

PRELIMINARY OFFICIAL STATEMENT DATED JULY 8, 2025

NEW ISSUE – SERIAL BONDS

RATING - S&P GLOBAL RATINGS: “.....”

*In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. 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 Code.

**TOWN OF MONROE  
ORANGE COUNTY, NEW YORK  
(the “Town”)**

**\$21,775,000\* PUBLIC IMPROVEMENT SERIAL BONDS – 2025  
(the “Bonds”)**

**SEE BOND MATURITY SCHEDULE HEREIN**

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

The Bonds maturing on July 15, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Town, as a whole or in part, on any date on or after July 15, 2032. (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.

For bonds registered in the name of the purchaser, a single bond certificate shall be issued for each maturity and 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 successful bidder(s).

Any Bonds issued in book-entry form 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 any book-entry Bonds. Principal of and interest on book-entry 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 July 17, 2025, in accordance with the Notice of Sale dated July 8, 2025.

*The Bonds are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Town, and certain other conditions. It is expected that delivery of the Bonds in book-entry form will be made through the facilities of DTC in Jersey City, New Jersey, or as otherwise agreed to by the Town and the Purchaser, on or about July 30, 2025 in New York, New York.*

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 MONROE  
ORANGE COUNTY, NEW YORK**

**\$21,775,000\* PUBLIC IMPROVEMENT SERIAL BONDS – 2025**

**BOND MATURITY SCHEDULE**

**Dated: July 30, 2025**

**Principal Due: July 15, 2026-2053, inclusive  
Interest Due: January 15, 2026, July 1, 2026, and semiannually  
thereafter in each year to maturity**

<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
2026	\$400,000			
2027	425,000			
2028	440,000			
2029	465,000			
2030	480,000			
2031	505,000			
2032	530,000			
2033	560,000***			
2034	585,000***			
2035	610,000***			
2036	640,000***			
2037	670,000***			
2038	700,000***			
2039	735,000***			
2040	770,000***			
2041	805,000***			
2042	845,000***			
2043	885,000***			
2044	930,000***			
2045	970,000***			
2046	1,015,000***			
2047	1,065,000***			
2048	1,115,000***			
2049	1,170,000***			
2050	1,040,000***			
2051	1,090,000***			
2052	1,140,000***			
2053	1,190,000***			

\* 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 substantial level or declining annual debt service as provided in Section 58.00 (c)(2) of the Local Finance Law. The annual maturities of the Bonds may also be adjusted to the extent necessary, in order that the total proceeds, which include the total par amount of the Bonds plus the original issue premium, if any, received by the Town does not exceed the maximum amount permitted under applicable provisions of the Internal Revenue Code of 1986, as amended.

\*\*\*Subject to redemption prior to maturity.



**TOWN OF MONROE  
ORANGE COUNTY, NEW YORK**

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Monroe, New York 10950  
Telephone: (845) 783-1900  
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**TOWN BOARD**

Anthony Cardone, Supervisor

Mary Bingham  
Dorey Houle

Maureen Richardson  
Salvatore Scancarello

-----

Valerie Bitzer, Town Clerk  
Brian D. Nugent, Esq., Attorney for the Town

\* \* \*

**BOND COUNSEL**



Hawkins Delafield & Wood LLP  
New York, New York

\* \* \*

**MUNICIPAL ADVISOR**



Municipal Finance Advisory Service

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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

## TOWN OF MONROE ORANGE COUNTY, NEW YORK

### \$21,775,000 PUBLIC IMPROVEMENT SERIAL BONDS – 2025

This Official Statement and the appendices hereto present certain information relating to the Town of Monroe, in the County of Orange, in the State of New York (the “Town,” “County” and “State,” respectively) in connection with the sale of \$21,775,000 Public Improvement Serial Bonds – 2025 (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 July 30, 2025, and will mature on July 15, in each of the years 2026 to 2053, 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.

For bonds registered in the name of the purchaser, a single bond certificate shall be issued for each maturity and 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 successful bidders.

The Bonds issued in book-entry form 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 any book-entry Bonds. Principal of and interest on book-entry 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).

The Record Date of the Bonds will be the last day (whether or not a business day) of the calendar month immediately preceding each interest payment date.

The Town Clerk will act as Fiscal Agent for the Bonds. Paying agent fees, if any, will be paid by the purchaser. The Town’s contact information is as follows: Anthony Cardone, Supervisor, Town of Monroe, Town Hall, 1465 Orange Turnpike, Monroe, New York 10950, telephone number (845) 783-1900, email: [tcardone@monroeny.org](mailto:tcardone@monroeny.org).

## **Optional Redemption**

The Bonds maturing on or before July 15, 2032 will not be subject to redemption prior to maturity. The Bonds maturing on July 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 July 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.

If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Town by lot in any customary manner of selection as determined by the Town. Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

## **Description of Book-Entry System**

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

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") and together with Direct Participant, the ("Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://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 detail information from the Town on the payable date, in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee) or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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.

### **Certificated Bonds**

Principal of and interest on Bonds that are registered in the name of the purchaser will be payable in lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

If the Bonds are issued as book-entry bonds registered in the name of Cede & Co., DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry transfers through DTC at any time. In the event that such book-entry system is discontinued, the following provisions will apply: The Bonds will be issued in registered form in denominations of \$5,000, or integral multiples thereof. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the Town as the fiscal agent. Certificated Bonds may be transferred or exchanged at no cost to the owner of such Bonds at any time prior to maturity at the corporate trust office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the certificate of the Supervisor authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law.

**Authorization and Purpose for the Bonds**

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, and various bond resolutions duly adopted by the Town Board, authorizing the issuance of serial bonds for the following purposes:

<u>Authorized</u>	<u>Purpose</u>	<u>Outstanding</u>	<u>To be Paid</u>	<u>To be Issued</u>
05/20/2019	Land Acquisition	\$ 2,645,000	\$ 55,000	\$ 2,590,000
04/01/2024 <sup>a</sup>	Land Acquisition	<u>19,500,000</u>	<u>315,000</u>	<u>19,185,000</u>
	Totals:	<u>\$22,145,000</u>	<u>\$ 370,000</u>	<u>\$21,775,000</u>

<sup>a</sup>. Amends Bond Resolution adopted on 8/21/2023.

For further information regarding bond authorizations of the Town for capital purposes and other matters relating thereto see “Indebtedness of the Town”.

**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 and interest, the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. (See “*Tax Levy Limit 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 theretofore contracted. However, Chapter 97 of the New York Laws of 2011, as amended (the “*Tax Levy Limit Law*”), imposes a limitation upon the Town’s power to increase its annual tax levy. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations set forth in the *Tax Levy Limit Law*, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See “*Tax Levy Limit Law*,” herein).

**RISK FACTORS**

The following description summarizes some of the risks associated with an investment in the Bonds and does not purport to be complete. The factors affecting the Town’s financial condition described throughout this Official Statement are complex and are not intended to be summarized in any one section. This Official Statement should be read in its entirety.

The Town’s credit rating and financial and economic conditions, as well as the market for the Bonds, could be affected by a variety of circumstances, some of which are beyond the Town’s control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of Town property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Town’s credit rating could adversely affect the market value of the Bonds.

If and when an owner of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bond is sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Town to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The Town is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans expected to be received ("State Aid"). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. Should the Town fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys, the Town is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Town will have market access for any such borrowing on a cost effective basis. (See also "*State Aid*" herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (see "*Tax Matters*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Town, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the Town, may affect the market price and/or marketability for the Bonds. (See "*Tax Levy Limit Law*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the Town, could impair the financial condition of such entities, including the Town, and the ability of such entities, including the Town, to pay debt service on the Bonds.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid.

## REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the Town default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. Each Bond is a general obligation contract between the Town and the owners for which the faith and credit of the Town are pledged and while remedies for enforcement of payment are not expressly included in the Town's contract with such owners, any permanent repeal by statute or constitutional amendment of a bond or note holder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Bonds, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Town. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. 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. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such Bonds from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Bond, the owner of such Bond could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Town to assess, levy and collect an *ad valorem* tax, upon all taxable property of the Town subject to taxation by the Town, sufficient to pay the principal of and interest on the Bonds as the same shall come due and payable (and interest from the due date to date of payment)

and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds or notes of the Town, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

Pursuant to Article VIII, Section 2 of the State Constitution, the Town is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: "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. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of holders of bonds or notes, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may 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.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Town should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the Town could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Town after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Town, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any 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. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a financial control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the Town in the future cannot be assured.

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 above references to the Bankruptcy Act are not to be construed as an indication that the Town is currently considering or expects to resort to the provisions of the Bankruptcy Act.

### **Financial Control Boards**

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality 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 in certain cases approve or disapprove collective bargaining agreements. Implementation is generally 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, upon the issuance of a certificate of necessity by the Governor reciting facts which in the judgment of the 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 a 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 in the finances and operations of entities such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Town has not applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

### **No Past Due Debt**

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

## **THE TOWN**

There follows in this 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 entire Town is 20.2 square miles, consisting of 16.1 square miles of unincorporated area and the Incorporated Village of Monroe (3.5 square miles), and part of the Village of Harriman (0.5 square miles). As of January 1, 2018 a 930 acre portion of the Town, including the Village of Kiryas Joel, became the Town of Palm Tree. (See also "*Fiscal Impacts upon the Town following the Creation of the Town of Palm Tree*" herein.)

The Town is located strategically within Orange County, New York, and is within one-half hour drive or train trip to the New York/ New Jersey border. New York City, northern New Jersey, and Westchester County, as well as major employment, commercial and entertainment centers are readily accessible from the Town. This proximity has in large part led to the residential growth patterns within both the Town and its villages. The Town is known locally as "the Lake Region," due to its many lakes and ponds that are tucked into the terrain within its borders—its slogan is embodied in the Town's logo.

Most of the unincorporated area of the Town is located south of the two villages. The villages are in close proximity to the New York State Route 17 (Quickway) transportation corridor. The unincorporated Town of Monroe is mostly a "bedroom" community, located in an attractive woodland and former farmland setting which grew primarily around the Village of Monroe, which is the Town's historic "center." The Village of Monroe has been the location for the shopping centers, community facilities, medical facilities, and other uses which meet the daily needs of Town residents.

Residents perceive a sense of "entering" into the Town, as it is separated from other developed areas in the region by what the Regional Plan Association has called the "greensward" around the New York metropolitan region, this includes Sterling Forest, Harriman State Park, the Appalachian Trail, Schunemunk Mountain, and Goosepond Mountain. Most roads leading into the Town pass through these publicly held park and conservation lands. Many local roads still meander and extend through a wooded and even rugged landscape. In many places, beyond the preserved open spaces, there are older neighborhoods which were designed to fit into, rather than dominate, the natural environment, and where residents and visitors can still appreciate the green hillsides and blue lakes that imbue the Town with its unique character.

A portion of the proceeds of the Bonds will refinance notes originally issued by the Town to finance the acquisition of approximately 247 acres of undeveloped land known as the "Rye Hill Corridor" tract. The Town anticipates maintaining the majority of this land as undeveloped for open space, watershed protection and active/passive recreation purposes. The Town seeks to reserve a smaller portion of the land for possible future use to serve public purposes or provide public benefits.

### **Highway System Interchanges and Access Points**

New York State Route 17 (United States Highway Route 6) runs throughout the Town for approximately 2.8 miles. Near the western boundary of the Town is an interchange between State Route 208 and State Route 17. State Route 208 travels north outside of the Town and south through the Village of Monroe where it becomes Route 17M. Route 17M travels east throughout the Villages of Monroe and Harriman until it converges with Route 17 near the eastern boundary of the Town allowing access to areas.

**Utilities and Other Services**

Orange & Rockland provides residents of the Town with electricity and gas service while telephone service is provided by various companies. In addition, water and sewer services are comprised of both municipal and private systems. Police protection is provided by the Monroe Police Department (Village of Monroe), State Police (Town of Monroe), and the Harriman Police Department (Village of Harriman). Fire protection is provided by the Monroe Joint Fire District.

**Government**

Although the Town itself was incorporated in 1799, settlement was well established by the time of the Revolutionary War with Dutch and English coming as early as the 1600's. The Town is governed by four Board Members and the Supervisor, all of whom are elected to four-year terms on a staggered basis. The Town Clerk and Highway Superintendent are elected to a four-year term. The Town Board appoints the Assessor, the Attorney for the Town, and the Town Engineer.

**Financial Organization**

The Supervisor is the Chief Executive Officer, Chief Fiscal Officer and head of the administrative branch of Town government. He chairs meetings of the four members of the Town Board. In addition to presiding over, the Supervisor's Office prepares all Town Board meeting agendas.

**Employees**

The Town provides services through approximately 35 full-time and 20 part-time employees, some of which are represented by organized labor. In addition, the Town employs several seasonal employees.

<u>Name of Union</u>	<u>Approximate Membership<sup>a</sup></u>	<u>Date Contract Expires</u>
Teamsters Local 445	7	12/31/2025
IBEW Local 363	12	12/31/2026

a. The Town reduced the number of full-time employees by 4 employees and reduced the Maintenance Department (3 employees) by 12% upon the creation of the Town of Palm Tree. (See also "*Fiscal Impacts upon the Town following the Creation of the Town of Palm Tree*" herein).

**ECONOMIC AND DEMOGRAPHIC INFORMATION**

**Population Characteristics**

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

<u>Year</u>	<u>Town of Monroe<sup>a</sup></u>	<u>Orange County</u>	<u>New York State</u>
2000	31,407	341,367	18,976,457
2010	38,679	372,813	19,378,102
2020	19,777	380,085	19,572,319
2023	21,299	407,470	19,571,216

Source: U.S. Bureau of the Census.

a. The population of the Town decreased with the creation of the Town of Palm Tree. (See also "*Fiscal Impacts upon the Town following the Creation of the Town of Palm Tree*" herein).

**Income Data <sup>a</sup>**

	Per Capita Money Income			
	2000	2010	2020	2023
Town of Monroe	\$16,569	\$21,167	\$39,792	\$45,890
County of Orange	21,597	28,944	34,959	41,149
State of New York	23,389	30,948	39,326	48,847

  

	Median Household Income			
	2000	2010	2020	2023
Town of Monroe	\$50,889	\$62,826	\$102,706	\$116,019
County of Orange	52,058	69,523	79,944	94,364
State of New York	43,393	55,603	68,486	82,095

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2019-2023).

The information set forth below with respect to the County is included for information purposes only. It should not be implied from the inclusion of such data in this Statement that the Town is necessarily representative of the County or vice versa.

**Selected Listing of Larger Employers in the County**

Name	Type	Estimated Number of Employees
United States Military Academy at West Point	Military	4,000
Orange Regional Medical Center	Hospital	2,524
Orange County Government	Government	2,148
Crystal Run Healthcare	Multi-Specialty Physicians' Practice	1,800
Access: Supports for Living	Non-Profit Organizations	1,289
St Luke's Cornwall Hospital	Hospital	1,247
Elant, Inc.	Senior Health and Housing	1,200
C & S Wholesale Grocers, Inc.	Food	800
Empire Blue Cross/Blue Shield	Health insurance	795
Spectrum Enterprise	Communications	750
The ARC of Orange County	Non-Profit Organizations	750
Amscan, Inc.	Distribution	525
Horizon Family Medical Group	Healthcare	500
Kolmar Laboratories Inc	Manufacturing	500
Bon Secours Community Hospital	Hospital	490
Staples, Inc.	Office Supplies	460
Verla International LTD	Cosmetic	445
YRC Worldwide	Trucking-Motor Freight	435
United Natural Foods, Inc (UNFI)	Organic Food Distributor	400
Adecco	Service/Staffing Service	400
Superior Pack Group Inc.	Packaging & labeling	325
SUNY Ornage	Education	300

Source: 2024 Directory of Major Employers, Orange County Partnership.

## Unemployment Rate Statistics

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

<u>Annual Averages:</u>	<u>Orange County (%)</u>	<u>New York State (%)</u>
2020	8.4	10.0
2021	5.0	7.2
2022	3.2	4.4
2023	3.3	4.2
2024	3.6	4.3
2025 (YTD)	3.9	4.2

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 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 Limit 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 Limit Law. (See "*Tax Levy Limit Law*" herein).

## Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Town to borrow and incur indebtedness subject, of course, to the constitutional 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 for a twenty-day statute of limitations after publication of a bond resolution (in summary or in full), together with a statutory notice which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except on rare occasions the Town complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law 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, bonds 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 bonds 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 Limit Law imposes a statutory limitation on the power of the Town to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*," herein).

**Computation of Debt Limit and Calculation of Net Debt Contracting Margin**  
(As of July 8, 2025)

Fiscal Year Ending December 31:	Assessed Valuation <sup>a</sup>	State Equal. Rate (%)	Full Valuation
2020	\$389,919,860	17.59	\$2,216,713,246
2021	399,102,465	17.20	2,320,363,169
2022	403,709,213	15.07	2,678,893,251
2023	409,564,612	12.26	3,340,657,520
2024	411,859,554	11.55	3,565,883,584
Total Five-Year Full Valuation			\$14,122,510,771
Average Five-Year Full Valuation			2,824,502,154
Debt Limit - 7% of Average Full Valuation			197,715,151
Inclusions:			
General Purpose Bonds			2,801,571
Water Purpose Bonds			763,429
Water Purpose BANs			130,000
General Purpose BANs			22,145,000
Total Inclusions			<u>25,840,000</u>
Exclusions:			
Appropriations			544,743
Excluded Water Debt			893,429
Total Exclusions			<u>1,438,172</u>
Total Net Indebtedness			<u>24,401,828</u>
Net Debt Contracting Margin			<u><u>\$173,313,323</u></u>
Percent of Debt Contracting Margin Exhausted (%)			12.34

a. The assessed valuation of the Town decreased by approximately \$145,000,000 in 2019 due to the creation of the Town of Palm Tree, which would cause the debt limit to decrease by approximately \$6,000,000. (See “Fiscal Impacts upon the Town following the creation of the Town of Palm Tree” herein).

**Debt Service Requirements - Outstanding Bonds**

Fiscal Year Ending December 31:	Principal	Interest	Total
2025	\$255,000	\$71,988	\$326,988
2026	260,000	67,330	327,330
2027	265,000	62,333	327,333
2028	270,000	56,918	326,918
2029	275,000	51,073	326,073
2030	250,000	45,624	295,624
2031	185,000	40,400	225,400
2032	190,000	36,700	226,700
2033	190,000	32,900	222,900
2034	195,000	29,100	224,100
2035	200,000	25,200	225,200
2036	205,000	21,200	226,200
2037	210,000	17,100	227,100
2038	210,000	12,900	222,900
2039	215,000	8,700	223,700
2040	220,000	4,400	224,400
<b>Totals:</b>	<b>\$3,595,000</b>	<b>\$583,865</b>	<b>\$4,178,865</b>

Source: Audited Financial Statement of the Town.

**Details of Short-Term Indebtedness Outstanding**  
(As of July 8, 2025)

The Town has outstanding bond anticipation notes in the aggregate amounts of \$22,145,000 that mature on August 1, 2025 and \$130,000 which mature on December 19, 2025. The proceeds of the bonds, along with available funds in the amount of \$370,000, will redeem the notes maturing on August 1, 2025.

**Capital Project Plans**

The Town is generally responsible for providing services as required to the Town residents outside of the Villages of Monroe and Harriman. The Town maintains a Town road system necessitating road resurfacing and improvements and, from time to time, equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. In addition, the Town is regularly acquiring and improving recreation facilities. Except as noted below, needs for capital funding for the above described projects for which the Town has responsibility are anticipated to continue and to be in approximately the same amounts as have generally prevailed in the past.

**Authorized but Unissued Indebtedness**

As of the date of this Statement, the Town has the following authorized but unissued indebtedness:

Date of Authorization	Purpose	Amount
04/15/2019	Water District No. 12 Improvements	\$770,000
11/15/2021	Water District No. 8 Improvements	2,700,000
<b>Totals:</b>		<b>\$3,470,000</b>

Sources: Town Officials.

### Trend of Town Indebtedness

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

	Fiscal Year Ending December 31:				
	2020	2021	2022	2023	2024
Bonds	\$4,291,500	\$4,080,000	\$4,083,000	\$3,840,000	\$3,595,000
BAN's <sup>a</sup>	3,128,000	3,045,500	2,750,000	22,200,000	22,275,000
Other Debt	0	0	0	0	0
<b>Total Debt Outstanding</b>	<b>\$7,419,500</b>	<b>\$7,125,500</b>	<b>\$6,833,000</b>	<b>\$26,040,000</b>	<b>\$25,870,000</b>

a. Includes \$155,000 issued for improvements to Water District #8. Such an amount of debt is paid by the property owners in such Water District.

Source: Town's financial statements and Town Officials.

### Calculation of Estimated Overlapping and Underlying Indebtedness

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

Overlapping Units	Date of Report	Percentage Applicable (%)	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Orange	06/28/2024	6.54	\$14,725,137	\$13,740,540
Village of Harriman	11/20/2024	50.00	2,705,000	2,705,000
Village of Monroe	11/20/2024	100.00	9,931,900	6,693,308
Monroe Woodbury CSD	12/18/2024	57.26	6,083,875	1,776,492
Monroe Joint Fire District	12/31/2022	74.65	2,930,013	2,930,013
Totals:			\$36,375,925	\$27,845,352

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

### Debt Ratios (As of July 8, 2025)

	Amount	Per Capita <sup>a</sup>	Percentage of Full Value (%) <sup>b</sup>
Total Direct Debt	\$25,840,000	\$1,213	0.725
Net Direct Debt	24,401,828	1,146	0.684
Total Direct & Applicable Total Overlapping Debt	62,215,925	2,921	1.745
Net Direct & Applicable Net Overlapping Debt	52,247,180	2,453	1.465

a. The estimated population of the Town is 21,299, following the creation of Palm Tree.

b. The full valuation of taxable real property in the Town is \$3,565,883,584.

## FINANCES OF THE TOWN

### Fiscal Impacts upon the Town following the Creation of the Town of Palm Tree

On November 7, 2017, a majority of the qualified voters of the Town approved the creation of the Town of Palm Tree from land that was previously located within the Town. Legislation was enacted on July 1, 2018 to accelerate the effective date for the creation of the Town of Palm Tree from January 1, 2020 to January 1, 2019. The newly created Town of Palm Tree is a separate municipal corporation vested with independent taxing and debt authority and will consist of approximately 930 acres, including the Village of Kiryas Joel.

The creation of the Town of Palm Tree did not have a significant impact upon the Town. Despite a reduction in property taxes of approximately \$766,000, the Town's total revenues for the fiscal year ending December 31, 2019 increased by approximately \$480,000, due to grants, increases in sales tax revenues, and modified court fees. The Town was able to mitigate the financial impact by enacting certain measures as part of its budget for the fiscal years ended December 31, 2019 and 2020. As a result of such measures, the tax increase set forth in the 2019 budget was approximately 7% to 9%. For an average home in the Town, with an assessed value of \$250,000, the tax increase was approximately \$195 per year.

The Town's assessed valuation decreased by approximately 27% in 2019 due to the creation of the Town of Palm Tree. For fiscal year 2020, the Town's assessed valuation increased by approximately 1%. The tax levy also declined by 12.0% or from \$4.6 million to \$4.0 million from 2019 to 2020. Since 2020 and 2021, the tax levy has remained stable, and the assessed and full values have been increasing.

During the fiscal year ending December 31, 2019, Town made substantial reductions in expenditures. For example, the Town secured an operator for the Monroe Theater, which was previously operated by the Town. As a result, the Town saved approximately \$400,000 annually. The Town continues to own the Theater and revenues to the Town from the agreement with the operator are estimated to be approximately \$30,000.

Additional cost saving measures included the following:

- reduction in the Town's annual lighting costs by approximately 48% (from \$82,200 to \$47,200) due to the reduction in energy used;
- consolidation of the responsibility of the Finance and Human Resource Departments into the Supervisor's office, resulting in annual savings of approximately \$116,000;
- reduction in headcount, resulting in annual savings of approximately \$105,000;
- modification of employee benefits resulting in annual savings of approximately \$40,000;
- control of salaries;
- elimination of the contract with BJS to operate the Town's water system, which will now be operated by Town employees, resulting in annual savings of approximately \$80,000, and
- reductions in all departmental budgets.

The Town continues to be well positioned to address the financial impact to the Town resulting from the creation of the Town of Palm Tree. The adoption of a balanced budget for the fiscal year ending December 31, 2019 was a critical first step and the adopted budgets since have been balanced as well. The Town continues to streamline operations, enhance revenue generating opportunities and reduce expenditures, while not reducing the current level of services provided by the Town to its residents.

### Sales Tax

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

The County presently imposes a sale and use tax of 3 <sup>3</sup>/<sub>4</sub>%, in addition to the 4% tax imposed by the State and a 3/8% levied by the Metropolitan Transportation Authority, for a countywide sales tax rate of 8 <sup>1</sup>/<sub>8</sub>%. Such sales and use tax collections are administered by the State Tax Commission and paid at least monthly to the County. The County, pursuant to a Sales Tax Sharing Agreement, shares the proceeds of the County's 3 <sup>3</sup>/<sub>4</sub>% sales and use tax with the three cities, twenty towns and nineteen villages within the County. Under the terms of the Agreement, the County retains 73.616% of the sales tax revenues with the balance disbursed quarterly to the municipalities on a formula basis.

Fiscal Year Ending December 31:	Total Revenue <sup>a</sup>	Sales Tax	Sales Tax To Revenues (%)
2020	\$8,064,381	\$1,413,766	17.53
2021	7,983,341	1,748,000	21.90
2022	8,618,844	1,889,380	21.92
2023	10,296,603	1,958,119	19.02
2024 (Unaudited)	8,627,687	1,949,190	22.59
2025 (Budgeted)	9,680,792	1,764,623	18.23

a. Includes the General Fund Town-Wide, General Fund Town Outside Villages and Highway Town Outside Villages.  
Source: Audited Financials (2020-2023), Annual Financial Report-Unaudited (2024), and the Adopted Budget for 2025. The audited financial statements for fiscal year ending December 31, 2024 are expected to be completed during the fourth quarter of 2025.

### **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 for the fiscal year ended December 31, 2024 are in the process of being audited. The last such audited report made available for public inspection covers the fiscal year ended December 31, 2023. The unaudited Annual Financial Report for the fiscal year ended December 31, 2024 is attached as Appendix B. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

#### *Fund Structure and Accounts*

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

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

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

#### *Basis of Accounting*

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

### **Investment Policy**

Pursuant to the statutes of the State of New York and its adopted Investment Policy, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest

are guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller in tax anticipation notes or revenue anticipation notes issued by any municipalities, school district, or district corporation, other than those notes issued by the Town; (6) certificates of participation issued by political subdivisions of the State, as those terms are defined in the law; (7) obligations of a New York public corporation which are made lawful investments for the Town pursuant to the enabling laws of such public corporation; or (8) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. These statutes also require that the Town's investments, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law.

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

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

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

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

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

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

### **Budgetary Procedures**

The head of each administrative unit of the Town is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the budget officer on or before August 15<sup>th</sup>. After reviewing these estimates, the budget officer prepares a tentative budget which includes his recommendations. A budget message explaining the main features of the budget is also prepared at this time. The tentative budget is filed with the Town Clerk not later than the 30th of September. Subsequently, the Town Clerk presents the tentative budget to the Town Board at the regular or special hearing which must be held on or before October 5th. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are not inconsistent with the provisions of the law. Following this review process, the tentative budget

and such modifications, if any, as approved by the Board become the preliminary budget. A public hearing, notice of which must be duly published in the Town's official newspaper, on the preliminary budget is generally required to be held on the Thursday immediately following the general election. At such hearing, any person may express his opinion concerning the preliminary budget; however, there is no requirement or provision that the preliminary budget or any portion thereof be voted on by members of the public. After the public hearing, the Town Board may further change and revise the preliminary budget. The Town Board, by resolution, adopts the preliminary budget as submitted or amended no later than November 20th, at which time, the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year. Budgetary control during the year is the responsibility of the Supervisor who is assisted in this area by the 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.

### **Financial Operations**

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

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

Town 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". (Fiscal Score: 0.0%).

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

See the State Comptroller's official website for more information regarding the foregoing. Reference to this website implies no warranty of accuracy of information therein. References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

## 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 unaudited financial statements of the Town, the Town received approximately 12.79% of its total General Fund operating revenue (predominantly mortgage tax revenues) from State aid in 2024. 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.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from pandemics, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances.

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 Town-Wide and General Fund Town-Outside Village revenue (including transfers) comprised of State aid for each of the fiscal years 2020 through 2024 inclusive and the budgeted amounts for 2025.

<u>Fiscal Year Ending December 31:</u>	<u>Total Revenue</u>	<u>State Aid</u>	<u>State Aid To Revenues (%)</u>
2020	\$5,677,658	\$886,832	15.62
2021	5,971,152	1,102,320	18.46
2022	6,453,793	1,504,438	23.31
2023	8,012,082	715,243	8.93
2024 (Unaudited)	6,548,196	837,227	12.79
2025 (Budgeted)	8,548,034	908,274	10.63

Source: Audited Financials (2020-2023), Annual Financial Report-Unaudited (2024), and the Adopted Budget for 2025. The audited financial statements for fiscal year ending December 31, 2024 are expected to be completed during the fourth quarter of 2025.

## Expenditures

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

## Pension Systems

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or the State and Local Police and Fire Retirement System ("PFRS"), which together are known as 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 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, then Governor Paterson signed into law the creation of a new Tier 5, which is effective for new ERS employees hired on or after January 1, 2010. New ERS employees in Tier 5 contribute 3% of their salaries. Tier 5 employees will vest in the system after five years of employment and will continue to make employee contributions throughout employment.

On March 16, 2012, Governor Cuomo signed into law the new Tier 6 pension program, 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 and a readjustment of the pension multiplier. The time period for final average salary calculation is 3 years for Tier 6 employees. Tier 6 employees will vest in the system after five years of employment and will continue to make employee contributions throughout employment.

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 December or the following February, as required. If such payments are made in December prior to the scheduled payment date in February, such payments may be made at a discount amount.

In the event of capital market declines, the State's Retirement System portfolio may experience negative investment performance and severe downward trends in market earnings. As a result, the employer contribution rate for the State's Retirement System may be higher than the minimum contribution rate established in the past. The State calculates contribution amounts based upon a five-year rolling average. To mitigate the past 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.

The Town does not have outstanding amortization payments to the Retirement System.

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

### Required Contributions to the Retirement Systems

Fiscal Year Ending December 31:	ERS
2020	\$ 370,373
2021	393,210
2022	302,870
2023	352,946
2024	363,383
2025 (Budgeted)	363,732

Source: Town Officials and Adopted Budgets of the Town.

## Other Post Employment Benefits

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

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

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

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

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

For the fiscal year ended December 31, 2018, the Town implemented GASB 75. The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The Town’s total OPEB liability at December 31, 2024 is as follows:

Total OPEB Liability at Dec 31, 2023	\$16,249,289
Charges for the Year:	
Service Cost	452,120
Interest	636,601
Changes of Benefit Terms	0
Differences between expected and actual experience in measurement of OPEB liability	(621,338)
Changes in Assumptions or Other Inputs	(934,937)
Benefit Payments	(668,504)
Net Changes in total OPEB liability	(1,136,057)
Total OPEB Liability at Dec 31, 2024	\$15,113,232

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

## REAL PROPERTY TAX INFORMATION

### Real Property Taxes

The Town derives a 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 account for approximately 26.48% of total general fund revenues, (unaudited) for the fiscal year ended 2024. On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town. See “*Tax Levy Limit Law*,” herein.

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

	<b>Tax Rates <sup>a</sup></b>				
	(Per \$1,000 Assessed Valuation)				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
County	\$20.22	\$19.95	\$18.18	\$18.77	\$18.53
<b>General:</b>					
Town Wide	\$7.63	\$7.02	\$7.08	\$7.33	\$8.04
Part Town	1.97	1.35	1.20	0.34	1.15
Highway	2.59	3.03	3.16	3.92	3.63
<b>Special District:</b>					
Monroe Fire	\$5.06	\$5.20	\$5.33	\$5.51	\$5.61
Monroe Fire Outside	101.40	124.61	28.61	34.32	34.32
OC Swr Dist 1 Bond	1.07	1.68	1.67	1.74	1.66
OC Swr Dist 1 O&M	0.12	0.12	0.05	0.05	0.05
Moodna Swr Dist 7 O&M	89.25	101.28	101.54	106.70	112.79
Moodna Swr Dist 8 Bond					
Moodna Swr Dist 8 O&M	92.50	91.44	100.62	105.11	111.16
Moodna Swr Dist 9 Bond					
Moodna Swr Dist 9 O&M	89.59	78.16	78.18	103.86	108.86
Moodna Swr Dist 8 Acreage <sup>b</sup>	40.00	40.00	40.00	40.00	40.00
Moodna Swr Dist 9 Acreage <sup>c</sup>	40.00	40.00	40.00	40.00	40.00

a. Town-wide tax rates increased by 9.9% for Village residents and 6.8% for the Town residents in 2019 due to the secession and creation of the Town of Palm Tree. (See also “*Fiscal Impacts upon the Town following the Creation of the Town of Palm Tree*” herein).

b. Part of the Joint Regional Sewer District

c. Dollar per acre.

The following table sets forth the percentage of the Town’s General Fund Town-Wide and General Fund Town-Outside Village revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2020 through 2024, inclusive, and budgeted for 2025 fiscal year.

Fiscal Year Ending December 31:	Total Revenue	Property Taxes <sup>a</sup>	Property Taxes To Revenues (%)
2020	\$5,677,658	\$2,465,702	43.43
2021	5,971,152	2,756,044	46.16
2022	6,453,793	2,540,318	39.36
2023	8,012,082	2,787,161	34.79
2024 (Unaudited)	7,912,293	2,095,149	26.48
2025 (Budgeted)	8,548,034	2,719,325	31.81

a. Real Property Tax revenues decreased by approximately \$766,000 with the creation of the Town of Palm Tree. (See also “*Fiscal Impacts upon the Town following the Creation of the Town of Palm Tree*” herein).  
 Source: Audited Financials (2020-2023), Annual Financial Report-Unaudited (2024), and the Adopted Budget for 2025. The audited financial statements for fiscal year ending December 31, 2024 are expected to be completed during the fourth quarter of 2025.

### Tax Collection Procedure

Real Property taxes for the Town of Monroe for all parcels located within the Town including the Village of Harriman and the Village of Monroe are collected by the Town of Monroe Tax Collector. As of January 1, 2019, taxes for the Village of Kiryas Joel are collected by the Town of Palm Tree.

The Town property tax bills contains levies for the Town, County, Monroe Free Library, Monroe Joint Fire District, and any special districts. In addition, if school, water or sewer bills are unpaid the previous year, they will be re-levied on the recent Property Tax Bill. Collection of taxes begin on January 1<sup>st</sup> such taxes may be paid without interest for that month. Thereafter, tax payments must include interest computed at February: 1% penalty March: 2% penalty (plus \$2 Second Notice Fee). The Town, Monroe Free Library and Monroe Joint Fire District tax levies are satisfied from the first tax moneys received by the Town. Accordingly, the Town, the Monroe Free Library and the Monroe Joint Fire District receives 100% of its tax levy each year. After March 31<sup>st</sup> a listing of unpaid taxes is transmitted by the Town to the County for collection and enforcement.

### Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limit Law”), all the taxable real property within the Town had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Town for any fiscal year commencing after December 31, 2012, without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations, according to the formulas set forth in Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of the Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the “Allowable Levy Growth Factor”, which is the lesser of one and two one-hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Tax Levy Limit Law also provides for adjustments to be made to the Town’s tax levy based upon changes in the assessed value of the taxable real property in the Town. Additionally, the Town will be permitted to carry forward a certain portion of its unused tax levy capacity from the prior year. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision described above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including

exclusions for tort judgments payable by the Town. The governing board of the Town may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Town first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Town or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

The 2014 through 2024 Budgets of the Town did not exceed the tax levy limitation. The Town elected to exceed the tax levy limitation in the 2025 Budget.

**Large Taxable Properties**  
2024 Assessment Roll <sup>a</sup>

Name	Type	Assessed Valuation
Orange & Rockland	Utility	\$11,229,450
Centro NP Monroe Plaza LLC	Commercial	2,660,000
BMG Monroe LLC	Commercial	2,384,302
ACP Monroe Assoc. LLC <sup>b</sup>	Commercial	2,379,700
FBG Harriman Upper Retail LLC <sup>b</sup>	Commercial	2,201,400
FBG BJHarri-Monroe LLC	Commercial	1,750,000
FBG Wall LLC	Commercial	1,565,000
Concord Real Estate Mgmt LLC	Apartment	1,541,000
Frontier Communications	Special Franchise	1,585,990
Target Corp	Commercial	1,425,300
	Total <sup>c</sup>	<u>\$28,722,142</u>

a. Assessment Roll established in 2024 for levy and collection of taxes in 2025.

b. There are current tax certificates against the Town. (see “*Litigation*” herein)

c. Represents 6.97% of the 2024 Taxable Assessed Valuation of the Town.

**LITIGATION**

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

An Article 78 was filed on July 31, 2024 by the the Villages of Monroe and Harriman claiming the Town improperly assessed the cost associated with the purchase of property. The Town moved to dismiss the petition and that motion was granted in the favor of the Town, Petitioners filed a Notice of Appeal on March 17, 2025. Petitioners have until September 17, 2025 to perfect this appeal, unless an extension of time is taken. If the lower court decision is reversed, the Town could have to credit taxes paid by Village residents.

An Article 78 was filed on March 18, 2025 claiming the identical claims as filed in the 2024 proceeding stated above. The Villages also filed a Motion to Hold Proceeding in Abeyance on April 15, 2025 which the Town has opposed. The Town filed a Motion to Dismiss the Hybrid Petition Complain on April 30, 2025. This matter has been fully submitted and is awaiting the Court’s decision. If the Villages prevail, the Town could have to credit taxes paid by Village residents.

The Town has ten (10) currently pending tax certiorari matters and is currently defending the tax certiorari cases. The amount or range of potential loss cannot be presently ascertained, but any settlement is not expected to have a material effect on the financed condition 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. To mitigate the risk of business operations, the Town actively manages various forms of cybersecurity and operational controls, contracts yearly with outside independent auditors to evaluate, assess and constantly improve existing processes and procedures, and has invested in cyber insurance to mitigate liability and the cost of remedy should a cyber-attack occur. To date, the Town has successfully prevented or quickly remediated any cyber threats or attacks.

## **ENVIRONMENTAL FACTORS**

Environmental factors, including climate change, pose significant risks to the region and the Town. The magnitude of the impact on the Town's operations, economy and financial condition of rising sea levels, coastal flooding and more frequent and extreme weather events is indeterminate and unpredictable. No assurance can be given that the Town will not encounter natural disaster risks, such as hurricanes, tropical storms, heatwaves or catastrophic sea level rise in the future, or that such risks will not have an adverse effect on the operation, economy or financial condition of the Town.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the Town (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town in connection with the Bonds, and Bond Counsel has assumed compliance by the Town with certain provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

### **Certain Ongoing Federal Tax Requirements and Certifications**

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Town, in executing the Tax Certificate, will certify to the effect that the Town will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

## Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds. Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

### Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds. In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a “Tax-Exempt Discount Bond”), OID that has accrued and is properly allocable to the owners of the Tax-Exempt Discount Bond under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

In general, under Section 1288 of the Code, OID on a Tax-Exempt Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Tax-Exempt Discount Bond. An owner’s adjusted basis in a Tax-Exempt Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Tax-Exempt Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Tax-Exempt Discount Bond even though there will not be a corresponding cash payment.

Owners of Tax-Exempt Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Tax-Exempt Discount Bonds.

### Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that bond (a “Tax-Exempt Premium Bond”). In general, under Section 171 of the Code, an owner of a Tax-Exempt Premium Bond must amortize the bond premium over the remaining term of the Tax-Exempt Premium Bond, based on the owner’s yield over the remaining term of the Tax-Exempt Premium Bond, determined based on constant yield principles (in certain cases involving a Tax-Exempt Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Tax-Exempt Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a Tax-Exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Tax-Exempt Premium Bond may realize a taxable gain upon disposition of the Tax-Exempt Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Tax-Exempt Premium Bond should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Tax-Exempt Premium Bonds.

## **Information Reporting and Backup Withholding**

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient. If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

### **Miscellaneous**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers should consult their own tax advisors regarding the foregoing matters.

### **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinions of Hawkins Delafield & Wood LLP, Bond Counsel, substantially as set forth in Appendix C.

### **DISCLOSURE UNDERTAKING**

At the time of the delivery of the Bonds, the Town will provide an executed copy of its Undertaking to Provide Continuing Disclosure, substantially as set forth in Appendix D.

### **BOND RATING**

The Town has applied to S&P Global Ratings ("S&P") 55 Water Street, New York, New York 10041, Telephone: (877) 299-2569 and Fax: (212) 438-5153 for rating on the Bonds. Such application is pending at this time. This rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price and the availability of a secondary market for the outstanding bonds and notes of the Town.

### **MUNICIPAL ADVISOR**

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

## ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of Anthony Cardone, Supervisor, Town of Monroe, Town Hall, 1465 Orange Turnpike, Monroe, New York 10950, telephone number (845) 783-1900, email: tcardone@monroeny.org or from the office of Munistat Services Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888.

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

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

The preparation and distribution of this Official Statement has been authorized by the applicable bond resolutions of the Town which delegate to the Supervisor the power to sell and issue the Bonds.

TOWN OF MONROE, NEW YORK

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By: s/s ANTHONY CARDONE  
Town Supervisor and Chief Fiscal Officer  
Town of Monroe  
Monroe, New York

July , 2025

**APPENDIX A**

**FINANCIAL INFORMATION**

**Balance Sheet**  
**General & Major Town Funds**

	Fiscal Year Ending December 31, 2024			
	Town-Wide	Town Outside	Highway	Special
	General Fund	Village Fund	Fund	Districts Fund <sup>a</sup>
<b>Assets:</b>				
Cash	\$ 1,391,575	\$ 282,864	\$ 314,242	\$ 528,876
Investments	2,354,283	2,192,925	4,213,603	2,787,830
Accounts Receivable	129,051	201,641	75,000	276,111
Leases	273,106			
Due from State & Federal Aid	31,558			
Due from other Governments	26,152	228,583	257,169	
Due from other Funds	765,445	1,892,809	231,146	145,058
Prepaid Expenses	121,140	12,557	61,040	3,975
	<u>\$ 5,092,310</u>	<u>\$ 4,811,379</u>	<u>\$ 5,152,200</u>	<u>\$ 3,741,850</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 253,344	\$ 39,380	\$ 220,293	\$ 691,655
Accrued Liabilities	41,026	5,758	26,158	3,565
Employee Payroll Deductions	7,709			
Deposits Payable			297,548	
Unearned Revenue				
Due to other Funds	879,852	27,774	657,704	817,033
Advances from other Funds	1,124,014			
Notes Payable		500,000		
	<u>2,305,945</u>	<u>572,912</u>	<u>1,201,703</u>	<u>1,512,253</u>
<b>Deferred Inflows of Resources:</b>				
Deferred State & Federal Aid	439,409			
Forest Wood Settlement		150,000	75,000	
Leases Related				
	<u>439,409</u>	<u>150,000</u>	<u>75,000</u>	<u>0</u>
<b>Total Liabilities &amp; Deferred Inflows of Resources</b>	<u>2,745,354</u>	<u>722,912</u>	<u>1,276,703</u>	<u>1,512,253</u>
<b>Fund Balance:</b>				
Nonspendable	121,140	12,557	61,040	3,975
Restricted	276,333	6,755		
Assigned	740,000	4,069,155	3,814,457	2,225,622
Unassigned	1,209,483			
	<u>2,346,956</u>	<u>4,088,467</u>	<u>3,875,497</u>	<u>2,229,597</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 5,092,310</u>	<u>\$ 4,811,379</u>	<u>\$ 5,152,200</u>	<u>\$ 3,741,850</u>

Sources: Unaudited Annual Financial Report (2024)

a. Special District Fund includes: Drainage, Special Miscellaneous, Water, Sewer, Refuse, Street Lighting, and Fire Protection Districts.

NOTE: This Schedule is NOT audited.

**Balance Sheet**  
**General & Major Town Funds**

	Fiscal Year Ending December 31, 2023			
	Town-Wide General Fund	Town Outside Village Fund	Highway Fund	Special Districts Fund <sup>a</sup>
<b>Assets:</b>				
Cash	\$ 1,836,039	\$ 343,502	\$ 312,372	\$ 434,744
Investments	2,400,095	2,275,573	3,102,553	1,872,090
Accounts Receivable	9,620	59,316		
Leases	336,419			
Due from State & Federal Aid	60,549		218,944	226,035
Due from other Governments	42,176	153,634	358,478	
Due from other Funds	475,112	326,880	231,734	145,058
Advances to other Funds		354,777		
Prepaid Expenses	111,938	16,441	62,855	2,892
Total Assets	\$ 5,271,948	\$ 3,530,123	\$ 4,286,936	\$ 2,680,819
<b>Liabilities:</b>				
Accounts Payable	\$ 189,355	\$ 44,347	\$ 31,422	\$ 97,727
Accrued Liabilities	34,886	5,447	11,804	1,245
Employee Payroll Deductions	18,319			
Deposits Payable	942,128		277,548	
Unearned Revenue	23,498			
Due to other Funds	191,872	26,603	513,271	439,526
Advances from other Funds				354,777
Due to other Governments	6,682			
Total Liabilities	1,406,740	76,397	834,045	893,275
<b>Deferred Inflows of Resources:</b>				
Deferred State & Federal Aid	324,111			
Leases Related				
Total Deferred Inflows of Resources	324,111	0	0	0
Total Liabilities & Deferred Inflows of Resources	1,730,851	76,397	834,045	893,275
<b>Fund Balance:</b>				
Nonspendable	124,246	371,218	62,855	2,892
Restricted	153,726			
Assigned	714,325	3,082,508	3,390,036	1,784,652
Unassigned	2,548,800			
Total Fund Balance	3,541,097	3,453,726	3,452,891	1,787,544
Total Liabilities and Fund Balance	\$ 5,271,948	\$ 3,530,123	\$ 4,286,936	\$ 2,680,819

Sources: Audited Financial Statements (2023)

a. Special District Fund includes: Drainage, Special Miscellaneous, Water, Sewer, Refuse, Street Lighting, and Fire Protection Districts.

NOTE: This Schedule is NOT audited.

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

	Fiscal Year Ended December 31:				
	2020	2021	2022	2023	2024
<b>Revenues:</b>					
Real Property Taxes	\$ 2,465,702	\$ 2,356,492	\$ 2,262,931	\$ 2,537,360	\$ 2,023,615
Real Property Tax Items	24,001	8,503	31,668	37,203	59,033
Non-Property Tax Items	160	178	288	67,533	346,200
Departmental Income	37,988	52,223	54,547	164,596	81,388
Intergovernmental Charges					29,535
Use of Money and Property	171,618	98,942	293,508	338,408	310,368
Sale of Property & Compensation for Loss	5,816	29,883	20,435	245,522	38,496
Licenses & Permits	6,853	6,077	11,039	6,857	6,097
Fines & Forfeitures	236,061	403,940	486,883	418,326	320,094
State & Federal Aid	1,212,477	1,502,428	1,799,094	2,324,464	1,333,393
Miscellaneous	215,598	91,498	111,034	190,726	172,085
<b>Total Revenues</b>	<u>4,376,274</u>	<u>4,550,164</u>	<u>5,071,427</u>	<u>6,330,995</u>	<u>4,720,304</u>
<b>Expenditures:</b>					
General Government Support	1,898,351	1,909,045	1,759,856	2,128,850	2,084,404
Public Safety	44,858	356,347	31,161	39,623	33,693
Health	297,540	285,328	274,969	291,180	257,453
Transportation	602,973	570,151	623,216	831,934	969,878
Culture and Recreation	159,795	157,948	212,113	796,169	188,376
Home and Community Services	19,179	4,509	10,433	7,172	3,704
Employee Benefits	953,015	909,040	1,024,323	1,105,455	1,259,339
Debt Service	102,364	259,167	228,752	325,367	1,092,514
<b>Total Expenditures</b>	<u>4,078,075</u>	<u>4,451,535</u>	<u>4,164,823</u>	<u>5,525,750</u>	<u>5,889,361</u>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	11,544				
Operating Transfers (Out)	(411,659)	(85,000)	(153,000)	(907,128)	(25,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(400,115)</u>	<u>(85,000)</u>	<u>(153,000)</u>	<u>(907,128)</u>	<u>(25,000)</u>
<b>Excess (Deficiency) of Revenues &amp; Other Financing Sources Over Expenditures &amp; Other Uses</b>					
	<u>(101,916)</u>	<u>13,629</u>	<u>753,604</u>	<u>(101,883)</u>	<u>(1,194,057)</u>
<b>Fund Balance Adjustments</b>					
<b>Fund Balance Beginning of Year</b>	<u>2,977,663</u>	<u>2,875,747</u>	<u>2,889,376</u>	<u>3,642,980</u>	<u>3,541,097</u>
<b>Fund Balance End of Year</b>	<u>\$ 2,875,747</u>	<u>\$ 2,889,376</u>	<u>\$ 3,642,980</u>	<u>\$ 3,541,097</u>	<u>\$ 2,347,040</u>

Sources: Audited Financial Statements (2020-2023) & Unaudited Annual Financial Report (2024)

NOTE: This Schedule is NOT audited.

**Statement of Revenues, Expenditures and Fund Balances**  
**General Fund - Town-Outside Village**

	Fiscal Year Ended December 31:				
	2020	2021	2022	2023	2024
<b>Revenues:</b>					
Real Property Taxes	\$ 348,924	\$ 399,552	\$ 277,387	\$ 249,801	\$ 71,534
Non-Property Tax Items	628,570	658,706	691,291	688,144	765,014
Departmental Income	267,271	293,804	333,307	535,312	785,221
Use of Money and Property	3,191	783	23,238	114,856	140,868
Sale of Property & Compensation for Loss		200		3,023	
State & Federal Aid			55,730	52,029	55,669
Miscellaneous	53,428	67,943	1,413	37,922	9,586
<b>Total Revenues</b>	<u>1,301,384</u>	<u>1,420,988</u>	<u>1,382,366</u>	<u>1,681,087</u>	<u>1,827,892</u>
<b>Expenditures:</b>					
General Government Support	454,855	373,590	367,893	256,336	283,558
Public Safety	201,603	190,065	227,814	238,956	247,040
Transportation					
Culture and Recreation	312,207	291,651	312,542	323,576	324,857
Home and Community Services	133,424	134,640	123,402	130,368	138,484
Employee Benefits	141,449	122,943	144,324	163,988	180,879
Debt Service					18,333
<b>Total Expenditures</b>	<u>1,243,538</u>	<u>1,112,889</u>	<u>1,175,975</u>	<u>1,113,224</u>	<u>1,193,151</u>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In				106,695	
Operating Transfers (Out)					
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>106,695</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues &amp; Other Financing Sources Over Expenditures &amp; Other Uses</b>	<u>57,846</u>	<u>308,099</u>	<u>206,391</u>	<u>674,558</u>	<u>634,741</u>
<b>Fund Balance Adjustments</b>					<u>(1)</u>
<b>Fund Balance Beginning of Year</b>	<u>2,206,832</u>	<u>2,264,678</u>	<u>2,572,777</u>	<u>2,779,168</u>	<u>3,453,726</u>
<b>Fund Balance End of Year</b>	<u>\$ 2,264,678</u>	<u>\$ 2,572,777</u>	<u>\$ 2,779,168</u>	<u>\$ 3,453,726</u>	<u>\$ 4,088,466</u>

Sources: Audited Financial Statements (2020-2023) & Unaudited Annual Financial Report (2024)

NOTE: This Schedule NOT audited.

**Statement of Revenues, Expenditures and Fund Balances**  
**Highway Fund - Town Wide**

	Fiscal Year Ended December 31:				
	2020	2021	2022	2023	2024
Revenues:					
Real Property Taxes	\$ 603,974	\$ 645,761	\$ 541,707	\$ 325,330	\$ 981,937
Departmental Income	49,696	28,273	28,561	29,139	30,004
Use of Money and Property	3,295	796	17,923	90,530	120,004
Sale of Property and Compensation for Loss		1,201			
State & Federal Aid	87,022	192,457	263,248	269,378	148,853
Miscellaneous	671	2,319	581	394	465
Total Revenues	744,658	870,807	852,020	714,771	1,281,263
Expenditures:					
General Governmental Support	624	1,411	527	1,379	1,663
Transportation	445,346	458,434	545,706	435,241	869,377
Employee Benefits	228,021	221,835	210,810	226,484	305,060
Debt Service					
Total Expenditures	673,991	681,680	757,043	663,104	1,176,100
Other Financing Sources (Uses):					
Proceeds From:					
Operating Transfers In				58,235	
Operating Transfers (Out)					
Total Other Financing Sources (Uses)	0	0	0	58,235	0
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses					
	70,667	189,127	94,977	109,902	105,163
Fund Balance Adjustments					
Fund Balance Beginning of Year	1,318,558	1,389,225	1,578,352	1,673,329	1,783,231
Fund Balance End of Year	\$ 1,389,225	\$ 1,578,352	\$ 1,673,329	\$ 1,783,231	\$ 1,888,394

Sources: Audited Financial Statements (2020-2023) & Unaudited Annual Financial Report (2024)

NOTE: This Schedule NOT audited.

**Statement of Revenues, Expenditures and Fund Balances**  
**Highway Fund - Part Town**

	Fiscal Year Ended December 31:				
	2020	2021	2022	2023	2024
<b>Revenues:</b>					
Real Property Taxes	\$ 610,142	\$ 526,382	\$ 623,554	\$ 658,757	\$ 832,222
Non Property Tax Items	991,172	1,223,600	1,323,205	1,325,184	948,631
Intergovernmental Charges					
Departmental Income					
Use of Money and Property	705	568	11,455	79,897	113,478
Sale of Property & Comp. for Loss		1,658	36,925	910	
State & Federal Aid	618,560	249,827	168,976	218,943	180,823
Miscellaneous	166,144	10,154	936	830	4,337
Total Revenues	2,386,723	2,012,189	2,165,051	2,284,521	2,079,491
<b>Expenditures:</b>					
General Governmental Support	1,416	2,092	1,394	1,948	1,386
Transportation	1,037,776	943,503	1,086,276	1,531,561	1,121,554
Employee Benefits	428,808	434,436	425,607	430,638	411,971
Debt Service	4,472	6,719	183,977	188,545	192,137
Total Expenditures	1,472,472	1,386,750	1,697,254	2,152,692	1,727,048
<b>Other Financing Sources (Uses):</b>					
<b>Proceeds From:</b>					
Operating Transfers In				331,896	
Operating Transfers (Out)	(139,000)	(25,000)	(180,005)	(200,785)	(35,000)
Total Other Financing Sources (Uses)	(139,000)	(25,000)	(180,005)	131,111	(35,000)
<b>Excess (Deficiency) of Revenues &amp; Other Financing Sources Over Expenditures &amp; Other Uses</b>					
	775,251	600,439	287,792	262,940	317,443
Fund Balance Adjustments					
Fund Balance Beginning of Year	(256,762)	518,489	1,118,928	1,406,720	1,669,660
Fund Balance End of Year	\$ 518,489	\$ 1,118,928	\$ 1,406,720	\$ 1,669,660	\$ 1,987,103

Sources: Audited Financial Statements (2020-2023) & Unaudited Annual Financial Report (2024)

NOTE: This Schedule is NOT audited.

**Statement of Revenues, Expenditures and Fund Balances**  
**Special Districts <sup>a</sup>**

	Fiscal Year Ended December 31:				
	2020	2021	2022	2023	2024
<b>Revenues:</b>					
Real Property Taxes	\$ 3,029,522	\$ 3,290,213	\$ 3,729,572	\$ 3,903,420	\$ 4,081,114
Non Property Tax Items					
Intergovernmental Charges					
Departmental Income	304,372	550,702	411,093	459,205	500,449
Use of Money and Property	8,260	1,810	22,204	121,733	193,723
Sale of Property & Comp. for Loss					
State & Federal Aid			22,544		
Miscellaneous	1,015	7	9,614	12,163	
<b>Total Revenues</b>	<u>3,343,169</u>	<u>3,842,732</u>	<u>4,195,027</u>	<u>4,496,521</u>	<u>4,775,286</u>
<b>Expenditures:</b>					
General Governmental Support	2,920	13,246	12,820	4,739	8,835
Public Safety	7,103		3,596	1,834	1,834
Transportation	37,829	107,613	60,015	82,802	83,442
Home & Community Services	2,955,432	3,447,500	3,701,636	3,957,002	4,118,092
Employee Benefits	5,639	9,391	17,520	21,572	25,832
Debt Services	13,709	71,953	62,768	96,466	95,199
<b>Total Expenditures</b>	<u>3,022,632</u>	<u>3,649,703</u>	<u>3,858,355</u>	<u>4,164,415</u>	<u>4,333,234</u>
<b>Other Financing Sources (Uses):</b>					
<b>Proceeds From:</b>					
Operating Transfers In	72,439	41,679	202,065	212,726	173,096
Operating Transfers (Out)	(131,310)	(74,179)	(234,565)	(240,710)	(173,096)
<b>Total Other Financing Sources (Uses)</b>	<u>(58,871)</u>	<u>(32,500)</u>	<u>(32,500)</u>	<u>(27,984)</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues &amp; Other Financing Sources Over Expenditures &amp; Other Uses</b>	<u>261,666</u>	<u>160,529</u>	<u>304,172</u>	<u>304,122</u>	<u>442,052</u>
<b>Fund Balance Adjustments</b>					
<b>Fund Balance Beginning of Year</b>	<u>757,055</u>	<u>1,018,721</u>	<u>1,179,250</u>	<u>1,483,422</u>	<u>1,787,544</u>
<b>Fund Balance End of Year</b>	<u>\$ 1,018,721</u>	<u>\$ 1,179,250</u>	<u>\$ 1,483,422</u>	<u>\$ 1,787,544</u>	<u>\$ 2,229,596</u>

Sources: Audited Financial Statements (2020-2023) & Unaudited Annual Financial Report (2024)

a. Special Districts Fund includes: Drainage, Special Miscellaneous, Water, Sewer, Refuse, Street Lighting, and Fire Protection Districts.

NOTE: This Schedule is NOT audited.

### Budget Summaries

Fiscal Year Ending December 31, 2025

		Less Estimated <u>Revenues</u>	Less Appropriated <u>Balance</u>	Amount To Be Raised By Tax
<u>Appropriations</u>				
General Fund - Townwide	\$ 6,948,522	\$ 3,733,360	\$ 740,000	\$ 2,475,162
General Fund - Town- Outside Village	1,599,512	1,355,349		244,163
Highway Fund-Townwide	1,132,757	228,511	65,000	839,246
Highway Fund-Town Outside Village	<u>2,560,543</u>	<u>1,750,040</u>	<u>35,000</u>	<u>775,503</u>
Totals	<u>\$ 12,241,334</u>	<u>\$ 7,067,260</u>	<u>\$ 840,000</u>	<u>\$ 4,334,074</u>

Source: 2025 Adopted Budget

### Budget Summaries

Fiscal Year Ending December 31, 2024

		Less Estimated <u>Revenues</u>	Less Appropriated <u>Balance</u>	Amount To Be Raised By Tax
<u>Appropriations</u>				
General Fund - Townwide	\$ 5,684,437	\$ 2,946,822	\$ 714,000	\$ 2,023,615
General Fund - Town- Outside Village	2,227,856	1,939,322	217,000	71,534
Highway Fund-Townwide	1,323,758	276,821	65,000	981,937
Highway Fund-Town Outside Village	<u>1,996,326</u>	<u>1,164,104</u>		<u>832,222</u>
Totals	<u>\$ 11,232,377</u>	<u>\$ 6,327,069</u>	<u>\$ 996,000</u>	<u>\$ 3,909,308</u>

Source: 2024 Adopted Budget

**TOWN OF MONROE**

**APPENDIX B**

**UNAUDITED ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

**[▶ Click Here For 202A AFR](#)**

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.

**APPENDIX C**

**FORM OF BOND COUNSEL OPINION**

Hawkins Delafield & Wood LLP  
140 Broadway – 42<sup>nd</sup> floor  
New York, New York 10005

July 30, 2025

The Town Board of the  
Town of Monroe, in the  
County of Orange, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Monroe (the “Town”), in the County of Orange, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$21,775,000 Public Improvement Serial Bonds-2025 (the “Bonds”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof. Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Town is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the

Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to their date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the Town will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Town represents that the Town will comply with the provisions and procedures set forth therein and that the Town will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the Town's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the Town with the procedures and certifications set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Bonds or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Town which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in said Bonds.

Very truly yours,

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE**

## UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

### Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the **Town of Monroe, in the county of Orange**, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Supervisor as of July 17, 2025.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s **\$21,775,000 Public Improvement Serial Bonds-2025**, dated July 30, 2025, maturing in various principal amounts on July 15 in each of the years 2026 to 2053, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York, to the EMMA System:

- (i) (A) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2025, the Annual Information relating to such fiscal year, and (B) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2025, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to

the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933; and

(ii) 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 Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) 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 Issuer 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 Issuer, 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 Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation, as defined in Rule 15c2-12, of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally

consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings "THE TOWN," "ECONOMIC AND DEMOGRAPHIC INFORMATION," "INDEBTEDNESS OF THE TOWN," "FINANCE OF THE TOWN," "REAL PROPERTY TAX INFORMATION" AND "LITIGATION" AND IN APPENDIX A.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of July 30, 2025.

TOWN OF MONROE

By \_\_\_\_\_  
Supervisor and Chief Fiscal Officer