sale of property and compensation for loss	127,426	181,945
Miscellaneous	<u>82,260</u>	<u>73,378</u>
Total general revenue	<u>8,354,089</u>	<u>8,176,751</u>
Change in net position	1,121,260	861,956
Net position at beginning of year	<u>37,911,953</u>	<u>37,049,997</u>
Net position at end of year	\$ <u>39,033,213</u>	<u>37,911,953</u>

**Economic Factors and Next Year's Budget and Rates**

Budget highlights for the year ended December 31, 2017:

- Actual revenue in the general fund was \$322,618 more than budgeted mainly due to non-property tax items resulting from sales tax revenue.
- General government support expenditures in the general fund were \$212,057 less than budgeted due to several small factors.
- Employee benefits in the general fund were \$116,580 less than budgeted due to retirement and health insurance costs being less than anticipated.

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

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



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

On June 5, 2015, the Towns of Plattsburgh and Ellenburg were contacted by representatives of the State of New York's Division of Cemeteries, indicating that Whispering Maples Memorial Gardens, Inc. (Whispering Maples) had been declared abandoned by the state.

Whispering Maples includes a crematory and stand-alone mausoleum in the Town of Ellenburg and a stand-alone Mausoleum in the Town of Plattsburgh.

This abandonment occurred because there was no longer a board of trustees sufficient to conduct the business of the cemetery and that the financial condition prevented its operation for the benefit of the lot owners. Previously, the State Cemetery Board had removed two cemetery trustees by state order which eliminated a quorum necessary for the cemetery to operate. Another not-for-profit cemetery was also solicited to take over operations but those efforts failed to materialize.

Under state law, abandoned cemeteries become the wards of the municipalities in which they are located. The New York State Division of Cemeteries indicated that Whispering Maples was immediately being turned over to the two towns. Town representatives immediately reached out to the Association of Towns for guidance and assistance in this matter.

Plattsburgh and Ellenburg made it clear from the beginning that their stated priority was to protect the families that had invested in Whispering Maples as well as to protect the taxpayers of the towns.

The consultation with the Association of Towns provided some direction and assisted the communities in engaging the professional services of a firm that specializes in cemetery administration and abandonment.

Consultants were immediately engaged to assist the towns in this situation. The towns, working with professional staff, immediately began discussions and meetings with state officials which ultimately led to legal action to provide the towns some breathing room so that they could examine the condition of the cemetery operations and the overall financial situation of the cemetery. Working with the Office of the Attorney General, the towns directed that a time of receivership should be implemented to provide for a proper and acceptable transfer of Whispering Maples to the towns. The consultant retained by the towns began to interview individuals for the post of a court appointed receivership. This person would review and manage operations of Whispering Maples and make recommendations relative to the ultimate transfer to the towns. The towns were appreciative of and supported the court appointment of Connie Goedert, Town of Queensbury Cemetery Superintendent, to the post of temporary receiver of the organization. She had agreed to serve at no pay.

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

To date (May 2018) Ms. Goedert, continues working with retained consultants, is updating the organization's structure and planning for the transition to the towns. As part of this process, an application was filed with the state's abandoned cemetery fund to allow the towns to apply for a grant of funds to enact significant and comprehensive repair of the mausoleums. Additionally, thanks to the support and efforts of Senator Betty Little and Assemblywoman Billy Jones, a state budget designation has been secured.

There is still a great deal of work being conducted in advance for the transition. With the assistance of the Office of the New York State Attorney General, the court appointed state receivership (Ms. Goedert) of Whispering Maples has been extended. This extension allows a thoughtful and thorough transition of the mausoleums to town control and will allow for the detailed application for funds for the restoration of these facilities.

**Requests for Information**

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

TOWN OF PLATTSBURG, NEW YORK  
Statement of Net Position - Governmental Activities  
December 31, 2017

Assets:

Current assets:

Cash - unrestricted	\$ 11,992,286
Receivables:	
Due from fiduciary fund	335
State and Federal aid	105,703
Due from other governments	1,266,402
Other	478,111
Prepaid expenses	<u>116,291</u>
Total current assets	<u>13,959,128</u>

Capital assets:

Land	1,018,024
Buildings	6,019,647
Equipment and furniture	6,509,663
Infrastructure	69,000,993
Construction in progress	<u>2,658,195</u>
	85,206,522
Less accumulated depreciation	<u>(48,218,847)</u>
Capital assets, net	<u>36,987,675</u>
Total assets	<u>50,946,803</u>

Deferred outflows of resources - pensions	<u>945,311</u>
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Liabilities and net position:

Current liabilities:

Accounts payable	1,881,720
Accrued liabilities	84,054
Due to other governments	80,723
Bonds payable - current portion	566,756
Bond anticipation notes	<u>645,000</u>
Total current liabilities	<u>3,258,253</u>

Long-term liabilities:

Other postemployment benefits	3,802,447
Net pension liability-proportionate share	1,052,971
Bonds payable - long-term portion	3,646,537
Compensated absences	<u>658,824</u>
Total long-term liabilities	<u>9,160,779</u>
Total liabilities	<u>12,419,032</u>

Deferred inflows:

Unearned revenue	180,000
Deferred inflows of resources - pensions	<u>259,869</u>
Total deferred inflows	<u>439,869</u>

Net position:

Net investment in capital assets	32,129,382
Restricted	9,812,634
Unrestricted	<u>(2,908,803)</u>
Total net position	<u>\$ 39,033,213</u>

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK  
Statement of Activities - Governmental Activities  
Year ended December 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net Revenue (Expense) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government support	\$ 4,062,560	386,249	329,463	-	(3,346,848)
Public safety	33,136	-	-	-	(33,136)
Health	440,017	-	-	-	(440,017)
Transportation	3,030,686	71,622	-	210,433	(2,748,631)
Economic assistance and development	40,250	-	163,564	78,658	201,972
Culture and recreation	262,325	27,338	3,153	-	(231,834)
Home and community services	3,031,028	2,481,211	4,013	14,975	(530,829)
Interest	103,506	-	-	-	(103,506)
Total governmental activities	<u>\$ 11,003,508</u>	<u>2,966,420</u>	<u>500,193</u>	<u>304,066</u>	<u>(7,232,829)</u>
General revenue:					
Real property tax and related tax items					4,104,800
Non-property tax items					3,973,756
Use of money and property					65,847
Sale of property and compensation for loss					127,426
Miscellaneous					82,260
Total general revenue					<u>8,354,089</u>
Change in net position					1,121,260
Net position at beginning of year					<u>37,911,953</u>
Net position at end of year					<u>\$ 39,033,213</u>

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK  
Balance Sheet - Governmental Funds  
December 31, 2017

	Major Special Revenue						Nonmajor Special Revenue	Total Governmental Funds
	General	Capital Projects	Highway	Water/Sewer Administration & Ambulance	Sewer	Water		
Assets:								
Cash - unrestricted	\$ 1,553,623	1,210,937	774,197	1,053,749	2,956,950	3,607,702	835,128	11,992,286
Receivables:								
Due from other funds	2,335	-	-	2,602	-	-	-	4,937
State and Federal aid	9,700	78,658	-	-	-	-	17,345	105,703
Due from other governments	665,810	-	400,000	5,600	111,257	83,735	-	1,266,402
Other	146,930	-	7,109	6,336	172,646	145,090	-	478,111
Prepaid expenses	60,229	-	25,382	29,299	-	-	1,381	116,291
Total assets	<u>\$ 2,438,627</u>	<u>1,289,595</u>	<u>1,206,688</u>	<u>1,097,586</u>	<u>3,240,853</u>	<u>3,836,527</u>	<u>853,854</u>	<u>13,963,730</u>
Liabilities, deferred inflows and fund balances:								
Liabilities:								
Accounts payable	77,171	1,610,814	30,193	19,207	82,186	37,229	24,920	1,881,720
Accrued liabilities	13,092	-	31,180	12,843	-	-	514	57,629
Bond anticipation notes payable	-	645,000	-	-	-	-	-	645,000
Due to other funds	-	-	-	-	2,602	-	2,000	4,602
Due to other governments	80,723	-	-	-	-	-	-	80,723
Total liabilities	<u>170,986</u>	<u>2,255,814</u>	<u>61,373</u>	<u>32,050</u>	<u>84,788</u>	<u>37,229</u>	<u>27,434</u>	<u>2,669,674</u>
Deferred inflows - unearned revenue	-	-	-	25,000	18,800	136,200	-	180,000
Fund balances (deficits):								
Nonspendable	60,229	-	25,382	29,299	-	-	1,381	116,291
Assigned - appropriated	300,020	-	205,534	-	2,221,248	1,712,526	-	4,439,328
Assigned - unappropriated	-	-	914,399	1,011,237	916,017	1,950,572	825,039	5,617,264
Unassigned	<u>1,907,392</u>	<u>(966,219)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>941,173</u>
Total fund balances	<u>2,267,641</u>	<u>(966,219)</u>	<u>1,145,315</u>	<u>1,040,536</u>	<u>3,137,265</u>	<u>3,663,098</u>	<u>826,420</u>	<u>11,114,056</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,438,627</u>	<u>1,289,595</u>	<u>1,206,688</u>	<u>1,097,586</u>	<u>3,240,853</u>	<u>3,836,527</u>	<u>853,854</u>	<u>13,963,730</u>

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK  
Reconciliation of the Governmental Funds - Balance Sheet  
to the Statement of Net Position  
December 31, 2017

Total governmental fund balance	\$ 11,114,056
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are included as assets in the government-wide financial statements, net of accumulated depreciation.	36,987,675
Deferred outflows and inflows of resources related to pensions are included in the government-wide financial statements.	685,442
Long-term liabilities for bonded debt are included in the government-wide financial statements as liabilities.	(4,213,293)
Current liabilities for interest payable on long-term debt are included in the government-wide financial statements as liabilities.	(26,425)
Long-term liabilities for compensated absences are included in the government-wide financial statements as liabilities.	(658,824)
Long-term liabilities for other postemployment benefits are included in the government-wide financial statements as liabilities.	(3,802,447)
Long-term liabilities for the proportionate share of net pension liability are included in the government-wide financial statements as liabilities.	<u>(1,052,971)</u>
Total net position - end of year	<u>\$ 39,033,213</u>

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK  
Statements of Revenue, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year ended December 31, 2017

			Major Special Revenue					
	General	Capital Projects	Highway	Water/Sewer Administration & Ambulance	Sewer	Water	Nonmajor Special Revenue	Total Governmental Funds
Revenue:								
Real property taxes	\$ 80,143	-	1,179,257	439,051	557,051	1,498,921	350,377	4,104,800
Non-property tax items	2,902,360	-	1,071,396	-	-	-	-	3,973,756
Departmental income	45,288	-	-	85,427	1,150,802	941,037	-	2,222,554
Charges for services	4,592	-	71,622	215,972	-	-	-	292,186
Use of money and property	17,997	4,000	1,684	4,392	13,370	14,966	9,438	65,847
Licenses and permits	100,535	-	-	-	-	73,183	-	173,718
Fines and forfeitures	277,962	-	-	-	-	-	-	277,962
Sale of property and compensation for loss	-	-	1,102	3,223	214,077	-	-	218,402
State aid	336,629	78,658	210,433	-	-	14,975	163,564	804,259
Miscellaneous	22,834	-	21,638	2,864	34,924	-	-	82,260
Total revenue	3,788,340	82,658	2,557,132	750,929	1,970,224	2,543,082	523,379	12,215,744
Expenditures:								
General government support	1,470,489	-	-	989,316	-	-	4,500	2,464,305
Public safety	23,407	-	-	-	-	-	-	23,407
Health	600	-	-	439,000	-	-	-	439,600
Transportation	81,199	-	1,355,494	-	-	-	120,202	1,556,895
Economic opportunity and development	32,578	-	-	-	-	-	-	32,578
Culture and recreation	155,466	-	-	-	-	-	-	155,466
Home and community services	460,527	-	-	-	889,756	327,769	157,064	1,835,116
Employee benefits	854,399	-	510,775	477,918	-	-	20,254	1,863,346
Debt service:								
Principal	145,000	60,000	135,000	-	52,345	623,605	100,000	1,115,950
Interest	1,995	-	11,138	-	70,798	29,119	1,376	114,426
Capital outlay	113,063	2,565,465	478,081	16,562	12,700	38,750	828	3,225,449
Total expenditures	3,338,723	2,625,465	2,490,488	1,922,796	1,025,599	1,019,243	404,224	12,826,538
Excess (deficiency) revenue over expenditures	449,617	(2,542,807)	66,644	(1,171,867)	944,625	1,523,839	119,155	(610,794)

(Continued)

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

	Major Special Revenue						Nonmajor Special Revenue	Total Governmental Funds
	General	Capital Projects	Highway	Water/Sewer Administration & Ambulance	Sewer	Water		
Other financing sources (uses):								
BANS redeemed from appropriations	\$ -	520,000	-	-	-	-	-	520,000
Transfers in	34,435	1,675,533	-	975,154	54,172	3	-	2,739,297
Transfers out	-	(839,375)	-	(15,000)	(974,318)	(910,604)	-	(2,739,297)
Total other financing sources (uses)	34,435	1,356,158	-	960,154	(920,146)	(910,601)	-	520,000
Net change in fund balances	484,052	(1,186,649)	66,644	(211,713)	24,479	613,238	119,155	(90,794)
Fund balances at beginning of year	1,783,589	220,430	1,078,671	1,252,249	3,112,786	3,049,860	707,265	11,204,850
Fund balances (deficit) at end of year	<u>\$ 2,267,641</u>	<u>(966,219)</u>	<u>1,145,315</u>	<u>1,040,536</u>	<u>3,137,265</u>	<u>3,663,098</u>	<u>826,420</u>	<u>11,114,056</u>

See accompanying notes to financial statements.



TOWN OF PLATTSBURG, NEW YORK  
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances  
- Governmental Funds to the Statement of Activities  
Year ended December 31, 2017

Net change in fund balance	\$ (90,794)
Amounts reported for governmental activities in the statement of activities are different because:	
Current year capital outlays reported as expenditures in the governmental fund financial statements are shown as increases in capital assets in the government-wide financial statements.	3,209,784
Current year debt principal payments reported as expenditures in the governmental fund financial statements are shown as a reduction in debt in the government-wide financial statements.	595,950
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due.	10,920
Compensated absences are expensed on the government-wide financial statements when earned, whereas in the governmental fund financial statements, an expenditure is reported when compensated absences time is used.	57,317
Other postemployment benefits are expensed on the government-wide financial statements when earned, whereas in the governmental fund financial statements, an expenditure is reported when benefits are paid.	(371,798)
Current year change in proportionate share of net pension liability and the related deferred inflows and deferred outflows of resources on the government-wide financial statements is not recognized in governmental funds since it does not provide for current financial resources.	(113,271)
Current year loss on sale of capital assets is reported as an decrease in revenue on the government-wide financial statements and is not recorded on the governmental fund financial statements and the related proceeds are reported as a revenue on the governmental fund financial statements and are not reported on the government-wide financial statements.	(90,976)
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The effect of the current year's depreciation is to decrease net position.	(2,085,872)
Change in net position of governmental activities	<u>\$ 1,121,260</u>

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK  
Statement of Fiduciary Net Position - Fiduciary Funds  
December 31, 2017

	<u>Agency</u>
Assets:	
Cash	\$ 138,794
Cash - escrow accounts	<u>174,216</u>
Total assets	<u><u>\$ 313,010</u></u>
Liabilities:	
Other liabilities	312,675
Due to other funds	<u>335</u>
Total liabilities	<u><u>\$ 313,010</u></u>

See accompanying notes to the financial statements.

# TOWN OF PLATTSBURGH, NEW YORK

## Notes to Financial Statements

December 31, 2017

### (1) Summary of Significant Accounting Policies

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

#### (a) Financial Reporting Entity

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

The following basic services are provided:

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

The reporting entity of the Town is based upon criteria set forth by GASB Statement 14 - "The Financial Reporting Entity." The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the Town and any component unit or other organizational entity determined to be includable in the Town's financial reporting entity. The decision to include a potential component unit or other organizational entity in the Town's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. The Town does not have any reportable component units or other organizational entities for the year ended December 31, 2017. The Town is not a component unit of another reporting entity.

#### (b) Basis of Presentation

##### (i) Government-wide Statements

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

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

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

(i) Government-wide Statements, Continued

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings. The Town had no proprietary funds for the year ended December 31, 2017.

(ii) Fund Financial Statements

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

The Town reports the following major governmental funds:

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

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

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

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

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

(ii) Fund Financial Statements, Continued

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

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

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

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

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

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

Special Grant - This fund is used to account for revenues and expenditures for Community Development Block Grant funds.

(c) Measurement Focus and Basis of Accounting

(i) Government-wide Financial Statements

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

(ii) Governmental Fund Financial Statements

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

## TOWN OF PLATTSBURGH, NEW YORK

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (c) Measurement Focus and Basis of Accounting, Continued

##### (ii) Governmental Fund Financial Statements, Continued

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

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

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

##### (d) Cash and Investments

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Town is authorized to use demand accounts, time deposit accounts and certificates of deposit.

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

At December 31, 2017, the carrying amount of the Town's demand and savings deposits was \$12,305,296 and the bank balance was \$12,226,059. Of the bank balance, \$500,000 was covered by Federal depository insurance and \$11,726,059 was covered by collateral held by the pledging bank in the Town's name. There were no uninsured deposits.

Cash balances of \$88,813 is being held by the Environmental Facilities Corporation (EFC) to be used towards outstanding bond issues.

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

##### (e) Receivables

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

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

(1) Summary of Significant Accounting Policies, Continued

(f) Inventories and Prepaid Items

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

(g) Capital Assets

Capital assets, which include property, buildings, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$500 and an estimated useful life of two years or more. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated assets are recorded at estimated fair market value at the date of donation.

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

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

(h) Compensated Absences

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

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

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

Consistent with GASB Statement 16 - "Accounting for Compensated Absences," an accrual for accumulated sick leave calculated using the vesting method is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the pay rates in effect at year-end.

(i) Long-Term Obligations

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

## TOWN OF PLATTSBURGH, NEW YORK

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (i) Long-Term Obligations, Continued

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

##### (j) Unearned Revenue

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

##### (k) Deferred Compensation

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

##### (l) Postemployment Benefits

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

##### (m) Property Taxes

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

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

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



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

(1) Summary of Significant Accounting Policies, Continued

(n) Net Position/Fund Balances

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

In the governmental fund financial statements, fund balances, as required by Governmental Accounting Standards Board (GASB) Statement 54, are classified as follows:

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

The purpose of GASB 54 is to improve the usefulness, including the understandability, of governmental fund balance information by establishing criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

(o) Budgetary Procedures and Accounting

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

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

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

(1) Summary of Significant Accounting Policies, Continued

(o) Budgetary Procedures and Accounting, Continued

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

(p) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will 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 two items that qualify for reporting in this category.

The first item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item relates to the Town's contributions to the pension systems subsequent to the measurement date.

In addition to liabilities, the financial statements will 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 is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement periods between the Town's contributions and its proportion share of total contributions to the pension systems not included in the pension expense. The second is reported in the Statement of Net Position and the Balance - Governmental Funds and relates to unearned revenue.

(q) Use of Estimates

The preparation of financial statements in accordance 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. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including compensated absences, other postemployment benefits, potential contingent liabilities and useful lives of long-lived assets.

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

(1) Summary of Significant Accounting Policies, Continued

(r) Impact of Recently Issued Accounting Pronouncements

The GASB has issued Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which will be effective for the year ending December 31, 2018. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Town.

The GASB has issued Statement No. 83 - "Certain Asset Retirement Obligations," which will be effective for the year ending December 31, 2019. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Town.

The GASB has issued GASB Statement No. 84 - "Fiduciary Activities," which will be effective for the year ending December 31, 2019. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Town.

The GASB has issued GASB Statement No. 85 - Omnibus 2017," which will be effective for the year ending December 31, 2018. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Town.

The GASB has issued GASB Statement No. 86 - "Certain Debt Extinguishment Issues," which will be effective for the year ending December 31, 2018. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Town.

The GASB has issued GASB Statement No. 87 - "Leases," which will be effective for the year ending December 31, 2020. Management is in process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Town.

The GASB has issued GASB Statement No. 88 - "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." This Statement, issued in April of 2018, requires that additional essential information related to debt be disclosed in notes to financial statements. This Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018, which is the fiscal year beginning January 1, 2019 for the Town. Management is in the process of evaluating the potential impact of this Statement on the financial statements of the Town.

## TOWN OF PLATTSBURGH, NEW YORK

### Notes to Financial Statements, Continued

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

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

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

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

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

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

###### (i) Long-term revenue differences

Long-term revenue differences arise because governmental funds report 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.

###### (ii) Capital related differences

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

###### (iii) Long-term debt transaction differences

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

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

(3) Capital Assets

A summary of capital asset balances and activity for the year ended December 31, 2017 is as follows:

	Balance January 1, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,018,024	-	-	1,018,024
Construction in progress	<u>182,806</u>	<u>2,566,365</u>	<u>(90,976)</u>	<u>2,658,195</u>
Total nondepreciable, historical cost	<u>1,200,830</u>	<u>2,566,365</u>	<u>(90,976)</u>	<u>3,676,219</u>
Capital assets, being depreciated:				
Buildings and improvements	6,019,647	-	-	6,019,647
Infrastructure	68,630,678	370,315	-	69,000,993
Furniture and equipment	<u>6,289,726</u>	<u>273,104</u>	<u>(53,167)</u>	<u>6,509,663</u>
Total depreciable historical cost	<u>80,940,051</u>	<u>643,419</u>	<u>(53,167)</u>	<u>81,530,303</u>
Less accumulated depreciation:				
Buildings, infrastructure and improvements	41,705,056	1,754,911	-	43,459,967
Furniture and equipment	<u>4,481,086</u>	<u>330,961</u>	<u>(53,167)</u>	<u>4,758,880</u>
Total accumulated depreciation	<u>46,186,142</u>	<u>2,085,872</u>	<u>(53,167)</u>	<u>48,218,847</u>
Net depreciable historical cost	<u>34,753,909</u>	<u>(1,442,453)</u>	<u>-</u>	<u>33,311,456</u>
Governmental activities capital assets, net	\$ <u>35,954,739</u>	<u>1,123,912</u>	<u>(90,976)</u>	<u>36,987,675</u>

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 268,131
Transportation	872,560
Culture and recreation	24,038
Home and community services	<u>921,143</u>
Total	\$ <u>2,085,872</u>

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

(4) Indebtedness

(a) Long-Term Debt

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

	Balance at December 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance at December 31, <u>2017</u>	Amounts due within <u>one year</u>
Serial bonds	\$ 4,809,243	-	595,950	4,213,293	566,756
Compensated absences	<u>716,141</u>	<u>-</u>	<u>57,317</u>	<u>658,824</u>	<u>-</u>
Total	\$ <u>5,525,384</u>	<u>-</u>	<u>653,267</u>	<u>4,872,117</u>	<u>566,756</u>

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

Bonds are comprised of the following:

Serial Bonds

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding 12/31/17</u>
Champlain Park Water Improvements	3/1981	2/2020	5.000%	\$ 24,000
Cadyville WD Construction	10/1986	10/2025	6.000%	40,000
Treadwell Mills WD Improvements	9/1988	9/2027	6.375%	75,000
Wallace Hill WD #1	1/1997	9/2021	5.750%	38,400
Morrisonville WD #1	1/1997	9/2021	5.750%	41,600
Cadyville SD - NYSEFC	11/1998	11/2018	0.000%	4,233
Wallace Hill WD #2 Phase II - NYSEFC	7/2001	5/2031	0.000%	216,706
Wallace Hill SD #3 - NYSEFC	7/2003	7/2033	0.000%	289,144
Cumberland Head WD - NYSEFC	7/2003	7/2022	0.000%	1,534,210
Champlain Park Sewer Closure - NYSEFC	10/2010	10/2039	2.132%	1,680,000
Highway Improvements	8/2014	8/2019	2.750%	<u>270,000</u>
Total serial bonds				\$ <u>4,213,293</u>

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

(4) Indebtedness, Continued

(a) Long-Term Debt, Continued

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

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 566,756	88,608	655,364
2019	573,329	81,048	654,377
2020	444,136	73,222	517,358
2021	441,942	69,170	511,112
2022	427,748	65,178	492,926
2023-2027	572,149	278,833	850,982
2028-2032	542,353	194,810	737,163
2033-2037	454,880	104,187	559,067
2038-2039	<u>190,000</u>	<u>13,119</u>	<u>203,119</u>
	<u>\$ 4,213,293</u>	<u>968,175</u>	<u>5,181,468</u>

(b) Bond Anticipation Notes

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

The following is an analysis of BANs outstanding at December 31, 2017:

<u>Description of Issue</u>	<u>Interest Rate</u>	<u>Balance at December 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2017</u>
Cadyville Park/Street Light Purchase	1.46%	\$ 245,000	-	245,000	-
Cadyville/M'ville WD	1.37%	260,000	-	260,000	-
Moffitt Road Water	1.23%	<u>660,000</u>	<u>-</u>	<u>15,000</u>	<u>645,000</u>
		<u>\$ 1,165,000</u>	<u>-</u>	<u>520,000</u>	<u>645,000</u>

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

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

(4) Indebtedness, Continued

(c) Interest Expense

Interest expense incurred on serial bonds and bond anticipation notes for the year ended December 31, 2017 is as follows:

Interest paid	\$ 114,426
Less interest accrued in the prior year	(37,345)
Plus interest accrued in the current year	<u>26,425</u>
Total expense	\$ <u>103,506</u>

(5) Pension Plans

(a) Plan Descriptions and Benefits Provided

The Town participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net 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. 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 State statute. The Town also participated 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/gublications/index.ghp](http://www.osc.state.ny.us/retire/gublications/index.ghp) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined 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 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.



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

(5) Pension Plans, Continued

(a) Plan Descriptions and Benefits Provided, Continued

Contributions for the current and two preceding years were equal to 100% of the contributions required, and were as follows:

2017	\$ 456,846
2016	437,184
2015	481,977

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

At December 31, 2017 the Town reported the following liability for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. 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 System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS in reports provided to the Town.

Measurement date	3/31/2017
Net pension liability	\$ 1,052,971
Town's proportion of the Plan's net pension liability	0.0112063%

For the year ended December 31, 2017, the Town's recognized pension expense of \$570,117 for ERS. At December 31, 2017 the Town's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 26,386	159,900
Changes of assumptions	359,734	-
Net difference between projected and actual investment earnings on pension plan investments	210,321	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	-	99,969
Town's contributions subsequent to the measurement date	<u>348,870</u>	<u>-</u>
Total	\$ <u>945,311</u>	<u>259,869</u>

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

(5) Pension Plans, Continued

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

Town contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ending</u>	<u>ERS</u>
2018	\$ 166,257
2019	166,257
2020	152,875
2021	(148,817)
2022	-
Thereafter	-

(c) Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

Measurement date	March 31, 2017
Actuarial valuation date	April 1, 2016
Interest rate	7.0%
Salary scale	3.8%
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience
Inflation rate	2.5%

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

For ERS, the actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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

(5) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

The long term rate of return on pension plan investments was determined using a build 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 each target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

<u>Measurement date</u>	<u>March 31, 2017</u>	
	Long-term expected real rate of return	Target allocation
Asset type:		
Domestic equity	4.55%	36.00%
International equity	6.35%	14.00%
Private equity	7.75%	10.00%
Real estate	5.80%	10.00%
Absolute return strategies	4.00%	2.00%
Opportunistic portfolio	5.89%	3.00%
Real assets	5.54%	3.00%
Bonds and mortgages	1.31%	17.00%
Cash	(0.25%)	1.00%
Inflation - indexed bonds	1.50%	4.00%

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

(d) Discount Rate

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

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

(5) Pension Plans, Continued

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0% for ERS, as well as what the Towns' 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%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension (asset) liability	\$ <u>3,362,982</u>	<u>1,052,971</u>	<u>(900,138)</u>

(f) Pension Plan Fiduciary Net Position

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

	(Dollars in Millions)
Measurement date	3/31/2017
Employers' total pension liability	\$ (177,400)
Plan net position	<u>168,004</u>
Employers' net pension liability	\$ <u>(9,396)</u>
Ratio of plan net position to the Employers' total pension liability	97.40%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Retirement contributions as of December 31, 2017 represent the projected employer contribution for the period of April 1, 2017 through March 31, 2018 based on paid ERS wages multiplied by the employer's contribution rate, by tier. This amount has been recorded as deferred outflows of resources in the accompanying financial statements.

(6) Other Postemployment Benefits

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

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

(6) Other Postemployment Benefits, Continued

GASB issued Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions" which requires the accrual of these liabilities. This statement was implemented as of January 1, 2008. The cost of providing health insurance benefits to retirees during the year ended December 31, 2017 on a pay-as-you-go basis was \$69,870.

(a) Plan Description

The Town administers 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 the applicable collective bargaining and Town policy. The plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

(b) Funding Policy

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

(c) Accounting Policy

The accrual basis of accounting is used. The fair market value of assets is determined by the market value of assets paid by the willing buyer to a willing seller. Presently, the Town is unable to fund this obligation.

(d) Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the Town and the plan members and include the types of benefits provided at the time of each valuation. The actuarial methods and assumption used include techniques that are designed to reduce the short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

As of January 1, 2016, an actuarial valuation was performed in which the projected unit credit method was used. As of the December 31, 2017 measurement date, the actuarial assumptions included a 4.00% investment rate of return based on expected earnings on the Town's own investments, and an annual health care cost trend rate of 5.50% (pre-65) and 10.00% (post-65) initially as of December 31, 2017. The 2017 trend rates are reduced by decrements to an ultimate rate of 3.84% to be reached in 2086. All rates included a 2.2% inflation assumption. The unfunded actuarial accrued liability is being amortized using the level dollar method on an open basis. The remaining original amortization period at December 31, 2017 was 23 years.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(6) Other Postemployment Benefits, Continued

(e) Annual OPEB cost at December 31, 2017

Annual required contribution (ARC)	\$ 526,474
Adjustment to ARC	(222,032)
Interest on net OPEB obligation	<u>137,226</u>
Annual OPEB cost	441,668
OPEB contributions made during the year	(69,870)
OPEB obligation at the beginning of year	<u>3,430,649</u>
OPEB obligation at the end of the year	\$ <u>3,802,447</u>

(f) Trend Information

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and the two preceding years were:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 441,668	15.82%	3,802,447
2016	417,920	13.39%	3,430,649
2015	672,650	10.88%	3,068,681

(7) Interfund Transactions

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

Individual fund interfund receivable and payable balances at December 31, 2017, arising from these transactions and interfund revenues and expenditures are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenue</u>	<u>Interfund Expenditures</u>
General fund	\$ 2,335	-	34,435	-
Capital projects	-	-	1,675,533	839,375
Major special revenue:				
Highway	-	-	-	-
Water/sewer administration & ambulance	2,602	-	975,154	15,000
Sewer	-	2,602	54,172	974,318
Water	-	-	3	910,604
Nonmajor special revenue	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
Total governmental activity	4,937	4,602	2,739,297	2,739,297
Trust and agency	<u>-</u>	<u>335</u>	<u>-</u>	<u>-</u>
Total	\$ <u>4,937</u>	<u>4,937</u>	<u>2,739,297</u>	<u>2,739,297</u>

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

(8) Commitments and Contingencies

(a) Risk Financing and Related Insurance

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

(b) Litigation

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

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

(c) Grant Programs

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

(d) Environmental Concerns

In the normal course of operations, the Town is engaged in activities (i.e. gasoline storage) that are potentially hazardous to the environment. As of December 31, 2017, the Town has not experienced any instances of significant environmental problems.

(e) Encumbrances

The Town has outstanding commitments related to unperformed contracts for goods and services at December 31, 2017 as follows:

Highway fund	\$ 34,263
Sewer fund	<u>515</u>
	\$ <u>34,778</u>

(f) Tax Abatements

As of December 31, 2017 the Town abatement programs include abatements on property taxes. All abatement agreements are made by Clinton County Industrial Development Agency (CCIDA), a component unit of the County.

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

(8) Commitments and Contingencies, Continued

(f) Tax Abatements, Continued

All property tax abatements are performed through Payment in Lieu of Tax (PILOT) agreements made by CCIDA. The PILOT agreements are made to support construction, utilities and housing/hotels. Total taxes abated by CCIDA in each of these categories for the year ended December 31, 2017 is as follows:

Construction	\$ 110,363
Utilities	114,274
Housing/hotels	35,063

(9) Net Position and Fund Balances

The following is a summary of fund balances at December 31, 2017:

	General <u>Fund</u>	Capital Projects <u>Fund</u>	Major Special Revenue <u>Funds</u>	Nonmajor Special Revenue <u>Funds</u>	<u>Total</u>
Nonspendable	\$ 60,229	-	54,681	1,381	116,291
Assigned - appropriated:					
Outstanding purchase orders	-	-	34,778	-	34,778
2018 budget appropriations	300,020	-	4,104,530	-	4,404,550
Assigned - unappropriated	-	-	4,792,225	825,039	5,617,264
Unassigned	<u>1,907,392</u>	<u>(966,219)</u>	<u>-</u>	<u>-</u>	<u>941,173</u>
	<u>\$ 2,267,641</u>	<u>(966,219)</u>	<u>8,986,214</u>	<u>826,420</u>	<u>11,114,056</u>

The following is a summary of net position at December 31, 2017:

Net investment in capital assets	\$ 32,129,382
Restricted (special revenue funds)	9,812,634
Unrestricted	<u>(2,908,803)</u>
	<u>\$ 39,033,213</u>

(10) Subsequent Events

The Town is currently working with the New York State Division of Cemeteries regarding an abandoned cemetery. Please refer to management's discussion and analysis for further information regarding this subject.

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



TOWN OF PLATTSBURG, NEW YORK  
Required Supplementary Information  
Schedule of Revenue, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund  
Year ended December 31, 2017

	Original <u>budget</u>	Final <u>budget</u>	<u>Actual</u>	Variance with final budget positive (negative)
Revenue:				
Real property taxes	\$ 77,700	77,700	80,143	2,443
Non-property tax items	2,663,812	2,663,812	2,902,360	238,548
Departmental income	36,000	36,000	45,288	9,288
Charges for services	5,500	5,500	4,592	(908)
Use of money and property	8,500	8,500	17,997	9,497
Licenses and permits	55,150	55,150	100,535	45,385
Fines and forfeitures	300,000	300,000	277,962	(22,038)
State aid	295,803	295,803	336,629	40,826
Miscellaneous	<u>15,000</u>	<u>23,257</u>	<u>22,834</u>	<u>(423)</u>
Total revenue	<u>3,457,465</u>	<u>3,465,722</u>	<u>3,788,340</u>	<u>322,618</u>
Expenditures:				
General government support	1,720,120	1,682,546	1,470,489	212,057
Public safety	32,500	32,500	23,407	9,093
Health	650	645	600	45
Transportation	82,500	82,500	81,199	1,301
Economic opportunity and development	35,580	35,580	32,578	3,002
Culture and recreation	162,530	164,020	155,466	8,554
Home and community services	481,715	514,015	460,527	53,488
Employee benefits	933,814	970,979	854,399	116,580
Debt service:				
Principal	72,500	145,000	145,000	-
Interest	2,025	2,025	1,995	30
Capital outlay	<u>131,000</u>	<u>143,217</u>	<u>113,063</u>	<u>30,154</u>
Total expenditures	<u>3,654,934</u>	<u>3,773,027</u>	<u>3,338,723</u>	<u>434,304</u>
Excess (deficiency) of revenue over expenditures	<u>(197,469)</u>	<u>(307,305)</u>	<u>449,617</u>	<u>756,922</u>
Other financing sources - transfers in	-	-	34,435	34,435
Net change in fund balance	<u>(197,469)</u>	<u>(307,305)</u>	<u>484,052</u>	<u>791,357</u>
Fund balance at beginning of year	<u>1,783,589</u>	<u>1,783,589</u>	<u>1,783,589</u>	
Fund balance at end of year	<u>\$ 1,586,120</u>	<u>1,476,284</u>	<u>2,267,641</u>	

TOWN OF PLATTSBURG, NEW YORK  
Required Supplementary Information  
Schedule of Revenue, Expenditures and Changes in Fund Balance -  
Budget and Actual - Highway Special Revenue Fund  
Year ended December 31, 2017

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue:				
Real property taxes	\$ 1,180,310	1,180,310	1,179,257	(1,053)
Non-property tax items	1,175,915	1,175,915	1,071,396	(104,519)
Charges for services	72,000	72,000	71,622	(378)
Use of money and property	400	400	1,684	1,284
Sale of property and compensation for loss	-	1,000	1,102	102
State aid	150,000	210,667	210,433	(234)
Miscellaneous	-	14,529	21,638	7,109
Total revenue	<u>2,578,625</u>	<u>2,654,821</u>	<u>2,557,132</u>	<u>(97,689)</u>
Expenditures:				
Transportation	1,524,505	1,539,764	1,355,494	184,270
Employee benefits	545,420	545,420	510,775	34,645
Debt service:				
Principal	135,000	135,000	135,000	-
Interest	11,500	11,500	11,138	362
Capital outlay	<u>460,000</u>	<u>520,667</u>	<u>478,081</u>	<u>42,586</u>
Total expenditures	<u>2,676,425</u>	<u>2,752,351</u>	<u>2,490,488</u>	<u>261,863</u>
Excess (deficiency) of revenue over expenditures	<u>(97,800)</u>	<u>(97,530)</u>	<u>66,644</u>	<u>164,174</u>
Fund balance at beginning of year	<u>1,078,671</u>	<u>1,078,671</u>	<u>1,078,671</u>	
Fund balance at end of year	<u>\$ 980,871</u>	<u>981,141</u>	<u>1,145,315</u>	

TOWN OF PLATTSBURG, NEW YORK  
Required Supplementary Information  
Schedule of Revenue, Expenditures and Changes in Fund Balance -  
Budget and Actual - Water/Sewer Administration & Ambulance Special Revenue Fund  
Year ended December 31, 2017

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue:				
Real property taxes	\$ 439,000	439,000	439,051	51
Departmental income	36,500	36,500	85,427	48,927
Charges for services	215,972	215,972	215,972	-
Use of money and property	1,000	1,000	4,392	3,392
Sale of property and compensation for loss	-	-	3,223	3,223
Miscellaneous	-	-	2,864	2,864
Total revenue	<u>692,472</u>	<u>692,472</u>	<u>750,929</u>	<u>58,457</u>
Expenditures:				
General government support	1,357,700	1,404,100	989,316	414,784
Health	439,000	439,000	439,000	-
Employee benefits	581,079	581,079	477,918	103,161
Capital outlay	<u>250,000</u>	<u>250,528</u>	<u>16,562</u>	<u>233,966</u>
Total expenditures	<u>2,627,779</u>	<u>2,674,707</u>	<u>1,922,796</u>	<u>751,911</u>
Excess (deficiency) of revenue over expenditures	<u>(1,935,307)</u>	<u>(1,982,235)</u>	<u>(1,171,867)</u>	<u>810,368</u>
Other financing sources (uses):				
Transfers in	1,950,307	1,950,307	975,154	(975,153)
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Total other financing uses	<u>1,935,307</u>	<u>1,935,307</u>	<u>960,154</u>	<u>(975,153)</u>
Net change in fund balance	<u>-</u>	<u>(46,928)</u>	<u>(211,713)</u>	<u>(164,785)</u>
Fund balance at beginning of year	<u>1,252,249</u>	<u>1,252,249</u>	<u>1,252,249</u>	
Fund balance at end of year	<u>\$ 1,252,249</u>	<u>1,205,321</u>	<u>1,040,536</u>	

TOWN OF PLATTSBURG, NEW YORK  
Required Supplementary Information  
Schedule of Revenue, Expenditures and Changes in Fund Balance -  
Budget and Actual - Sewer Special Revenue Fund  
Year ended December 31, 2017

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue:				
Real property taxes	\$ 557,033	557,033	557,051	18
Departmental income	1,247,100	1,247,100	1,150,802	(96,298)
Use of money and property	1,500	1,500	13,370	11,870
Sale of property and compensation for loss	-	428,154	214,077	(214,077)
Miscellaneous	36,000	36,000	34,924	(1,076)
Total revenue	<u>1,841,633</u>	<u>2,269,787</u>	<u>1,970,224</u>	<u>(299,563)</u>
Expenditures:				
Home and community services	929,450	989,450	889,756	99,694
Debt service:				
Principal	112,346	111,746	52,345	59,401
Interest	70,799	71,399	70,798	601
Capital outlay	293,000	38,000	12,700	25,300
Total expenditures	<u>1,405,595</u>	<u>1,210,595</u>	<u>1,025,599</u>	<u>184,996</u>
Excess (deficiency) of revenue over expenditures	<u>436,038</u>	<u>1,059,192</u>	<u>944,625</u>	<u>(114,567)</u>
Other financing sources (uses):				
Transfers in	-	-	54,172	54,172
Transfers out	(598,636)	(1,221,790)	(974,318)	247,472
Total other financing uses	<u>(598,636)</u>	<u>(1,221,790)</u>	<u>(920,146)</u>	<u>301,644</u>
Net change in fund balance	<u>(162,598)</u>	<u>(162,598)</u>	<u>24,479</u>	<u>187,077</u>
Fund balance at beginning of year	<u>3,112,786</u>	<u>3,112,786</u>	<u>3,112,786</u>	
Fund balance at end of year	<u>\$ 2,950,188</u>	<u>2,950,188</u>	<u>3,137,265</u>	

TOWN OF PLATTSBURG, NEW YORK  
Required Supplementary Information  
Schedule of Revenue, Expenditures and Changes in Fund Balance -  
Budget and Actual - Water Special Revenue Fund  
Year ended December 31, 2017

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue:				
Real property taxes	\$ 1,498,833	1,498,833	1,498,921	88
Departmental income	896,000	896,000	941,037	45,037
Use of money and property	2,200	2,200	14,966	12,766
Licenses and permits	73,100	73,100	73,183	83
State aid	-	14,813	14,975	162
Total revenue	<u>2,470,133</u>	<u>2,484,946</u>	<u>2,543,082</u>	<u>58,136</u>
Expenditures:				
Home and community services	419,965	429,042	327,769	101,273
Debt service:				
Principal	623,605	623,605	623,605	-
Interest	33,790	33,790	29,119	4,671
Capital outlay	<u>137,000</u>	<u>140,226</u>	<u>38,750</u>	<u>101,476</u>
Total expenditures	<u>1,214,360</u>	<u>1,226,663</u>	<u>1,019,243</u>	<u>207,420</u>
Excess (deficiency) of revenue over expenditures	<u>1,255,773</u>	<u>1,258,283</u>	<u>1,523,839</u>	<u>265,556</u>
Other financing sources (uses):				
Transfers in	-	-	3	3
Transfers out	<u>(1,351,671)</u>	<u>(1,371,671)</u>	<u>(910,604)</u>	<u>461,067</u>
Total other financing uses	<u>(1,351,671)</u>	<u>(1,371,671)</u>	<u>(910,601)</u>	<u>461,070</u>
Net change in fund balance	<u>(95,898)</u>	<u>(113,388)</u>	<u>613,238</u>	<u>726,626</u>
Fund balance at beginning of year	<u>3,049,860</u>	<u>3,049,860</u>	<u>3,049,860</u>	
Fund balance at end of year	<u>\$ 2,953,962</u>	<u>2,936,472</u>	<u>3,663,098</u>	

TOWN OF PLATTSBURG, NEW YORK  
Required Supplementary Information  
Schedule of Funding Progress - Other Postemployment Benefits (OPEB)  
December 31, 2017

Actuarial Valuation <u>date</u>	Actuarial value of <u>assets</u>	Actuarial accrued <u>liability</u>	Unfunded actuarial accrued <u>liability</u>	Funded <u>ratio</u>	Covered <u>payroll</u>	Unfunded actuarial accrued liability as a percentage of covered <u>payroll</u>
January 1, 2016	\$ -	4,480,853	4,483,853	0%	3,191,180	141%
December 31, 2015	-	5,816,881	5,816,881	0%	N/A	N/A
December 31, 2014	-	5,326,074	5,326,074	0%	N/A	N/A

TOWN OF PLATTSBURG, NEW YORK  
Required Supplementary Information  
Schedule of Town's Proportionate Share of the Net Position Liability  
Year ended December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0112063%	0.0118562%	0.1280020%
The Town's proportionate share of the net pension liability	\$ 1,052,971	\$ 1,902,958	\$ 432,422
The Town's covered payroll	\$ 3,139,774	\$ 2,859,793	\$ 3,121,832
as a percentage of covered payroll	33.54%	66.54%	13.85%
Plan fiduciary net position as a percentage of the total pension liability	94.70%	90.7%	97.90%

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

TOWN OF PLATTSBURG, NEW YORK  
Required Supplementary Information  
Schedule of the Town's Pension Contributions  
Year ended December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 456,846	437,184	481,977	603,063	605,904	516,950	393,036	283,042	186,002	220,491
Contribution in relation to the contractually required contribution	<u>456,846</u>	<u>437,184</u>	<u>481,977</u>	<u>603,063</u>	<u>605,904</u>	<u>516,950</u>	<u>393,036</u>	<u>283,042</u>	<u>186,002</u>	<u>220,491</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Town's covered payroll	\$ 3,139,774	2,859,793	3,121,832	3,006,999	2,888,651	N/A	N/A	N/A	N/A	N/A
Contribution as a percentage of covered payroll	14.55%	15.29%	15.44%	20.06%	20.98%	N/A	N/A	N/A	N/A	N/A



TOWN OF PLATTSBURG, NEW YORK  
Other Supplementary Information  
Combining Balance Sheet - Nonmajor Governmental Funds  
December 31, 2017

	<u>Storm Drainage</u>	<u>Street Lighting</u>	<u>Special Grant</u>	<u>Total</u>
Assets:				
Cash - unrestricted	\$ 569,683	265,445	-	835,128
State and Federal aid	-	-	17,345	17,345
Prepaid expenses	-	1,381	-	1,381
Total assets	<u>\$ 569,683</u>	<u>266,826</u>	<u>17,345</u>	<u>853,854</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	-	9,575	15,345	24,920
Accrued liabilities	-	514	-	514
Due to other funds	-	-	2,000	2,000
Total liabilities	-	10,089	17,345	27,434
Fund balances (deficits):				
Nonspendable	-	1,381	-	1,381
Assigned - unappropriated	569,683	255,356	-	825,039
Total fund balances (deficit)	569,683	256,737	-	826,420
Total liabilities and fund balances	<u>\$ 569,683</u>	<u>266,826</u>	<u>17,345</u>	<u>853,854</u>

TOWN OF PLATTSBURG, NEW YORK  
Other Supplementary Information  
Combining Statements of Revenue, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Fund  
Year ended December 31, 2017

	<u>Storm Drainage</u>	<u>Street Lighting</u>	<u>Special Grant</u>	<u>Total</u>
Revenue:				
Real property taxes	\$ 47,100	303,277	-	350,377
Use of money and property	536	8,902	-	9,438
State aid	<u>-</u>	<u>-</u>	<u>163,564</u>	<u>163,564</u>
Total revenue	<u>47,636</u>	<u>312,179</u>	<u>163,564</u>	<u>523,379</u>
Expenditures:				
General government support	-	-	4,500	4,500
Transportation	2,602	117,600	-	120,202
Home and community services	-	-	157,064	157,064
Employee benefits	-	20,254	-	20,254
Debt service:				
Principal	-	100,000	-	100,000
Interest	-	1,376	-	1,376
Capital outlay	<u>-</u>	<u>828</u>	<u>-</u>	<u>828</u>
Total expenditures	<u>2,602</u>	<u>240,058</u>	<u>161,564</u>	<u>404,224</u>
Excess revenue over expenditures	45,034	72,121	2,000	119,155
Fund balances (deficit) at beginning of year	<u>524,649</u>	<u>184,616</u>	<u>(2,000)</u>	<u>707,265</u>
Fund balances at end of year	<u><u>\$ 569,683</u></u>	<u><u>256,737</u></u>	<u><u>-</u></u>	<u><u>826,420</u></u>

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plattsburgh, New York (the Town), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 16, 2018.

**Internal Control Over Financial Reporting**

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

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
May 16, 2018