

PRELIMINARY OFFICIAL STATEMENT JANUARY 7, 2025

SERIAL BONDS

RATING - S&P GLOBAL RATINGS: “ ”

In the opinion of Harris Beach Murtha Cullina PLLC, New York, New York, Bond Counsel, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the Town with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the Town, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. However, interest on the Bonds held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that under existing statutes interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Bonds. See "TAX MATTERS" herein.

The Town will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to the provision of Section 265 of the Internal Revenue Code of 1986, as amended.

\$2,625,000*

TOWN OF CLARKSTOWN
ROCKLAND COUNTY, NEW YORK
(the "Town")

PUBLIC IMPROVEMENT SERIAL BONDS – 2025 SERIES A

Dated: January 30, 2025

Principal Due: January 15, 2026-2045, inclusive
Interest Due: Semiannually on January 15 and
July 15 in each year to maturity,
commencing January 15, 2026

SEE BOND MATURITY SCHEDULE HEREIN

The Bonds are general obligations of the Town of Clarkstown, Rockland County, New York (the "Town"), and will contain a pledge of the faith and credit of the Town for the punctual payment of the principal thereof and interest thereon and, unless paid from other sources, all the taxable real property within the Town will be subject to the levy of ad valorem taxes to pay such principal and the interest, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limitation Law"). (See "TAX LEVY LIMITATION LAW" herein).

The Bonds are subject to redemption prior to maturity, at the option of the Town, in accordance with terms described herein. (See "Optional Redemption" under "THE BONDS," herein.)

At the option of the purchaser, the Bonds may be either (i) registered to the purchaser or (ii) registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds.

If registered in the name of the purchaser, a single bond certificate shall be issued for each maturity of the Bonds registered in the name of the purchaser. Principal of and interest on such Bonds will be payable in Federal Funds by the Town, at such bank or trust company located and authorized to do business in the State of New York as selected by the purchaser.

If issued in book-entry form, the Bonds will be issued as registered bonds, and, when issued, will be registered in the name of Cede & Co., as the partnership nominee for DTC, which will act as securities depository for the Bonds. Beneficial owners will not receive certificates representing their interest in the Bonds. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single bond certificate will be issued for each maturity of the Bonds. Principal of and interest on said Bonds 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 (as herein after defined) for subsequent distribution to the beneficial owners of the Bonds as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by Direct Participants (as hereinafter defined) to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. (See "Description of Book-Entry System" under "THE BONDS," herein).

Sealed bids for the Bonds will be received at 11:00 A.M. (Prevailing Time) on January 15, 2025, in accordance with the Notice of Sale dated January 7, 2025.

The Bonds are offered subject to the final approving opinion of Harris Beach Murtha Cullina, PLLC, New York, New York, Bond Counsel, and certain other conditions. Harris Beach Murtha Cullina PLLC, New York, New York, Bond Counsel to the Town, expresses no opinion on the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, including this Official Statement and the appendices hereto. It is expected that delivery of the Bonds will be made on or about January 30, 2025, in New York, New York, or as otherwise agreed to by the Town and the purchaser(s).

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

*Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstance shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**TOWN OF CLARKSTOWN
ROCKLAND COUNTY, NEW YORK**

\$2,625,000* PUBLIC IMPROVEMENT SERIAL BONDS – 2025 SERIES A

BOND MATURITY SCHEDULE

Dated: January 30, 2025

**Principal Due: January 15, 2026-2045, inclusive
Interest Due: Semiannually on January 15 and
July 15 in each year to maturity,
commencing January 15, 2026**

<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
2026	\$ 25,000			
2027	85,000			
2028	90,000			
2029	95,000			
2030	100,000			
2031	100,000			
2032	105,000			
2033	115,000***			
2034	120,000***			
2035	125,000***			
2036	130,000***			
2037	140,000***			
2038	145,000***			
2039	155,000***			
2040	160,000***			
2041	170,000***			
2042	180,000***			
2043	185,000***			
2044	195,000***			
2045	205,000***			

*Preliminary, subject to change.

** Amounts are subject to adjustment by the Town following the sale, pursuant to the terms of the Notice of Sale relating to the Bonds, to achieve substantially level or declining annual debt service as provided in Section 58.00 (c)(2) of the Local Finance Law.

***Subject to prior redemption.



**TOWN OF CLARKSTOWN
ROCKLAND COUNTY, NEW YORK**

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TOWN BOARD

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Robert Axelrod
Donald Franchino
Michael Graziano
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Colin Schmitt, Director of Finance
Lauren Marie Wohl, Town Clerk
Kevin Conway, Esq., Town Attorney

* * *

BOND COUNSEL



Harris Beach Murtha Cullina PLLC
White Plains, New York

* * *

MUNICIPAL ADVISOR



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

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OFFICIAL STATEMENT

\$2,625,000

**TOWN OF CLARKSTOWN
ROCKLAND COUNTY, NEW YORK**

PUBLIC IMPROVEMENT SERIAL BONDS – 2025 SERIES A

This Official Statement and the appendices hereto present certain information relating to the Town of Clarkstown, in the County of Rockland, in the State of New York (the “Town,” “County” and “State,” respectively) in connection with the sale of \$2,625,000 Public Improvement Serial Bonds – 2025 Series A (the “Bonds”) of the Town.

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

THE BONDS

Description of the Bonds

The Bonds will be dated January 30, 2025, and will mature on January 15 in each of the years 2026 to 2045, inclusive, in the principal amounts as set forth on the inside cover page hereof.

At the option of the purchaser, the Bonds may be either (i) registered to the purchaser or (ii) registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry bonds.

If registered in the name of the purchaser, a single bond certificate shall be issued for each maturity of the Bonds registered in the name of the purchaser. Principal of and interest on such Bonds will be payable in Federal Funds by the Town, at such bank or trust company located and authorized to do business in the State of New York as selected by the purchaser.

If issued in book-entry form, the Bonds will be issued as registered bonds, and, when issued, will be registered in the name of Cede & Co., as the partnership nominee for DTC, which will act as securities depository for the Bonds. Beneficial owners will not receive certificates representing their interest in the Bonds. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. A single bond certificate will be issued for each maturity of the Bonds. Principal of and interest on said Bonds 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 (as herein after defined) for subsequent distribution to the beneficial owners of the Bonds as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by Direct Participants (as hereinafter defined) to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. (See "*Book-Entry-Only System*" under "*THE BONDS*," herein).

The Record Date of the Bonds will be the last business day of the month preceding each interest payment date.

The Town will act as Paying Agent for the Bonds. The Town’s contact information is as follows: Sara DiGiacomo, Comptroller, Town of Clarkstown, Town Hall, 10 Maple Avenue, New City, NY 10956, telephone number (845) 639-2027 and email: s.digiacom@clarkstown.gov.

Authorization and Purpose

The Bonds are being issued pursuant to the Constitution and statutes of the State, including among others, the Local Finance Law, and a bond resolution duly adopted by the Town Board on November 7, 2024. The proceeds of the Bonds, inclusive of original issue premium, will be used to provide funds to finance the cost of Town-wide street lighting improvements.

Optional Redemption

The Bonds maturing on or before January 15, 2032 will not be subject to redemption prior to maturity. The Bonds maturing on January 15, 2033 and thereafter will be subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after January 15, 2032, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

Selection of Bonds to be Redeemed

So long as DTC or a successor securities depository is the sole registered owner of the Bonds, the Town will cause notice of redemption to be given only to DTC as registered owner. The selection of the book-entry interests within each Bond maturity to be redeemed will be done in accordance with DTC procedures. See “*BOOK-ENTRY-ONLY SYSTEM*” herein regarding DTC’s practice of determining by lot the amount of the interest of each Direct Participant for partial bond redemptions.

If the Bonds are not registered in book-entry form, any redemption of less than all of a maturity of the Bonds shall be allocated (in the amounts of \$5,000 or any whole multiple) among the registered owners of such maturity of the Bonds then outstanding as nearly as practicable in proportion to the principal amounts of such maturity of the Bonds owned by each registered owner. This will be calculated based on the following formula:

$$\frac{(\text{principal to be redeemed}) \times (\text{principal amount owned by owner})}{(\text{principal amount outstanding})}$$

Notice of Redemption

Notice of redemption shall be given by mailing such notice to the registered holders of Bonds to be redeemed at their respective addresses as shown upon the registration books of the Town as Paying Agent at least 30 days prior to the date set for any such redemption. If notice of redemption shall have been given as aforesaid, the Bonds so called for redemption shall become due and payable at the applicable redemption price on the redemption date designated in such notice, and interest on such Bonds shall cease to accrue from and after such redemption date.

Nature of Obligation

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

The Bonds 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. For the payment of such principal of and interest on the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain applicable statutory limitations imposed by the Tax Levy Limitation Law (as defined herein). (See “Tax Levy Limitation Law” herein).

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 Bonds, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate therefor. The State Constitution requires the Town to provide by appropriation for the payment of interest on all obligations which will become due during the fiscal year. In addition, the State Constitution requires the Town to provide in each year by appropriation for the payment of all installments of principal of the Bonds which will become due and payable in such year.

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

BOOK-ENTRY-ONLY SYSTEM

DTC will act as Securities Depository for the Bonds. The Bonds will be issued as fully registered securities, registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued and deposited with DTC for each maturity of each series of the Bonds.

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

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). 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.dtc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds 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 Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

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

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the Town takes no responsibility for the accuracy thereof.

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

CONTINUING DISCLOSURE UNDERTAKING

This Preliminary 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 Bonds, the Town will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (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 Bonds, 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 or to the functions of such Board contemplated by the Undertaking:

(1) (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced under the headings: "THE TOWN", "ECONOMIC AND DEMOGRAPHIC INFORMATION", "INDEBTEDNESS OF THE TOWN", "FINANCES OF THE TOWN", "REAL PROPERTY TAX INFORMATION", and "LITIGATION", no later than the end of the sixth month after the end of each fiscal year, commencing with the fiscal year ending December 31, 2024 and (ii) the audited financial statement, if any, of the Town for each fiscal year commencing with the fiscal year ending December 31, 2024, on or prior to the end of the sixth month after the end of such fiscal year, provided however, that if financial statements are not then available, unaudited financial statements shall be provided with the annual information, and audited financial statements, if any, shall be delivered to the EMMA System within thirty (30) days after they become available and in no event later than 360 days after the end of such fiscal year.

(2) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Bonds:

- 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 or determinations with respect to the tax status of the Bonds, or other material events affecting the tax- status of the Bonds;
- vii. modifications to rights of Bondholders, if material;
- viii. bond calls, if material and tender offers;
- ix. defeasances;
- x. release, substitution, or sale of property securing repayment of the Bonds;
- 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 Bondholders, 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 service reserves" will be established for the Bonds.

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 Bonds.

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

(3) in a timely manner, notice of its failure to provide the annual financial information and such audited financial statement, if any, on or before the date specified.

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 Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. 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 Bonds, 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 Bonds.

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

Compliance History

The following table sets forth the dates of the annual filings for each of the five preceding fiscal years.

<u>Fiscal Year Ending December 31:</u>	<u>Financial & Operating Information</u>	<u>Audited Financial Statements</u>
2019	06/26/2020	07/14/2020
2020	06/25/2021	08/10/2021
2021	06/28/2022	08/31/2022
2022	06/15/2023	10/10/2023
2023	06/20/2024	10/29/2024

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 which created Section 3-c of the General Municipal Law was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or 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 permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

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

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This 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 that is what courts have held they mean.”

Article 8 Section 12 of the State Constitution specifically provides as follows:

“It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.”

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the Flushing National Bank case stated:

“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 of 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 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 municipalities.

Therefore, 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 the 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 is not clear.

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors’ Provision

The Bonds 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 Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

Execution/Attachment of Municipal Property

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

Authority to File for Municipal Bankruptcy

The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns 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.

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 Bonds 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 Bonds 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 (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 a court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

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

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

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

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

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

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

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

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

Several municipalities in the State are presently working with the FRB. The Town is presently not working with the FRB, nor does it reasonably anticipate the need to do so.

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 and noteholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “Nature of Obligation” and “State Debt Moratorium Law” herein.

No Past Due Debt

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

THE TOWN

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

General Information

The Town is located in Rockland County, New York. The County Seat is located within the Town in New City. The Town encompasses an area of approximately 40.9 square miles, is the second largest town in the County, and is located about 20 miles north of the George Washington Bridge. It is bordered on the east by the Hudson River, on the north by the Town of Haverstraw, on the west by the Town of Ramapo and on the south by the Town of Orangetown. The Town has developed primarily as a residential area close to New York City; however, it also includes significant commercial, industrial and governmental operations.

The population of the Town is 86,191 according to the U.S. Census population estimate for 2022. The Town covers approximately one-fourth of the area of the County and includes the Village of Upper Nyack and portions of the Villages of Nyack and Spring Valley and highly developed unincorporated areas such as New City, Nanuet, Congers, Central Nyack and West Nyack, Valley Cottage and Bardonia.

Residential development includes single family homes, apartment complexes and condominiums. Commercial and industrial activity is centered in the above-named communities. Residents find employment in the Town or commute to New York City, Westchester County, Northern New Jersey or other nearby areas.

Rail transportation is provided by Conrail. Commuter and local bus service is provided by several carriers. Major highways serving the Town include the New York State Thruway (Interstate Route 87), the Palisades Interstate Parkway, U.S. Route 9W, and New York State Routes 59, 303 and 304.

Utilities and Other Services

Electric and gas service is provided to the Town by Orange & Rockland Utilities. Water is provided by Veolia Water of New York and village financed municipal water systems. Sewer collection and treatment is provided by the Town and County respectively. Police protection is provided by State, County and Town police; fire protection is provided by various fire districts and village fire departments.

Government

The Town was established in 1791. Five independently governed school districts are located wholly or partially within the Town, and rely on their own taxing powers granted by the State to raise revenues. The school districts use the Town's assessment roll as their basis for taxation of property located within the Town.

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

The legislative power of the Town is vested in the Town Board, which consists of five members, including the Supervisor, who is the chief executive officer of the Town, elected for a term of two years. The four other members of the Town Board are elected to two-year terms. The Supervisor is elected at large; council members are elected from four districts. The Town's other elected officials include the Superintendent of Highways and the Town Clerk. Its appointed officials include the Town Comptroller, Chief of Staff, Director of Finance, Court Clerk and the Town Attorney. Town responsibilities in its unincorporated areas include law enforcement, building inspection, planning and zoning, parks and recreational activities, paving and street lighting, drainage, traffic control, and water and sewerage collection facilities.

Financial Organization

The Supervisor is the chief fiscal officer of the Town. The Comptroller is the accounting officer of the Town, and his/her duties include administration, direction and control of the budget, accounts payable and receivable and payroll. The Comptroller is also responsible for drafting and preparing the operating and capital budgets and securing and administering State and Federal grants.

Employees

The Town provides services through approximately 423 full-time employees and 135 part-time employees, some of whom the following are represented by organized labor.

<u>Name of Union</u>	<u>Approx. No. of Members</u>	<u>Expiration Date of Contract</u>
Civil Service Employees Association - Full Time	273	12/31/2025
Civil Service Employees Association - Part Time	27	12/31/2025
Patrolmen's Benevolent Association	155	12/31/2026
Town Assessor Contractual Agreement	1	09/30/2025
Police Officers (Chief)	1	12/31/2026
Police Officers (Captain)	2	12/31/2026

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Characteristics

Since 1990, the Town has had a population trend, as compared to the County and the State, as indicated below:

<u>Year</u>	<u>Town of Clarkstown</u>	<u>County of Rockland</u>	<u>State of New York</u>
1990	79,346	265,475	17,990,455
2000	82,082	286,753	18,976,457
2010	84,137	311,687	19,378,102
2020	86,353	325,213	19,514,849
2022	86,191	339,022	19,677,152

Source: U.S. Bureau of the Census.

Median Income of Families

	<u>Median Income of Families</u>			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023^a</u>
Town of Clarkstown	\$91,827	\$112,563	\$144,624	\$129,400
County of Rockland	78,806	96,836	112,034	106,589
State of New York	51,691	67,405	87,270	82,095

Source: U.S. Bureau of the Census.

a. Based on American Community Survey 1-Year Estimates.

Per Capita Money Income

	<u>Per Capita Money Income</u>			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023^a</u>
Town of Clarkstown	\$34,430	\$42,042	\$51,226	\$58,782
County of Rockland	28,082	34,304	39,923	43,727
State of New York	23,389	30,791	40,898	48,847

Source: United States Department of Commerce, Bureau of the Census

a. Based on American Community Survey 1-Year Estimates.

Selected Listing of Larger Employers

<u>Name</u>	<u>Type</u>	<u>Estimated Number Of Employees</u>
Clarkstown CSD	Education	1,620
BOCES of Rockland County	Education	1,100
Jawonio, Inc	Non-Profit Organization	1,100
ARC of Rockland	Non-Profit Organization	760
Camp Venture	Non-Profit Organization	700
Town of Clarkstown	Local Government	560
Intercos America	Commercial	425
Rockland Bakery	Bakery	400
Nanuet UFSD	Education	376
Better Homes & Gardens/Rand Realty	Real Estate	350

Source: Town Officials.

Unemployment Rate Statistics

Unemployment statistics are available for the Town, the County and the State, as set forth below. The information set forth below with respect to the County and the State is included for information purposes only.

<u>Annual Averages</u>	<u>Town of Clarkstown (%)</u>	<u>County of Rockland (%)</u>	<u>State of New York (%)</u>
2019	3.5	3.6	4.0
2020	7.7	7.9	10.0
2021	4.4	4.6	7.2
2022	2.7	2.8	4.4
2023	2.9	3.0	4.2
2024	3.4	3.5	4.4

Source: Department of Labor, State of New York.

INDEBTEDNESS OF THE TOWN

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the periods of probable usefulness of the objects or purposes as determined by statute or in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; 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 fiscal year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital 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 provisions set forth above. The power to spend money, however, generally derives from other law, including the Town Law and the General Municipal Law.

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

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution, except for alleged constitutional violations. Such practice is recommended by the Town's Bond Counsel.

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

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

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

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

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the 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 January 7, 2025)

Fiscal Year Ending <u>December 31:</u>	<u>Assessed Valuation</u>	State Equalization <u>Rate (%)^a</u>	<u>Full Valuation</u>
2020	\$4,176,528,226	29.75	\$14,038,750,339
2021	4,197,600,080	30.35	13,830,642,768
2022	4,232,034,822	27.05	15,645,230,396
2023	4,226,981,538	24.27	17,416,487,590
2024	4,139,054,629	23.48	<u>17,628,000,975</u>
Total Five Year Full Valuation			\$78,559,112,068
Average Five Year Full Valuation			15,711,822,414
Debt Limit - 7% of Average Full Valuation			1,099,827,569
Inclusions:			
Outstanding Bonds:			
	General Purposes		131,549,160
	Sub-Total		131,549,160
	Bond Anticipation Notes		7,605,000
	Total Inclusions		<u>139,154,160</u>
Exclusions:^b			
	Note Appropriations		210,000
	Bond Appropriations		10,772,800
	Total Exclusions		<u>10,982,800</u>
Total Net Indebtedness			<u>128,171,360</u>
Net Debt Contracting Margin			<u><u>\$971,656,209</u></u>
Per Cent of Debt Contracting Margin Exhausted			11.65%

a. Equalization rates are established by the New York State Office of Real Property Tax Services.

b. Water, Indebtedness and budgeted appropriations are excluded pursuant to provisions of the New York State Constitution and Section 136.00 of the Local Finance Law.

Debt Service Requirements - Outstanding Bonds ^a

Fiscal Year Ending <u>December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$10,772,800	\$4,604,071	\$15,376,871
2026	12,171,360	4,280,918	16,452,278
2027	11,565,000	3,810,500	15,375,500
2028	11,590,000	3,392,987	14,982,987
2029	10,710,000	2,980,187	13,690,187
2030	10,690,000	2,607,625	13,297,625
2031	10,505,000	2,243,675	12,748,675
2032	7,400,000	1,889,675	9,289,675
2033	7,160,000	1,650,469	8,810,469
2034	6,450,000	1,408,787	7,858,787
2035	5,025,000	1,184,925	6,209,925
2036	4,965,000	1,012,250	5,977,250
2037	5,145,000	837,050	5,982,050
2038	4,495,000	655,200	5,150,200
2039	4,660,000	491,450	5,151,450
2040	2,965,000	329,800	3,294,800
2041	3,095,000	211,200	3,306,200
2042	1,545,000	87,400	1,632,400
2043	315,000	25,600	340,600
2044	<u>325,000</u>	<u>13,000</u>	<u>338,000</u>
Totals:	<u>\$131,549,160</u>	<u>\$33,716,767</u>	<u>\$165,265,927</u>

a. Does not include payments made to date.

Note. Rounded to the nearest dollar; for issues sold to NYS Environmental Facilities Corp., interest included does not take into account estimated subsidies and annual administrative charges.

Details of Short-Term Indebtedness Outstanding
(January 7, 2025)

As of the date of this Official Statement, the Town has outstanding bond anticipation notes in the amount of \$4,080,000 maturing on January 9, 2026 and \$3,525,000 maturing on April 3, 2025.

Capital Project Plans

The Town is generally responsible for providing services as required to the citizens on a Town-wide basis. The Town maintains a Town road system necessitating road resurfacing and improvements and the acquisition of machinery and 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 is regularly acquiring and improving recreation facilities and maintaining Town-owned buildings and other facilities and constructing improvements to downtown areas which require capital outlays or borrowings. The Town also provides drainage improvements and has a program for the acquisition of open space for which bonds and notes have been authorized and issued. Needs for capital funding for the above described projects for which the Town has responsibility are anticipated to be authorized by the Town Board pursuant to its annual Capital Plan.

Authorized but Unissued Debt

The following represents the Town's authorized but unissued debt outstanding.

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Issued to Date</u>	<u>Authorized But Unissued</u>
10/25/2016	Acquisition of Format Plotter	\$ 16,700		\$ 16,700
10/10/2017	Acquisition of Trucks - Highway Department	1,435,000	\$1,431,336	3,664
10/12/2021	Acquisition of Backhoe	145,000		145,000
10/25/2022	Snake Hill Road Bridge Replacement	2,444,900	975,000	1,469,900
02/07/2023	Acquisition of Highway Equipment	350,000		350,000
03/28/2023	Germonds Park Improvements	5,500,000	3,500,000	2,000,000
04/10/2023	Lowell Drive Steam Channel Improvements	51,000		51,000
01/23/2024	Computer Software & Services	1,200,000	700,000	500,000
03/12/2024	Asbestos Abatement at Grace Baptist Church	720,000	100,000	620,000
04/09/2024	Energy Related Playground Improvements	2,832,000		2,832,000
04/09/2024	Energy Related Building Improvements	5,100,000	3,421,000	1,679,000
07/23/2024	RCDS Property -Multisport Complex	896,000	846,000	50,000
11/07/2024	Town-Wide Street Lighting Improvements ^a	3,000,000		3,000,000
11/25/2024	West Nyack Hamlet Revitalization	11,325,000		11,325,000
11/25/2024	Zukor Park Improvements	130,000		130,000
12/17/2024	Miscellaneous Minor Improvements	250,000		250,000
12/17/2024	Miscellaneous Minor Building Improvements	250,000		250,000
12/17/2024	Planning & Absestos Abatement - Grace Baptist Church	100,000		100,000
12/17/2024	West Nyack Hamlet Revitalization- Amended	650,000		650,000
12/17/2024	Germonds Park Sports Complex	5,665,000		5,665,000
12/17/2024	Zukor Park Batting Cages	91,000		91,000
Totals:		<u>\$42,151,600</u>	<u>\$10,973,336</u>	<u>\$31,178,264</u>

Note: It is expected that grant funds, or other sources of revenue, may be received by the Town in connection with these projects and any grant funds are authorized to be applied toward the cost of said project thereby reducing the amount of funding necessary from the issuance of bonds to finance said project.

a. To be financed by the issuance of the Bonds. Ther balance of the authorization is not expected to be issued.

Trend of Town Indebtedness

The following table represents the trend of outstanding indebtedness not including refunded bonds of the Town at the end of the last five preceding fiscal years.

	Fiscal Year Ending December 31:				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Outstanding End of Year:					
Bonds	\$103,483,545	\$103,758,900	\$109,485,471	\$109,584,371	\$131,549,160
BANs	8,895,000	8,725,000	8,390,000	8,085,000	7,745,000
Total Debt Outstanding	<u>\$112,378,545</u>	<u>\$112,483,900</u>	<u>\$117,875,471</u>	<u>\$117,669,371</u>	<u>\$139,294,160</u>

Underlying and Overlapping Indebtedness of Political Subdivisions Within the Town

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

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Rockland	06/28/2024	34.78	\$140,141,461	\$133,741,941
Village of:				
Nyack	02/13/2024	15.00	2,295,000	1,903,500
Spring Valley	09/30/2023	10.00	500,000	500,000
Upper Nyack	11/01/2023	100.00	3,270,000	3,270,000
School District:				
Clarkstown CSD	11/17/2023	100.00	25,520,000	11,484,000
East Ramapo CSD	12/29/2023	10.32	4,946,376	2,126,942
Nanuet UFSD	12/04/2023	71.98	23,523,064	12,937,685
Nyack UFSD	12/21/2023	59.75	6,515,738	3,648,813
Fire Districts:				
Central Nyack	12/31/2023	100.00	0	0
Congers	12/31/2023	100.00	5,900,000	5,900,000
East Spring Valley	12/31/2023	100.00	0	0
Moleston	12/31/2023	100.00	7,995,000	7,995,000
Nanuet	12/31/2023	100.00	7,835,000	7,835,000
New City	12/31/2023	100.00	0	0
Rockland Lake	12/31/2023	100.00	0	0
Valley Cottage	12/31/2023	100.00	11,665,000	11,665,000
West Nyack	12/31/2023	100.00	0	0
Totals			<u>\$240,106,639</u>	<u>\$203,007,881</u>

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

Debt Ratios

	<u>Amount</u>	<u>Per Capita ^a</u>	<u>Percentage of Full Value (%) ^b</u>
Total Direct Debt	\$139,154,160	\$1,614	0.79
Net Direct Debt	128,171,360	1,487	0.73
Total Direct & Applicable Total Overlapping Debt	379,260,799	4,400	2.15
Net Direct & Applicable Net Overlapping Debt	331,179,241	3,842	1.88

a. The estimated population of the Town is 86,191 according to the 2020 U.S. Census.

b. The full valuation of taxable real property in the Town for 2024 is \$17,628,000,975.

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, 2023 and is attached as Appendix B. The Town also prepares an Annual Financial Update Report Document each year. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

Fund Structure and Accounts

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

There are 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, Highway Fund, Special Districts Funds, and the Capital Projects Fund. Fiduciary funds consist of a Custodial Fund. There are no proprietary funds. The Town's financial statements also include a component unit which accounts for the operations of an apartment complex located within the Town. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

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

Investment Policy

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

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

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

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

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

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

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

Budgetary Procedures

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

Budget Summaries for the 2024 and 2025 fiscal years may be found in Appendix A, hereof.

Financial Operations

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

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

Town finances are operated primarily through the General and Special Revenue Funds. The General Fund receives most of its revenue from real property tax and State aid. Current operating expenditures are paid from these funds subject to available appropriations. The Special Revenue Funds are made up of the Town outside Village, Highway, Sewer, Sanitation, Lighting, Ambulance and Water Funds. The primary source of income for these districts comes from special assessments levied against district properties at the same time real estate taxes are levied. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation" (Score: 12.5%, Environmental Score: 3.3%).

Revenues

The Town receives most of its revenues from a real property tax on all non-exempt property situated within the Town and from State Aid. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A. (See "*REAL PROPERTY TAX INFORMATION*" herein).

State Aid

Based on the audited financial reports of the Town, the Town received approximately 3.79% 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 and 2025.

<u>Fiscal Year Ended</u> <u>December 31:</u>	<u>General Fund</u> <u>Total Revenue</u>	<u>State Aid</u>	<u>State Aid To</u> <u>Revenues (%)</u>
2019	\$105,688,276	\$3,447,095	3.26
2020	104,740,207	4,354,219	4.16
2021	115,313,078	6,438,518	5.58
2022	117,718,704	4,288,384	3.64
2023	122,422,502	4,641,768	3.79
2024 (Budgeted)	119,356,759	4,106,429	3.44
2025 (Budgeted)	127,612,974	4,071,429	3.19

Source: Audited financial statements (2019-2023) and the Adopted Budget for 2024-2025. Table itself is not audited.

Expenditures

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

Status and Financing Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees’ Retirement System (“ERS”) or the State and Local Police and Fire Retirement System (“PFRS” and together with ERS, the “Retirement System”). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in 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 on or after January 1, 2010. 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 required 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 five years of employment and will continue to make employee contributions throughout employment.

Members of the PFRS are divided into four tiers. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. PFRS members that were hired between July 1, 2009 to January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. PFRS members hired after January 9, 2010 are in Tier 5 which also requires a 3% employee contribution. PFRS members hired after April 1, 2012 are in Tier 6, which also originally has a 3% contribution requirement for members for fiscal year 2012-2013; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: \$45,000.00 or less contributes 3%; \$45,000.01 to \$55,000.00 contributes 3.5%; \$55,000.01 to \$75,000.00 contributes 4.5%; \$75,000.01 to \$100,000.00 contributes 5.75%; and more than \$100,000.00 contributes 6%.

Due to significant capital market declines in the past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State's Retirement System continues to be higher than the minimum contribution rate established in the past. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by past legislation. To mitigate the expected increases in the employer contribution rate, various forms of legislation has been enacted that would permit local governments to borrow a portion of their required payments from the State pension plan.

Due to prior poor performance of the investment portfolio of the Retirement System, the employer contribution rates for required pension contributions has increased. To help mitigate the impact of such increases, legislation has been enacted that permits local governments and school districts to amortize a portion of such contributions. The Town has elected to amortize certain contribution costs. As of December 31, 2024, the principal and interest payments to maturity are as follows:

<u>PFRS</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$188,695	\$15,582	\$204,278
2026	115,572	11,048	126,621
2027	98,802	8,889	107,691
2028	98,649	7,130	105,779
2029	100,385	5,394	105,779
2030	102,152	3,627	105,779
2031	103,950	1,830	105,779
Totals:	<u>\$808,205</u>	<u>\$53,502</u>	<u>\$861,707</u>
<u>ERS</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$57,786	\$2,228	\$60,014
2026	11,749	448	12,197
2027	5,235	150	5,385
Totals:	<u>\$74,770</u>	<u>\$2,826</u>	<u>\$77,596</u>
Totals:	<u>\$882,976</u>	<u>\$56,328</u>	<u>\$939,303</u>

Retirement Contributions

Fiscal Year Ending <u>December 31:</u>	<u>Amount</u>
2019	\$12,767,772
2020	13,134,132
2021	13,852,789
2022	14,588,875
2023	15,660,876
2024 (Budgeted)	15,701,373
2025 (Budgeted)	17,587,193

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”) was 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.

The implementation of GASB 75 resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The Town’s total OPEB liability at December 31, 2023 is as follows:

Total OPEB Liability at Dec 31, 2022	<u>\$212,472,589</u>
Charges for the Year:	
Service Cost	7,136,795
Interest	8,755,825
Changes of Benefit Terms	42,492
Differences between expected and actual experience in measurement of OPEB liability	0
Changes in Assumptions or Other Inputs	16,945,475
Benefit Payments	<u>(6,917,341)</u>
Net Changes in total OPEB liability	<u>25,963,246</u>
Total OPEB Liability at Dec 31, 2023	<u><u>\$238,435,835</u></u>

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 had decided to continue funding the expenditure on a pay-as-you-go basis.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The Town derives a major portion of its revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix A, herein.) Property taxes accounted for approximately 76.84% of total budgeted general fund revenues, for the fiscal year ended 2025. On June 24, 2011, the Tax Levy Limitation Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town. (See “TAX LEVY LIMITATION LAW” herein).

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

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Tax Levies, Collection Records and Tax Rates

	Fiscal Year Ending December 31:				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Tax Levies:					
Town and Highway	\$104,740,284	\$104,408,942	\$111,604,639	\$114,795,885	\$114,492,927
Solid Waste Management	7,698,384	8,251,542	9,607,334	10,740,916	11,004,911
Open Space Preservation	451,926	325,524	308,369	296,030	108,691
Special Districts:					
Fire	9,821,582	10,029,580	11,127,543	11,815,269	11,894,135
Water	2,675,366	2,759,867	3,457,620	3,759,608	3,901,151
Sewer					
Ambulances	1,475,675	1,720,214	1,769,959	2,483,664	2,806,132
Special Imprvt. Assessment	13,697	65,813	54,350	58,814	49,613
Lighting	1,023,072	1,000,020	867,045	896,744	946,023
Sanitation	9,337,271	9,936,465	10,559,527	11,389,909	12,629,788
County and State	40,464,292	41,832,894	41,292,703	41,177,547	39,279,866
Relevied School Taxes	6,208,681	6,073,232	6,901,301	7,374,530	6,298,691
Relevied Village Taxes	123,418	117,072	258,333	114,201	222,623
Misc. Items & Adjustments	308,547	295,654	516,668	413,477	396,606
County Sewer District	16,951,540	17,386,879	18,063,539	19,567,087	20,257,874
Warrant Adjustments	<u>(2,403)</u>	<u>(9,159)</u>	<u>(562)</u>	<u>(20,908)</u>	<u>(4,642)</u>
Total Adjusted Tax Levy	\$201,291,332	\$204,194,539	\$216,388,366	\$224,862,773	\$224,284,389
Amount Collected	186,805,021	195,259,504	202,265,120	212,620,292	211,879,290
Returned to County:					
Quarterly Payments	\$9,261,054	\$8,878,493	\$8,412,854	\$6,788,554	\$6,545,749
Unpaid	\$5,225,257	\$5,056,541	\$5,710,392	\$5,453,927	\$5,859,350
Per Cent Unpaid	2.60%	2.42%	2.64%	2.43%	2.61%
Uncollected End of Year					
Levy	None	None	None	None	None

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 amount for fiscal year 2024 and 2025.

Fiscal Year Ending <u>December 31:</u>	<u>Total Revenue</u> ^a	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues (%)</u>
2019	\$105,688,276	\$83,754,108	79.25
2020	104,740,207	87,949,441	83.97
2021	115,313,078	92,024,449	79.80
2022	117,718,704	92,940,815	78.95
2023	122,422,502	95,097,219	77.68
2024 (Budgeted)	119,356,759	94,302,744	79.01
2025 (Budgeted)	127,612,974	98,061,575	76.84

a. Includes appropriation of fund balance, reserves and interfund transfers.

Tax Collection Procedure

The Town levies and collects all ad valorem and special assessment taxes and charges for general Town, highway, special district and fire district purposes. The Town also collects County and school district property taxes.

Town tax bills, which include the County levy, are mailed on or about January 1 of each year, and may be paid without penalty or interest charge on or before January 31. Penalties for delinquent payment are imposed at the rate of 1% for bills paid in February, 1-1/2% for bills paid in March, and 2% for bills paid in April. Thereafter, all unpaid taxes and the penalties thereon must be paid to the County Commissioner of Finance, and an additional penalty of 5% is added thereto.

The Town permits the payment of its taxes on an installment basis, with equal installments due on or before January 15 and July 15, respectively. A 3% service charge is added to the tax bills of those taxpayers selecting the installment plan. In addition, a 1% interest charge is imposed for the first installment if paid after January 15 and on or before January 20; the installment option may not be exercised thereafter. After January 20, the tax bill is payable in full without interest or penalty if paid on or before January 31.

Pursuant to the Real Property Tax Law, the Town retains from the first tax collections an amount sufficient to satisfy the amounts levied for all Town purposes. The balance is then paid to the County Commissioner of Finance. In April, the Town files a report of uncollected taxes with the County Commissioner of Finance. In the event the Town does not collect sufficient amounts to satisfy all Town purposes, the County is permitted under the Local Finance Law to issue tax anticipation notes to provide funds to pay delinquent Town items to the Town.

School district taxes are billed in September and payable without penalty to September 30th. If paid during October a penalty of 3% is imposed thereon. After October 31st, unpaid school district taxes are returned to the County Commissioner of Finance and relevied on the County Tax Roll with a 7% penalty added.

As far as the Town is concerned there are no uncollected taxes. The full amount of the Town tax levies are guaranteed by the County.

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Tax Rates
(Per \$1,000 Assessed Valuation)

	Fiscal Year Ending December 31:				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
County	\$9.93	\$10.21	\$10.02	\$9.97	\$9.52
Town Outside Villages - Homestead	23.00	23.92	24.29	24.84	24.84
Open Space Initiative - Homestead	0.10	0.07	0.06	0.06	0.02
Nyack & Upper Nyack - Homestead	19.28	20.13	20.22	20.58	20.46
Spring Valley - Homestead	11.26	11.87	11.67	11.83	11.47
Fire Districts:					
Central Nyack	6.13	6.29	6.34	6.99	7.10
Congers	3.28	3.31	3.41	3.63	3.72
East Spring Valley	1.88	1.93	2.08	2.10	2.02
Moleston	1.72	1.77	1.76	1.97	1.81
Nanuet	3.18	3.21	3.26	3.28	3.34
New City	1.43	1.47	1.51	1.57	1.60
Nyack Joint	3.12	3.06	3.11	3.18	3.25
Rockland Lake	4.25	4.38	4.55	4.67	4.86
Valley Cottage	2.58	2.60	3.57	3.63	3.73
West Nyack	1.58	1.58	2.48	3.17	2.98
Ambulance Districts:					
Congers - Valley Cottage	0.56	0.62	0.63	0.78	0.68
Nanuet	0.25	0.29	0.33	0.18	0.35
New City	0.25	0.29	0.26	0.67	0.77
Nyack	0.42	0.47	0.48	0.72	0.75
Spring Hill	1.74	1.87	1.83	3.35	3.31
Water Districts:					
Consol. #1	0.78	0.79	1.00	1.09	1.13
Central Nyack	0.41	0.40	0.40	0.40	0.40
West Nyack #1	0.24	0.23	0.23	0.24	0.24
West Nyack #2	0.23	0.22	0.22	0.22	0.22
West Nyack #3	0.14	0.13	0.13	0.13	0.13
Consolidated Light District Homestead	0.22	0.21	0.18	0.19	0.20

Large Taxable Properties
2024 Assessment Roll ^a

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Orange & Rockland Utilities	Public Utility	\$70,884,554
Palisades Interstate Park	State	68,808,734
Eklecco	Retail	61,556,189
United Water Co.	Public Utility	32,379,621
Nanuet Owner 551 & 90	Commercial	25,825,000
The Retail Property	Condos & Apts.	15,809,984
Normandy Village	Condos & Apts.	14,774,300
SVMP DE LLC	Retail	12,730,000
Centro NP Holdings	Retail	11,127,600
Rockland Center Associates	Retail	8,732,500
Total ^b		\$322,628,482

a. Assessment Roll established in 2023 for levy and collection of taxes in 2024.

b. Represents 7.79% of the 2024 Taxable Assessed Valuation of the Town.

LITIGATION

In common with other towns, the Town from time to time receives notices of claim and is party to litigation. In the opinion of 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 conditions of the Town.

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.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. 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 Bonds, 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 Bonds. 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 Bonds 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 Bonds.

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 Bonds should elect to sell a Bond 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 Bonds. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds 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 Bonds and other debt issued by the Town. Any such future legislation would have an adverse effect on the market value of the Bonds (See "*TAX MATTERS*" herein).

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

TAX MATTERS

In the opinion of Harris Beach Murtha Cullina PLLC, New York, New York, Bond Counsel to the Town, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the Town with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for Federal income tax purposes. Bond counsel is of the further opinion that interest on the Bonds is not an "item of tax preference" for purposes of the Federal alternative minimum tax on individuals. However, the Internal Revenue Code of 1986, as amended (the "Code") imposes a federal corporate alternative minimum tax equal to 15 percent of the "adjusted financial statement income" of corporations (other than S corporations, regulated investment companies and real estate investment trusts) having an average annual "adjusted financial statement income" for the 3-taxable-year period ending with the tax year that exceeds \$1,000,000,000. Interest on tax-exempt obligations such as the Bonds is included in the computation of a corporation's "adjusted financial statement income".

The Code also imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Bonds in order for interest on the Bonds to be and remain excluded from gross income for Federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Bonds, and in certain circumstances, payment of amounts in respect of such proceeds to the Federal government. Failure to comply with the requirement of the Code may cause interest on the Bonds to be includable in gross income for purposes of Federal income tax, possibly from their respective dates of issuance. In the Arbitrage and Use of Proceeds Certificate of the Town to be executed in connection with the issuance of the Bonds, the Town will covenant to comply with certain procedures and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code with respect to the Bonds. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds, and the accrual or receipt of interest thereon, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Bonds and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

The Bonds will NOT be designated as "qualified tax exempt obligations" within the meaning of, and pursuant to, Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

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 and delivery of the Bonds may affect the tax status of interest on the Bonds.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Bonds to be subject to Federal or State income taxation, or otherwise prevent Bondholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Bonds for audit examination, or the course or result of any Internal Revenue Service examination of the Bonds or of obligations which present similar tax issues, will not affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS.

Legal Matters

The legality of the authorization and issuance of the Bonds will be covered by the approving legal opinion of Harris Beach Murtha Cullina PLLC, New York, New York, Bond Counsel to the Town. Such legal opinion will state that in the opinion of Bond Counsel (i) the Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Town, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (see "TAX LEVY LIMITATION LAW" herein); provided, that the enforceability (but not the validity) of the Bonds may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Bonds is excluded from the gross income of the owners thereof for Federal income tax purposes, is not an "item of tax preference" for purposes of the Federal alternative minimum taxes imposed on individuals, however, interest on the Bonds held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporations; (iii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York); and (iv) based upon Bond Counsel's examination of law and review of the arbitrage and use of proceeds certificate executed by the Town Supervisor of the Town pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Bonds will not be "arbitrage bonds" within the meaning of said section, and no matters have come to Bond Counsel's attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel expresses no opinion regarding Federal or State income tax consequences arising with respect to the Bonds.

Such legal opinions will also state that in the opinion of Bond Counsel (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Town together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of and interest on the Bonds as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the Town, would materially affect the ability of the Town to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the Town, in connection with the sale of the Bonds, 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.

APPENDIX A

FINANCIAL INFORMATION

**Balance Sheet
Governmental Funds**

Fiscal Year Ending December 31, 2023

	General Fund <u>Townwide</u>	Highway Part-Town <u>Village</u>	Capital <u>Projects</u>	Other Governmental <u>Funds ^a</u>
Assets:				
Cash	\$ 21,387,466	\$ 3,612,707	\$ 9,240,258	\$ 11,555,523
Account Receivable	4,049,268	57,380	30	702,123
Due from Other Funds		133,992		36,375
Assessments Receivable	315,000			
Prepaid Expenses	3,308,588	303,793		222,995
Other Deposits	<u>245,000</u>			
Total Assets	<u>\$ 29,305,322</u>	<u>\$ 4,107,872</u>	<u>\$ 9,240,288</u>	<u>\$ 12,517,016</u>
Liabilities:				
Accounts Payable	\$ 1,751,405	\$ 146,420	\$ 507,354	\$ 1,328,496
Guranty & Bid Deposits	2,421,568			
Group Insurance	15,202			
State Retirement	127,878			
Due to Other Funds	37,541	5,140	127,686	
Accrued Expenses	2,414,984	404,663		146,281
Special Assessment	315,000			
BAN Payable			8,085,000	
Unearned Revenues	<u>3,462,614</u>	<u>2,994</u>	<u>40,250</u>	<u>23,430</u>
Total Liabilities	<u>10,546,192</u>	<u>559,217</u>	<u>8,760,290</u>	<u>1,498,207</u>
Deferred Inflows of Resources	<u>1,645,921</u>			
Fund Balances:				
Nonspendable	3,308,588	303,793		222,995
Restricted	3,356,581			
Assigned	2,136,228	3,244,862	479,998	10,795,814
Unassigned	<u>8,311,812</u>			
Total Fund Balances	<u>17,113,209</u>	<u>3,548,655</u>	<u>479,998</u>	<u>11,018,809</u>
Total Liabilities, Deferred Inflows & Fund Balance	<u>\$ 29,305,322</u>	<u>\$ 4,107,872</u>	<u>\$ 9,240,288</u>	<u>\$ 12,517,016</u>

a. Non-Major Governmental Funds consist of the following funds: General Fund Town Outside Village, Highway Town Wide, Lighting Miscellaneous, Refuse & Garbage, and Water.

Sources: Audited Annual Financial Report (2023).

NOTE: This Schedule is NOT audited.

**Balance Sheet
Governmental Funds**

Fiscal Year Ending December 31, 2022

	General Fund <u>Townwide</u>	Highway Part-Town <u>Village</u>	Capital <u>Projects</u>	Non-Major Governmental <u>Funds</u> ^a
Assets:				
Cash	\$ 19,120,765	\$ 2,119,082	\$ 10,262,601	\$ 9,559,023
Account Receivable	5,274,523	769,878	30	445,446
Due from Other Funds		22,748		21,440
Assessments Receivable	367,061			
Prepaid Expenses	3,269,721	279,026		165,855
Restricted Assets				
Other Deposits	<u>245,000</u>			
Total Assets	<u><u>\$ 28,277,070</u></u>	<u><u>\$ 3,190,734</u></u>	<u><u>\$ 10,262,631</u></u>	<u><u>\$ 10,191,764</u></u>
Liabilities:				
Accounts Payable	\$ 1,735,072	\$ 178,941	\$ 456,580	\$ 1,019,412
Guaranty & Bid Deposits	2,717,504			
Group Insurance	10,562			
State Retirement	118,123			
Due to Other Funds	38,310	2,789		3,089
Accrued Expenses	2,574,222	404,434		149,957
Special Assessment	367,061			
BAN Payable			8,390,000	
Unearned Revenues	<u>2,646,213</u>	<u>3,340</u>	<u>40,250</u>	<u>42,699</u>
Total Liabilities	<u>10,207,067</u>	<u>589,504</u>	<u>8,886,830</u>	<u>1,215,157</u>
Deferred Inflows of Resources	<u>4,068,145</u>			
Fund Balances:				
Nonspendable	3,269,721	279,026		165,855
Restricted	4,386,982			
Assigned	190,992	2,322,204		8,810,752
Unassigned	<u>6,154,163</u>		<u>1,375,801</u>	
Total Fund Balances	<u>14,001,858</u>	<u>2,601,230</u>	<u>1,375,801</u>	<u>8,976,607</u>
Total Liabilities, Deferred Inflows & Fund Balance	<u><u>\$ 28,277,070</u></u>	<u><u>\$ 3,190,734</u></u>	<u><u>\$ 10,262,631</u></u>	<u><u>\$ 10,191,764</u></u>

a. Non-Major Governmental Funds consist of the following funds: General Fund Town Outside Village, Highway Town Wide, Lighting Miscellaneous, Refuse & Garbage, and Water.

Sources: Audited Annual Financial Report (2022).

NOTE: This Schedule is NOT audited.

**Statement of Revenues, Expenditures and Fund Balances
General Fund (Town-Wide)**

	Fiscal Year Ending December 31:				
	2019	2020	2021	2022	2023
Revenues:					
Real Property Taxes	\$ 83,754,108	\$ 87,949,441	\$ 92,024,449	\$ 92,940,815	\$ 95,097,219
Other Tax Items	2,219,009	2,197,674	2,277,667	7,111,771	6,932,157
Departmental Income	2,420,535	592,243	1,916,685	2,991,951	2,290,462
Intergovernmental Charges		5,444,545	6,351,315	1,816,369	1,723,577
Use of Money and Property	1,121,350	658,112	476,613	842,470	2,678,284
Licenses & Permits	63,651	74,817	150,924	242,847	186,834
Fines & Forfeitures	1,050,369	773,012	851,931	1,096,005	1,099,535
Sale of Property & Compensation for Loss	1,823,485	379,445	649,566	177,762	335,285
State Aid	3,447,095	4,354,218	6,438,518	4,228,384	4,641,768
Federal Aid	709,600	99,012	1,171,559	3,189,143	4,605,937
Miscellaneous	9,079,074	2,217,688	3,003,851	3,081,187	2,831,444
Total Revenues	105,688,276	104,740,207	115,313,078	117,718,704	122,422,502
Expenditures:					
General Government Support	15,820,735	14,608,439	16,109,418	15,215,898	16,187,766
Public Safety	39,990,102	40,528,991	42,411,473	44,651,369	44,176,457
Transportation	940,999	902,333	1,041,758	1,135,413	1,111,562
Economic Assistance	69,025	58,701	99,391	80,249	76,327
Culture and Recreation	6,126,004	4,633,357	5,754,153	6,594,532	7,365,681
Home and Community Services	1,270,361	1,282,487	1,403,286	1,358,729	1,681,484
Employee Benefits	26,943,796	27,296,603	28,418,778	30,770,406	32,023,959
Debt Service	15,137,625	14,810,139	13,990,280	13,900,871	14,533,204
Total Expenditures	106,298,647	104,121,050	109,228,537	113,707,467	117,156,440
Other Financing Sources (Uses):					
Proceeds From:					
Operating Transfers In	2,426,863	334,923		546,970	77,265
Operating Transfers (Out)		(24,850)	(543,266)	(2,797,667)	(2,231,976)
Proceeds for Bond Anticipation Notes					
Total Other Financing Sources(Uses)	2,426,863	310,073	(543,266)	(2,250,697)	(2,154,711)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	1,816,492	929,230	5,541,275	1,760,540	3,111,351
Fund Balance Beginning of Year	3,954,321	5,770,813	6,700,043	12,241,318	14,001,858
Prior Period Adjustments					
Fund Balance End of Year	\$ 5,770,813	\$ 6,700,043	\$ 12,241,318	\$ 14,001,858	\$ 17,113,209

Sources: Audited Financial Statement (2019-2023)

NOTE: This Schedule is NOT audited.

Statement of Revenues, Expenditures and Fund Balances
Highway Fund (Town Outside Villages)

	Fiscal Year Ending December 31:				
	2019	2020	2021	2022	2023
Revenues:					
Real Property Taxes	\$ 12,859,030	\$ 12,927,294	\$ 13,124,343	\$ 13,968,410	\$ 14,583,021
Departmental Income	42,733	13,267	31,107	55,807	60,384
Use of Money and Property	162,129	71,671	4,178	50,200	267,973
Licenses & Permits	181,968	115,654	90,333	69,100	141,399
Gifts & Donations			250	2,250	6,915
Sale of Property & Compensation for Loss	26,916	42,980	33,355	5,078	3,490
Refund Prior Years Expenditures				8,150	1,717
State Aid	1,016,129	890,278	1,192,003	1,173,291	1,344,091
Federal Aid			5,266	481,463	132,874
Miscellaneous	567	2,652	100	220	487,860
	<u>14,289,472</u>	<u>14,063,796</u>	<u>14,480,935</u>	<u>15,813,969</u>	<u>17,029,724</u>
Expenditures:					
General Governmen Support					
Transportation	13,879,721	14,712,941	15,483,134	15,937,328	16,092,299
Employee Benefits					
	<u>13,879,721</u>	<u>14,712,941</u>	<u>15,483,134</u>	<u>15,937,328</u>	<u>16,092,299</u>
Other Financing Sources (Uses):					
Proceeds From:					
Operating Transfers In	578,459	455,976	716,009	977,528	10,000
Operating Transfers (Out)	(1,005,835)				
	<u>(427,376)</u>	<u>455,976</u>	<u>716,009</u>	<u>977,528</u>	<u>10,000</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over					
	<u>(17,625)</u>	<u>(193,169)</u>	<u>(286,190)</u>	<u>854,169</u>	<u>947,425</u>
Fund Balance Beginning of Year					
	<u>2,244,045</u>	<u>2,226,420</u>	<u>2,033,251</u>	<u>1,747,061</u>	<u>2,601,230</u>
Fund Balance End of Year					
	<u>\$ 2,226,420</u>	<u>\$ 2,033,251</u>	<u>\$ 1,747,061</u>	<u>\$ 2,601,230</u>	<u>\$ 3,548,655</u>

Sources: Audited Financial Statement (2019-2023)

NOTE: This Schedule is NOT audited.

Statement of Revenues, Expenditures and Fund Balances
Non-Major Governmental Funds ^a

	Fiscal Year Ending December 31:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes	\$ 18,658,946	\$ 18,933,231	\$ 20,095,774	\$ 21,875,724	\$ 24,100,104
Other Tax Items	150,643	157,346	169,501	172,935	176,094
Departmental Income	4,588,033	4,485,147	4,878,554	5,684,530	4,875,250
Intergovernmental Charges					
Use of Money and Property	333,504	97,086	15,504	143,719	890,779
License & Permits	16,400	17,220	18,800	20,900	22,860
Sale of Property & Compensation for Loss					
Gifts & Donations			39,673		
Refund Prior year Expenditures				9,280	11,540
State Aid	105,225		24,035	9,297	
Miscellaneous	108,097	32,405	11,434	16,125	22,536
Total Revenues	<u>23,960,848</u>	<u>23,722,435</u>	<u>25,253,275</u>	<u>27,932,510</u>	<u>30,099,163</u>
Expenditures:					
General Government Support		300,330	300,330	300,363	323,804
Public Safety	1,956,131	5,964,095	2,101,699	2,208,298	2,262,308
Health	3,092,257	6,000	3,363,281	3,707,425	4,021,137
Transportation	1,615,241	603,508	1,186,879	1,087,374	595,388
Home and Community Services	14,785,549	14,520,936	16,278,635	17,397,392	18,960,267
Employee Benefits	1,749,159	1,709,412	1,772,607	1,842,943	1,854,632
Debt Service	0	447,094	420,650	258,700	264,325
Total Expenditures	<u>23,198,337</u>	<u>23,551,375</u>	<u>25,424,081</u>	<u>26,802,495</u>	<u>28,281,861</u>
Other Financing Sources (Uses):					
Proceeds From:					
Operating Transfers In			76,300	825,000	224,900
Operating Transfers (Out)	<u>(1,420,263)</u>	<u>(455,976)</u>	<u>(527,509)</u>	<u>(465,783)</u>	<u>224,900</u>
Total Other Financing Sources (Uses)	<u>(1,420,263)</u>	<u>(455,976)</u>	<u>(451,209)</u>	<u>359,217</u>	<u>224,900</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(657,752)</u>	<u>(284,916)</u>	<u>(622,015)</u>	<u>1,489,232</u>	<u>2,042,202</u>
Period Adjustment					
Fund Balance Beginning of Year	<u>9,052,057</u>	<u>8,394,305</u>	<u>8,109,390</u>	<u>7,487,375</u>	<u>8,976,607</u>
Fund Balance End of Year	<u>\$ 8,394,305</u>	<u>\$ 8,109,389</u>	<u>\$ 7,487,375</u>	<u>\$ 8,976,607</u>	<u>\$ 11,018,809</u>

a. Non-Major Governmental Funds consist of the following funds: General Fund Town Outside Village, Highway Town Wide, Lighting, Miscellaneous, Refuse & Garbage, and Water.

Sources: Audited Financial Statement (2019-2023)

NOTE: This Schedule is NOT audited.

Budget Summaries
Governmental and Other Operating Funds

Fiscal Year Ending December 31, 2025

	<u>Appropriations</u>	<u>Estimated Revenues</u>	<u>Application of Surplus</u>	<u>Tax Levy</u>
Fund:				
General	\$ 127,612,974	\$ 29,658,399	\$	\$ 97,954,575
Town Outside Village	7,493,891	2,566,750		4,927,141
Highway No.1	17,781,778	2,208,300		15,573,478
Highway No.2	<u>811,656</u>	<u>28,000</u>		<u>783,656</u>
Special Districts:				
Light	1,021,089	18,000		1,003,089
Ambulance	4,702,181	1,675,072		3,027,109
Water	3,937,307	61,500		3,875,807
Sanitation & Refuse	<u>14,358,104</u>	<u>1,089,000</u>		<u>13,269,104</u>
Total	<u>\$ 177,718,980</u>	<u>\$ 37,305,021</u>	<u>\$ 0</u>	<u>\$ 140,413,959</u>

Source: Tentative Budget of the Town of Clarkstown.

Budget Summaries
Governmental and Other Operating Funds

Fiscal Year Ending December 31, 2024

	<u>Appropriations</u>	<u>Estimated Revenues</u>	<u>Application of Surplus</u>	<u>Tax Levy</u>
Fund:				
General	\$ 119,356,759	\$ 25,186,718	\$	\$ 94,170,041
Town Outside Village	7,056,935	2,550,980		4,505,955
Highway No.1	16,904,889	2,000,205		14,904,684
Highway No.2	<u>1,038,938</u>	<u>18,000</u>		<u>1,020,938</u>
Special Districts:				
Light	956,024	10,000		946,024
Ambulance	4,577,756	1,771,625		2,806,131
Water	3,937,134	35,982		3,901,152
Sanitation & Refuse	<u>13,638,787</u>	<u>1,009,000</u>		<u>12,629,787</u>
Total	<u>\$ 167,467,222</u>	<u>\$ 32,582,510</u>	<u>\$ 0</u>	<u>\$ 134,884,712</u>

Source: Adopted Budget of the Town of Clarkstown.

TOWN OF CLARKSTOWN

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

[▶ Click Here For 2023 Audit](#)

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT.