

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 17, 2024

RENEWALS

BOND ANTICIPATION NOTES

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

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

TOWN OF PHILIPSTOWN PUTNAM COUNTY, NEW YORK (the "Town")

\$3,440,000

BOND ANTICIPATION NOTES, 2024 (RENEWALS) SERIES B

Dated Date: July 2, 2024

Maturity Date: July 2, 2025

Security and Sources of Payment: The Notes will constitute general obligations of the Town and will contain a pledge of its faith and credit for the punctual payment of the principal of and interest on the Notes, and all the taxable real property within the Town will be subject to the levy of ad valorem taxes, for such purpose, subject to applicable statutory limitations. See "Tax Levy Limitation Law" herein.

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

At the option of the purchaser(s), the Notes may either be registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York ("DTC") as book-entry notes. Note certificates shall bear a single rate of interest and shall be in a denomination equal to the aggregate principal amount awarded to such purchaser at such interest rate.

Form and Denomination: The Notes to be 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, 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(s) at such interest rate. Individual purchases of the Notes to be 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 ownership interest in the Notes to be issued in book-entry form purchased. See "Book-Entry System" herein.

Payment: Payment of the principal of and interest on the Notes to be issued in book-entry form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in "street name." Payment will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry System" herein. Payment of the principal of and interest on the Notes issued in the form registered to the purchaser(s) will be payable at such bank of 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 June 25, 2024 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(s) and subject to the receipt of an approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey or such other place as may be agreed upon with the purchaser(s) on or about July 2, 2024.

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



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* * *

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* * *

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

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OFFICIAL STATEMENT

Relating to

TOWN OF PHILIPSTOWN PUTNAM COUNTY, NEW YORK

\$3,440,000

BOND ANTICIPATION NOTES, 2024 (RENEWALS) SERIES B

This Official Statement, including the cover page and appendices thereto, has been prepared by the Town of Philipstown, Putnam County, New York (the "Town") and presents certain information relating to the Town's \$3,440,000 Bond Anticipation Notes, 2024 (Renewals) Series B (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 will be dated July 2, 2024 and will mature, without right of redemption prior to maturity, on July 2, 2025, with interest payable at maturity.

At the option of the purchaser(s), the Notes may be either registered to the purchaser(s) 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(s), 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. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at the office of the Town Clerk in Philipstown, New York.

For those Notes issued as book-entry notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their respective interests in the Notes. Individual purchases of such registered Notes may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. See "Book-Entry System" herein.

The Town will act as Paying Agent for the Notes. The Town's contact information is as follows: John Van Tassel, Supervisor, Town of Philipstown, 238 Main Street, P.O. Box 155, Cold Spring, New York 10516, Phone (845) 265-3329, and email: supervisor@philipstown.com.

Optional Redemption

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

Book-Entry System

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

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

Purchases of the 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 bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 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 effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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 Town 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 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 or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest 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.

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

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

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

Source: The Depository Trust Company

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 "Material Event Notices Certificate" (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 government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a "financial obligation" of the Town, any of which affect noteholders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

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

With respect to event (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 government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

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

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

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

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

Authorization and Purpose

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and a bond resolution adopted by the Town Board. The project that will be financed by such amount is as follows:

<u>Date</u>	<u>Project Name</u>	<u>Amount</u>	<u>Amount to</u>	<u>Amount to</u>
<u>Authorized</u>		<u>Outstanding</u>	<u>be Paid</u>	<u>be Issued</u>
08/05/2021	Construction of a new Highway Garage	<u>3,500,000</u>	<u>60,000</u>	<u>3,440,000</u>
	Totals	\$ <u>3,500,000</u>	\$ <u>60,000</u>	\$ <u>3,440,000</u>

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 applicable statutory limitations. See “Tax Levy Limitation Law, herein.

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

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

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

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

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

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

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

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

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

Tax Levy Limitation Law

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

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

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

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

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, city, towns or 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. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

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 enacted at the 1975 Extraordinary Session of the State legislature, as described below, authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

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

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

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

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

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

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

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

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its "property, affairs and government" by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the "property, affairs and governments" of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning 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 is presently not working with the FRB and does not reasonably anticipate doing so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision

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

village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

Default Litigation

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

No Past Due Debt

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

THE TOWN

The Town was originally acquired from the Wappinger Indians in 1691 by two Dutch traders in what might seem to be considered the first ever real estate deal in which the traders obtained a license from New York State permitting their purchase of a deed from the Native Americans then living in what is now Philipstown. The Town officially became a township on March 7, 1788. The Town, located in the western part of Putnam County, has a total area of 51.5 square miles, of which 48.8 square miles is land and 2.7 square miles, or 5.22%, is water. The population was 9,720 as of the 2020 census.

The Town is known as one of the most attractive communities in the metropolitan New York region. It features a rugged topography, quaint village center, ample private and public recreational opportunities, a corridor of preserves along its twelve-mile shoreline, and spectacular views of the Hudson River – all within an hour-and-a-half of Manhattan.

Governmental and Services

There are two distinct and autonomous villages in Philipstown. The two villages, Nelsonville and Cold Spring are both located entirely within the Town of Philipstown. Village residents are also residents of Philipstown and they pay taxes to the Town, vote in Town elections, may be elected to Town office and serve on Town Boards.

The Town is governed by a Town Board. The Town Hall is located at 238 Main Street (New York Route 301) in Cold Spring, New York. Primary law enforcement services in Philipstown are provided by the New York State Police and the Putnam County Sheriff’s Department. The Village of Cold Spring has its own police department. Fire and medical emergency services are provided by the Continental Village Fire Department, the Garrison Fire Department, the North Highlands Fire Department, and the Village of Cold Spring Fire Department. Three school districts are located in Philipstown which include Haldane, Garrison and Lakeland School Districts.

Employees

The Town provides services through approximately 29 full-time employees, 17 part-time employees and 88 seasonal employees. Union representation of full time employees is as follows:

<u>Name of Union</u>	<u>Approximate Membership</u>	<u>Date Contract Expires</u>
Highway Civil Service Employees Association	14	12/31/2026

Selected Wealth and Income Indicators

	Per Capita Money Income			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of Philipstown	NA	NA	\$42,000	\$56,583
County of Putnam	20,536	30,127	37,915	47,533
State of New York	16,501	23,389	30,791	40,898

	Median Household Income			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of Philipstown	\$53,471	\$75,746	\$77,784	117,926
County of Putnam	58,892	82,197	101,576	122,394
State of New York	39,741	51,691	67,405	87,270

Source: United States Bureau of the Census

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

Population

<u>Year</u>	<u>Town of Philipstown</u>	<u>Putnam County</u>	<u>State of New York</u>
1990	NA	83,941	17,990,455
2000	NA	95,745	18,976,457
2010	9,669	99,710	19,378,102
2020	9,720	98,714	19,514,849

Source: United States Bureau of the Census

Building Permit Activity

<u>Year</u>	<u>Number of Building Permits Issued</u>	<u>Value of Building Permits Issued</u>
2018	323	26,086,900
2019	394	23,240,600
2020	394	42,446,100
2021	437	21,651,600
2022	394	31,373,200
2023	383	48,692,600

Selected Listing of Large Employers within Putnam County

<u>Name</u>	<u>Type</u>	<u>Estimated Number Of Employees</u>
Putnam Hospital Center	Healthcare	650
Green Chimneys	Services	525
Ace Endico	Food Services	502
Putnam Precision Products, Inc	Manufacturing	377
The Arc of Putnam	Services	375
Arms Acres, Inc.	Services	312
Hudson Valley Cerbal Palsy Assoc	Services	260
Home Depot	Retail	255
Big V Shop Rite Supermarkets Inc	Retail	242
Optum Medical Services PC	Health Services	230

Source: Putnam County office of Planning, Development & Public Transportation

Unemployment Rate Statistics

Unemployment statistics are not available for the Town as such. 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 Putnam(%)</u>	<u>State of New York(%)</u>
2019	3.7	4.0
2020	7.6	10.0
2021	4.2	6.9
2022	2.9	4.4
2023	3.0	4.2
2024 (3 months Average)	3.6	4.3

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, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or the weighted average period of probable usefulness thereof; and 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 "Nature of Obligation", 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 Limitation Law imposes a statutory limitation on the Town's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limitation Law. See "Tax Levy Limitation 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 provisions set forth above. The power to spend money, however, generally derives from other law, including the Town Law.

Pursuant to the Local Finance Law, the Town authorizes the incurrence of indebtedness by the adoption of a bond ordinance approved by at least two-thirds of the members of the Town Board, the finance board of the Town.

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 will be in compliance upon closing with such requirement with respect to 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 notes 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 Town Board may delegate, and has delegated, power to issue and sell bonds, 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 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 Office of Real Property Tax 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 Limitation 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 Limitation Law. See "Tax Levy Limitation Law," herein.

Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of June 17, 2024)

Fiscal Year Ending <u>December 31:</u>	Assessed <u>Valuation</u>	State Equalization <u>Rate (%)</u>	<u>Full Valuation</u>
2019	\$1,191,485,465	45.85	\$2,598,659,684
2020	1,198,443,054	44.65	2,684,082,988
2021	1,208,994,697	44.60	2,710,750,442
2022	1,209,933,535	39.35	3,074,799,327
2023	1,215,677,073	35.22	3,451,666,874
Total Five Year Full Valuation			14,519,959,314
Average Five Year Full Valuation			2,903,991,863
Debt Limit - 7% of Full Valuation			203,279,430
Inclusions:			
Outstanding Bonds			\$0
Bond Anticipation Notes			<u>4,936,266</u>
Total Indebtedness			<u>4,936,266</u>
Exclusions			
Water Debt			0
Appropriations for Bonds			0
Appropriations for Notes			<u>60,000</u>
Total Exclusions			60,000
Total Net Indebtedness Before the Issuance of the Notes			<u>4,876,266</u>
The Notes			3,440,000
BANs to be Redeemed by the Issuance of the Notes			<u>3,440,000</u>
Net Effect of the Notes			<u>0</u>
Total Net Indebtedness After the Issuance of the Notes			<u>4,876,266</u>
Net Debt Contracting Margin			<u><u>\$198,403,164</u></u>
Per Cent of Debt Contracting Margin Exhausted			2.40%

	Trend of Town Indebtedness				
	<u>Fiscal Year Ending December 31</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Outstanding End of Year:					
Bonds	\$ 215,620	\$ 154,465	\$ 93,310	\$ 32,155	\$ 0
Bond Anticipation Notes	<u>576,636</u>	<u>2,491,643</u>	<u>2,306,429</u>	<u>4,030,257</u>	<u>5,326,688</u>
Totals:	<u>\$792,256</u>	<u>\$2,646,108</u>	<u>\$2,399,739</u>	<u>\$4,062,412</u>	<u>\$5,326,688</u>

Details of Short-Term Indebtedness Outstanding

Maturity <u>Date</u>	<u>Purpose</u>	Amount <u>Outstanding</u>
08/02/2024	Garrison Landing Water District	\$94,110
09/27/2024	Dahila Annex	115,765
01/17/2025	Reconstruction of Town Hall	1,436,266
07/05/2024	Construction of a new Highway Garage	<u>3,500,000</u>
Total:		<u><u>5,146,141</u></u>

Capital Program

The Town is generally responsible for providing services as required to the citizens on a Town-wide basis. The Town maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and, from time to time, equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. In addition, the Town owns, operates, maintains and improves recreation facilities. In general, needs for capital funding for the above described projects which the Town has responsibility are anticipated to continue and to be in approximately the same amounts or less than has prevailed in the past.

Authorized but Unissued Indebtedness

As of the date of this Official Statement, the Town has no authorized and unissued debt outstanding.

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	Percentage <u>Applicable (%)</u>	Applicable Total <u>Indebtedness</u>	Applicable Net <u>Indebtedness</u>
County of Putnam	06/29/2023	18.47	\$ 7,823,892	\$ 7,230,082
School District:				
Haldane CSD	12/13/2023	96.00	6,911,040	4,492,176
Lakeland CSD	08/07/2023	5.00	1,134,567	419,790
Garrison UFSD	06/10/2022	94.68	<u>8,410,509</u>	<u>7,569,458</u>
Totals:			<u><u>\$24,280,008</u></u>	<u><u>\$19,711,505</u></u>

Debt Ratios (As of June 17, 2024)

	<u>Amount</u>	Per <u>Capita</u> ^a	Percentage of <u>Full Value (%)</u> ^b
Total Direct Debt	\$ 4,936,266	\$ 508	0.143
Net Direct Debt	4,876,266	502	0.141
Total Direct & Applicable Total Overlapping Debt	29,216,274	3,006	0.846
Net Direct & Applicable Net Overlapping Debt	24,587,771	2,530	0.712

a. The current estimated population of the Town is 9,720.

b. The full valuation of taxable real property in the Town for 2022-23 is \$3,451,666,874.

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, 2022. 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. The Town also prepares an Annual Financial Report (unaudited) (the "AFR") that is filed with the State Comptroller and is attached as Appendix C.

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 three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and, (3) 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, Town Outside Villages Funds, Highway Fund, Special Districts Funds, Capital Projects Fund, Debt Service Fund and Non-major governmental. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The Town's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual - that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting that is when the related fund liability is incurred. An exception to this general rule is unmatured interest on general long-term debt which is recognized when due.

Certain Information Obtained from Financial Statements

Summary financial statements for the five years ended December 31, 2019 through December 31, 2023 are presented in Appendix A hereto. Such statements were compiled from the audited financial statements of the Town, however, the presentation of these statements has not been audited. The statements are not considered audited under auditing standards generally accepted in the United States of America because the notes to the statements and the auditors' report thereon have been omitted.

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to invest only in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by or deposit placement programs with a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the Town; and (6) in the case of the Town moneys held in certain reserve funds established pursuant to law, obligations issued by the Town. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law.

Consistent with the above statutory limitations, it is the Town's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America, (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America, (4) Certificates of Participation (COPs) issued pursuant to GML §109-b and (5) obligations of this local government, but only with any moneys in a reserve fund established pursuant to §§6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m, or 6-n. In the case of obligations of the United States government, the Town may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third part custodian.

Financial Operations

The Town 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. In addition, the Supervisor is the Town's budget officer and must therefore prepare the annual tentative budget for submission to the Town Board. Budgetary control during the year is the responsibility of the Supervisor. 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 finances are operated primarily through the General Fund, Town Outside Villages Fund, and Highway Fund. Real property taxes and most of the other Town revenues are credited to these funds. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has water, sewer and other special districts, which are accounted for within separate funds. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year for operating and reporting purposes.

Revenues

The Town receives most of its revenues from real property taxes and assessments. A summary of such revenues for the five recently completed fiscal years may be found in Appendix A.

Real Property Taxes

See "Real Property Tax Information", herein.

State Aid

Based on the unaudited financials of the Town, the Town received approximately 7.64% of its total General Fund operating revenue from State aid in 2023. 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 has the ability to reduce funding to municipalities and school districts in order to balance its own budget.

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.

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

The following table sets forth the percentage of the Town's General Fund revenue comprised of State Aid for each of the fiscal years 2019 through 2023 and as budgeted for 2024.

Fiscal Year Ending December 31:	Town General Fund Revenue	State Aid	State Aid to Revenues (%)
2019	\$ 4,520,309	\$ 393,746	8.71%
2020	4,091,329	386,253	9.44%
2021	4,724,735	792,149	16.77%
2022	4,879,954	611,422	12.53%
2023	5,315,840	406,520	7.65%
2024 (Budgeted)	4,800,765	370,000	7.71%

Source: Audited financial statements (2019-2022), Annual Financial Report (2023) and the Adopted Budget for (2024).

Expenditures

The major categories of expenditure for the Town are General Government Support, Health, Public Safety, Economic Development and Opportunity, 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.

Results of Operations: 2023 (Unaudited)

Over the past few years, the Town has incurred extraordinary costs estimated to be in excess of \$3,000,000 to provide potable water to residents due to diminished water production from existing wells. As a result, the general fund has funded emergency water purchases and other costs incurred to resolve the issue, leaving it with a slight fund deficit at the end of fiscal 2023. Since then, the Town has resolved the issue and now has a new high yield well operating at full capacity. This eliminates the additional costs that had been incurred over the previous years. Additionally, during fiscal 2024, the Town has secured funding in the approximate amount of \$550,000 to reimburse a portion of these costs. The expectation is for the general fund balance to be positively impacted bringing it back to a surplus position.

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 OSC designates the Town as "No Designation" (Fiscal Score: 37.9%; Environmental Score: 0.0%). More information on the FSMS may be obtained from the Office of the State Comptroller.

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 most recent audit was released on May 24, 2019. The purpose of the audit was determined whether the Board provided proper oversight of water billing operations for the period January 1, 2017 – December 31, 2017. The complete report may be found on the State Comptroller's official website. Reference to this website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

Pension Systems

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS" or "Retirement System"). The Retirement System is a cost-sharing multiple public employee 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 Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for "Tier 6" employees, as discussed below, whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 and before January 1, 2010 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, a new Tier 5 was created, which was effective for new ERS employees hired between January 1, 2010 and March 31, 2012. New ERS employees in Tier 5 contribute 3% of their salaries to the pensions. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

Pension reform legislation changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with required payment until after the budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. Legislation also requires a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible.

In addition, the pension payment date for all local governments was changed from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future. The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount.

On March 16, 2012, the new Tier 6 pension program was established, effective for new ERS 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.

The Town is required to contribute an actuarially determined rate. The required contributions for the five most recently completed fiscal years are as follows:

Contributions to the Retirement Systems

Fiscal Year Ending <u>December 31:</u>	<u>Amount</u>
2019	\$269,552
2020	285,071
2021	322,217
2022	224,163
2023	271,097

Other Post Employment Benefits

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

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

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

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

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

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

<u>Changes in the Total OPEB Liability</u>	<u>Fiscal Year Ending December 31, 2022:</u>
Total OPEB liability as of December 31, 2021	\$14,133,904
Changes for the year:	
Service Cost	673,759
Interest	312,826
Changes of benefit terms	
Differences between actual and expected experience	791,475
Changes in Assumptions and Other Inputs	(3,932,491)
Benefit payments	(461,077)
Total Changes	<u>(\$2,615,508)</u>
Total OPEB liability as of December 31, 2022	<u><u>\$11,518,396</u></u>

Should the Town be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the Town’s finances and could force the Town to reduce services, raise taxes or both. At the present time, however, there is no current requirement for the Town to partially fund its actuarial accrued OPEB liability.

The OSC has proposed legislation to provide the State and certain local governments with the authority to establish trusts in which to accumulate assets for OPEB and to establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments. Under the State Comptroller’s proposal, there are no limits on how much a local government can deposit into the trust. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Town has decided to continue funding the expenditure on a pay-as-you-go basis.

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.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The Town derives a significant portion of its annual revenue through a direct real property tax.

The following table sets forth the percentage of the Town's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2019 through 2023 inclusive and budgeted amounts for 2024.

<u>Fiscal Year Ending December 31:</u>	<u>Town General Fund Revenue</u>	<u>Real Property axes</u>	<u>Real Property Taxes to Revenue (%)</u>
2019	\$4,520,309	\$3,015,799	66.72%
2020	4,091,329	3,163,163	77.31%
2021	4,724,735	3,133,109	66.31%
2022	4,879,954	3,226,789	66.12%
2023	5,315,840	3,465,069	65.18%
2024 (Budgeted)	4,800,765	3,609,545	75.19%

Source: Audited financial statements (2019-2022), Annual Financial Report (2023) and the Adopted Budget for (2024).

The following table presents the total tax levy, by purpose, with adjustments and collection performance for recent fiscal years.

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Valuations, Levies and Tax Rates

	Fiscal Year Ended December 31:				
	2019	2020	2021	2022	2023
Town Tax Items:					
General Fund	\$2,739,249	\$2,886,792	\$2,857,061	\$2,950,280	\$3,157,069
Protata - Village	557	369	49	509	152
General -Outside Village	122,738	131,169	156,361	167,225	160,441
Highway - Townwide					
Highway - Outside Village	2,665,383	2,731,278	2,897,113	2,956,793	2,936,605
Protata - Outside Village	1,233	1,897	3,165	6,639	1,542
Protata - Library				310	77
JLB Library	275,999	276,000	276,000	275,690	275,923
Continental Village Fire	274,350	279,600	281,950	287,500	297,000
Philipstown Fire	65,146	62,970	62,970	55,571	63,104
North Highland Fire	780,028	789,823	790,975	812,784	846,076
Garrison Fire	787,170	796,882	775,150	787,350	767,300
Continental Village Park District	122,892	122,195	120,985	129,188	133,022
Continental Village Water District	113,475	115,045	116,760	123,660	126,000
Unpaid Continental Village Water	33,852	35,273	34,953	34,988	37,037
Unpaid Garrison Water					1,667
Town Share of County Budget	6,776,573	6,840,154	7,237,479	7,129,489	7,399,814
Prorata Tax	3,058	2,872	3,493	8,320	2,069
Relevied School Tax	1,641,899	1,423,297	1,853,562	1,867,581	2,154,622
Relevied Village	76,317	27,372	13,635	82,058	27,149
Total Tax Levy	\$16,479,919	\$16,522,988	\$17,481,660	\$17,675,932	\$18,386,667

Tax Rate:					
County	\$6.58	\$6.60	\$6.93	\$6.77	\$7.01
Town-Outside Village	5.98	6.19	6.35	6.47	6.63
Town-Inside Village	2.65	2.78	2.74	2.80	2.99
Cold Spring Fire	1.56	1.48	1.47	1.29	1.45
North Highlands Fire	2.63	2.67	2.67	2.70	2.82
Garrison Fire	2.05	2.06	2.00	2.02	1.98
Continental Village Fire	2.08	2.12	2.14	2.17	2.24
JLB Library	0.26	0.27	0.26	0.26	0.26
Continental Village Park District	1.17	1.17	1.15	1.22	1.26
Continental Village Water District	1.30	1.33	1.34	1.41	1.44

Tax Collection Procedure

Town taxes are due January 1st. Two payments options are available:

Single Payment – Total taxes paid in one payment. No interest penalty imposed if paid by January 31st. There is a 1% interest penalty for February payments and a 2% interest penalty for March payments. On April 1st, a list of all unpaid taxes is given to the County. All taxes paid to the County after April 1st are subject to a 5% penalty, plus interest at a variable rate determined by the New York State Commissioner of Taxation and Finance.

Two Equal Payments – First payment must be postmarked no later than January 31st. The second payment must be postmarked on or before July 31st. The second payment is subject to interest on such installments at the variable rate determined by the New York State Commissioner of Taxation and Finance to the Town Receiver/Collector. On July 31st, a list of all unpaid taxes is given to the County. All taxes paid to the County on or after August 1st are subject to a 5% penalty plus interest.

Responsibility for the collection of unpaid taxes rests with the County and any deficiency in tax collection is the County's liability. The Town is thereby assured of full tax collection.

Large Taxable Properties 2023 Assessment Roll^a

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
State of New York	State Owned Land	\$41,123,893
Central Hudson	Utilities	6,111,508
Mark Williams	Residential	4,860,925
Garrison Golf LLC	Commercial/ Vacant	3,951,300
Butterfield Realty	Residential/Commercial	3,836,700
H&E Group	Residential	2,926,000
Nancy Olnick Spanu	Residential	2,678,800
Will, Randall	Residential	2,462,150
Cloudbank House LLC	Residential	2,287,700
Whipple Castle	Residential	1,988,700
Total ^a		\$72,227,676

^a. Represents 2.09% of the total taxable Assessed Valuation of the Town for 2023.

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.

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, in view of the Town's ability to fund the same through use of appropriate funding mechanisms provided by the Local Finance Law.

CYBERSECURITY

The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial. The Town holds an insurance policy to mitigate the losses associated with any cyber security threats.

MARKET AND RISK FACTORS

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

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

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

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

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

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

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

TAX MATTERS

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

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

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

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

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

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

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

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

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

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Town or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt Notes is difficult, obtaining an independent review of IRS positions with which the Town legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of Notes presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the Town or the owners to incur significant expense.

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

LEGAL MATTERS

Legal matters incidental to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix B.

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 financial advisor to the Town on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has assisted the District as to the plan of finance 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.

OTHER MATTERS

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

There is no bond or note principal or interest past due.

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

This Official Statement does not include the financial data of any political subdivision of the State of New York having power to levy taxes within the Town, except as expressed in the "Calculation of Estimated Overlapping and Underlying Indebtedness."

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of John Van Tassel, Supervisor, Town of Philipstown, 238 Main Street, P.O. Box 155, Cold Spring, New York 10516, Phone (845) 265-3329, and email: supervisor@philipstown.com or from the office of Munistat Services Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888 and website: <https://www.munistat.com>.

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

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

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

Orrick, Herrington & Sutcliffe LLP expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Notes, including this Official Statement.

The preparation and distribution of this Official Statement have been approved by the Supervisor pursuant to the power delegated to him by the authorizing note resolutions to sell and deliver the Notes.

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

TOWN OF PHILIPSTOWN, NEW YORK

By: s/s JOHN VAN TASSEL
Town Supervisor and Chief Fiscal Officer

June , 2024

APPENDIX A

FINANCIAL INFORMATION

**BALANCE SHEETS
GOVERNMENTAL FUNDS**

Fiscal Year Ending December 31, 2023

	General <u>Fund</u>	Outside <u>Village</u>	Highway <u>Funds</u>	Special <u>District</u>
Assets:				
Cash & Cash Equivalents	\$ 842,434	\$ 484,690	\$ 927,624	\$ 206,848
Investments	338,839			
Accounts Receivable	47,524			55,217
Due from State & Federal Government			237,437	
Due From Other Governments	11,831	9,795	4,594	
Due From Other Funds			721,306	43,496
Restricted Assets				5,719
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>1,240,628</u>	\$ <u>494,485</u>	<u>1,890,963</u>	\$ <u>311,280</u>
Liabilities:				
Accounts Payable	\$ 115,631	\$ 3,496	\$ 42,329	\$ 146,218
Accrued Liabilities		5,936	20,942	1,110
Deposits Payable	743,926			
Due to Other Funds	239,296	40,189		72,753
Due to Other Governments	15,611			
Due to Retirement System	73,027	27,114	95,418	6,654
Unearned Revenues				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,187,491</u>	<u>76,735</u>	<u>158,689</u>	<u>226,735</u>
Dewferred Inflow of Resources:			<u>363,059</u>	
Fund Balance:				
Restricted	338,839			5,719
Assigned		417,750	1,364,215	139,442
Unassigned	-285,702			(60,616)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>53,137</u>	<u>417,750</u>	<u>1,364,215</u>	<u>84,545</u>
Total Liabilities and Fund Balances	\$ <u>1,240,628</u>	\$ <u>494,485</u>	\$ <u>1,885,963</u>	\$ <u>311,280</u>

Sources: Annual Financial Report (2023)

NOTE: This Schedule is NOT audited.

**BALANCE SHEETS
GOVERNMENTAL FUNDS**

Fiscal Year Ending December 31, 2022

	General <u>Fund</u>	Outside <u>Village</u>	Highway <u>Funds</u>	Special <u>District</u>
Assets:				
Cash & Cash Equivalents	\$ 1,758,734	\$ 363,766	\$ 641,016	\$ 338,331
Investments	292,263			
Accounts Receivable	31,954		73,775	43,288
State and Federal Aid Receivables	4,622		154,162	
Due From Other Governments			2,171	
Due From Other Funds	227,476	124,248	1,173,412	181,096
Restricted Assets	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,315,049</u>	<u>\$ 488,014</u>	<u>2,044,536</u>	<u>\$ 562,715</u>
Liabilities:				
Accounts Payable	\$ 173,607	\$ 12,727	\$ 60,858	\$ 371,545
Deposits Payable	660,396			
Due to Other Funds	390,935	98,434		70,353
Due to Other Governments	4,055			
Due to Retirement System	57,753	23,466	79,359	7,544
Other Liabilities	462,792	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,749,538</u>	<u>134,627</u>	<u>140,217</u>	<u>449,442</u>
Deferred Inflows of Resources:	<u> </u>	<u> </u>	<u>370,000</u>	<u> </u>
Fund Balance:				
Restricted	304,441			5,610
Assigned	100,000	353,387	1,534,319	107,663
Unassigned	161,070	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>565,511</u>	<u>353,387</u>	<u>1,534,319</u>	<u>113,273</u>
Total Liabilities and Fund Balances	<u>\$ 2,315,049</u>	<u>\$ 488,014</u>	<u>\$ 2,044,536</u>	<u>\$ 562,715</u>

Sources: Audited Annual Financial Report (2022)

NOTE: This Schedule is NOT audited.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND - TOWN WIDE**

	Fiscal Years Ending December 31:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes	\$ 3,015,799	\$ 3,163,163	\$ 3,133,109	\$ 3,226,789	\$ 3,465,069
Other Property Tax Items	173,402	154,776	165,033	160,135	127,817
Departmental Income	727,502	227,583	377,142	587,357	672,273
Use of Money and Property	54,786	43,061	56,971	(39,994)	77,457
Licenses and Permits	4,589	3,231	3,500	3,285	2,418
Fines and Forfeitures	100,369	64,185	121,154	55,771	96,621
State Aid	393,746	386,253	792,149	611,422	406,520
Federal Aid				265,000	462,792
Miscellaneous	50,116	49,077	75,677	10,189	4,873
Total Revenues	<u>4,520,309</u>	<u>4,091,329</u>	<u>4,724,735</u>	<u>4,879,954</u>	<u>5,315,840</u>
Expenditures:					
General Government Support	1,267,502	1,262,283	1,500,717	1,758,072	2,168,793
Public Safety	23,320	23,320	23,920	24,075	25,038
Health	582,388	596,975	598,532	742,301	764,067
Transportation	186,090	188,620	190,345	183,207	198,579
Economic Assistance & Opportunity	400			400	25,575
Culture and Recreation	1,473,142	943,886	1,111,092	1,354,037	1,364,694
Home & Community Services	37,397	39,316	24,669	48,745	39,213
Employee Benefits	879,389	921,845	933,040	964,935	1,021,737
Debt Service	100,922	83,440	96,901	86,746	220,518
Total Expenditures	<u>4,550,550</u>	<u>4,059,685</u>	<u>4,479,216</u>	<u>5,162,518</u>	<u>5,828,214</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,241)</u>	<u>31,644</u>	<u>245,519</u>	<u>(282,564)</u>	<u>(512,374)</u>
Other Financing Sources (Uses):					
Sale of Real Property					
Transfers In					
Transfers (Out)	<u>(47,322)</u>	<u>(47,322)</u>	<u>(100,000)</u>	<u>(270,000)</u>	<u></u>
Total Other Financing Sources (Uses)	<u>(47,322)</u>	<u>(47,322)</u>	<u>(100,000)</u>	<u>(270,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(77,563)</u>	<u>(15,678)</u>	<u>145,519</u>	<u>(552,564)</u>	<u>(512,374)</u>
Fund Balance, Beginning of Year	<u>1,065,797</u>	<u>988,234</u>	<u>972,556</u>	<u>1,118,075</u>	<u>565,511</u>
Adjustment to Fund Balance Due to Accounting Changes					
Fund Balance, Beginning of Year, as Restated	<u>1,065,797</u>	<u>988,234</u>	<u>972,556</u>	<u>1,118,075</u>	<u>565,511</u>
Fund Balance, End of Year	<u>\$ 988,234</u>	<u>\$ 972,556</u>	<u>\$ 1,118,075</u>	<u>\$ 565,511</u>	<u>\$ 53,136</u>

Sources: Audited Financial Reports (2019-2022) & Annual Financial Report (2023)

NOTE: This Schedule is NOT audited.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND - TOWN OUTSIDE VILLAGES**

	Fiscal Years Ending December 31:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes	\$ 123,971	\$ 133,066	\$ 159,526	\$ 173,864	\$ 161,983
Departmental Income	351,092	447,810	377,885	388,093	512,637
Miscellaneous Local Sources		23,200			
Total Revenues	<u>475,063</u>	<u>604,076</u>	<u>537,411</u>	<u>561,957</u>	<u>674,620</u>
Expenditures:					
General Government Support	1,611	3,395	1,368	1,534	3,199
Public Safety	206,548	237,537	208,369	214,090	210,133
Home & Community Services	183,267	179,929	112,605	213,602	190,676
Employee Benefits	124,060	123,817	101,142	135,497	141,310
Debt Service	7,650		18,799	15,430	64,939
Total Expenditures	<u>523,136</u>	<u>544,678</u>	<u>442,283</u>	<u>580,153</u>	<u>610,257</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(48,073)</u>	<u>59,398</u>	<u>95,128</u>	<u>(18,196)</u>	<u>64,363</u>
Other Financing Sources (Uses):					
Premium on Obligations					
Transfers In:					
Transfers (Out)			(47,322)	(47,322)	
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(47,322)</u>	<u>(47,322)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(48,073)</u>	<u>59,398</u>	<u>47,806</u>	<u>(65,518)</u>	<u>64,363</u>
Fund Balance, Beginning of Year	<u>359,774</u>	<u>311,701</u>	<u>371,099</u>	<u>418,905</u>	<u>353,387</u>
Adjustment to Fund Balance Due to Accounting Changes					
Fund Balance, Beginning of Year, as Restated	<u>359,774</u>	<u>311,701</u>	<u>371,099</u>	<u>418,905</u>	<u>353,387</u>
Fund Balance, End of Year	<u>\$ 311,701</u>	<u>\$ 371,099</u>	<u>\$ 418,905</u>	<u>\$ 353,387</u>	<u>\$ 417,750</u>

Sources: Audited Financial Reports (2019-2022) & Annual Financial Report (2023)

NOTE: This Schedule NOT audited.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
HIGHWAY FUND**

Fiscal Years Ending December 31:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes	\$ 2,665,383	\$ 2,731,278	\$ 2,897,113	\$ 2,956,793	\$ 2,936,605
Intergovernmental Charges	37,445	23,316	29,940	52,808	16,903
Use of Money and Property	29,472	5,155	1,164	2,329	39,053
Sale of Property		5,992			3,141
State Aid	147,961	216,373	310,245	229,613	208,065
Federal Aid			142,101		31,712
Miscellaneous Local Sources	<u>23,604</u>	<u>400</u>	<u>29,690</u>	<u>73,775</u>	<u>1,895</u>
Total Revenues	<u>2,903,865</u>	<u>2,982,514</u>	<u>3,410,253</u>	<u>3,315,318</u>	<u>3,237,374</u>
Expenditures:					
General Government Support		3,381			2,435
Transportation	2,612,872	2,368,773	2,292,006	2,242,197	2,192,251
Home and Community Services					104,010
Employee Benefits	749,482	754,375	754,908	784,309	853,548
Debt Service	<u>150,362</u>	<u>149,674</u>	<u>148,761</u>	<u>150,199</u>	<u>255,234</u>
Total Expenditures	<u>3,512,716</u>	<u>3,276,203</u>	<u>3,195,675</u>	<u>3,176,705</u>	<u>3,407,478</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(608,851)</u>	<u>(293,689)</u>	<u>214,578</u>	<u>138,613</u>	<u>(170,104)</u>
Other Financing Sources (Uses):					
Premiums on Obligations					
Transfers In					
Transfers (Out)					
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(608,851)</u>	<u>(293,689)</u>	<u>214,578</u>	<u>138,613</u>	<u>(170,104)</u>
Fund Balance, Beginning of Year	<u>2,083,668</u>	<u>1,474,817</u>	<u>1,181,128</u>	<u>1,395,706</u>	<u>1,534,319</u>
Adjustment to Fund Balance Due to Accounting Changes					
Fund Balance, Beginning of Year, as Restated	<u>2,083,668</u>	<u>1,474,817</u>	<u>1,181,128</u>	<u>1,395,706</u>	<u>1,534,319</u>
Fund Balance, End of Year	<u>\$ 1,474,817</u>	<u>\$ 1,181,128</u>	<u>\$ 1,395,706</u>	<u>\$ 1,534,319</u>	<u>\$ 1,364,215</u>

Sources: Audited Financial Reports (2019-2022) & Annual Financial Report (2023)

NOTE: This Schedule NOT audited.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL DISTRICTS**

Fiscal Years Ending December 31:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes	\$ 575,863	\$ 579,810	\$ 582,665	\$ 595,919	\$ 619,126
Departmental Income	224,169	239,502	241,831	245,177	257,611
Use of Money and Property	2,453	519	174	809	5,725
Miscellaneous Local Sources	<u>2,450</u>	<u>600</u>	<u>13,971</u>	<u>2,700</u>	<u>5,250</u>
Total Revenues	<u>804,935</u>	<u>820,431</u>	<u>838,641</u>	<u>844,605</u>	<u>887,712</u>
Expenditures:					
General Governmental Support	10,859	11,011	10,627	10,371	10,962
Public Safety	339,496	342,570	344,703	343,111	356,237
Culture and Recreation	126,969	117,651	108,368	136,903	177,134
Home and Community Services	227,514	211,364	528,248	233,280	290,291
Employee Benefits	30,675	32,292	35,196	31,862	35,912
Debt Service	<u>14,637</u>	<u>11,676</u>	<u>9,638</u>	<u>7,179</u>	<u>45,905</u>
Total Expenditures	<u>750,150</u>	<u>726,564</u>	<u>1,036,780</u>	<u>762,706</u>	<u>916,441</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>54,785</u>	<u>93,867</u>	<u>(198,139)</u>	<u>81,899</u>	<u>(28,729)</u>
Other Financing Sources (Uses):					
Premiums on Obligations					
Transfers In				140,000	
Transfers (Out)	<u>(35,792)</u>	<u>(37,671)</u>	<u>(37,892)</u>	<u>(39,259)</u>	
Total Other Financing Sources (Uses)	<u>(35,792)</u>	<u>(37,671)</u>	<u>(37,892)</u>	<u>100,741</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>18,993</u>	<u>56,196</u>	<u>(236,031)</u>	<u>182,640</u>	<u>(28,729)</u>
Fund Balance, Beginning of Year	<u>91,475</u>	<u>110,468</u>	<u>166,664</u>	<u>(69,367)</u>	<u>113,273</u>
Adjustment to Fund Balance Due to Accounting Changes					
Fund Balance, Beginning of Year, as Restated	<u>91,475</u>	<u>110,468</u>	<u>166,664</u>	<u>(69,367)</u>	<u>113,273</u>
Fund Balance, End of Year	<u>\$ 110,468</u>	<u>\$ 166,664</u>	<u>\$ (69,367)</u>	<u>\$ 113,273</u>	<u>\$ 84,544</u>

Sources: Audited Financial Reports(2019-2022) & Annual Financial Report (2023)

NOTE: This Schedule NOT audited.

BUDGET SUMMARIES
Summary of Funds and Levy Determination

Fund - Special District	Fiscal Year Ending December 31, 2024			
	2024 <u>Appropriations</u>	Less Estimated <u>Revenues</u>	Less Unexpended <u>Balance</u>	Amount To Be <u>Raised By Tax</u>
General Fund	\$ 4,800,765	\$ (1,191,220)	\$	\$ 3,609,545
General Outside-Village	673,610	(420,000)	(100,000)	153,610
Highway Outside Village	4,493,575	(628,000)	(750,000)	3,115,575
Continental Village #1&2	305,900			305,900
Philipstown #1	63,957			63,957
Garrison #5	782,500			782,500
North Highland	902,470			902,470
Garrison Landing Water	20,000	(20,000)		0
Continental Village Water	325,900	(177,010)		148,890
Continental Village Park District	253,163	(70,695)	(50,000)	132,468
JL Butterfield Library	276,000			276,000
Totals	<u>\$ 12,897,840</u>	<u>\$ (2,506,925)</u>	<u>\$ (900,000)</u>	<u>\$ 9,490,915</u>

Source: Adopted Budget of the Town

BUDGET SUMMARIES
Summary of Funds and Levy Determination

Fund - Special District	Fiscal Year Ending December 31, 2023			
	2023 <u>Appropriations</u>	Less Estimated <u>Revenues</u>	Less Unexpended <u>Balance</u>	Amount To Be <u>Raised By Tax</u>
General Fund	\$ 4,662,841	\$ (1,405,620)	\$ (100,000)	\$ 3,157,221
General Outside-Village	646,983	(375,000)	(110,000)	161,983
Highway Outside Village	3,925,605	(589,000)	(400,000)	2,936,605
Continental Village #1&2	297,000			297,000
Philipstown #1	63,104			63,104
Garrison #5	767,300			767,300
North Highland	846,076			846,076
Garrison Landing Water	20,000	(20,000)		0
Continental Village Water	314,000	(167,600)	(20,400)	126,000
Continental Village Park District	248,817	(69,100)	(46,695)	133,022
JL Butterfield Library	276,000			276,000
Totals	<u>\$ 12,067,726</u>	<u>\$ (2,626,320)</u>	<u>\$ (677,095)</u>	<u>\$ 8,764,311</u>

Source: Adopted Budget of the Town

APPENDIX B

FORM OF BOND COUNSEL'S OPINION

July 2, 2024

Town of Philipstown,
County of Putnam,
State of New York

Re: Town of Philipstown, Putnam County, New York
\$3,440,000 Bond Anticipation Note, 2024 (Renewals) Series B

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a \$3,440,000 Bond Anticipation Note, (Renewals) Series B (the “Obligation”), of the Town of Philipstown, Putnam County, New York (the “Obligor”), dated July 2, 2024, numbered _____, of the denomination of \$ _____, bearing interest at the rate of _____ % per annum, payable at maturity, and maturing July 2, 2025.

We have examined:

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

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax on individuals. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

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

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

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

Very truly yours,

/es

APPENDIX C

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

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