

PRELIMINARY OFFICIAL STATEMENT DATED MAY 18, 2026

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes 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 Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes 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, under existing statutes, interest on the Notes 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 Village will designate the Notes as "qualified tax-exempt obligations" pursuant to the provision of Section 265(b)(3) of the Code.

VILLAGE OF COLD SPRING PUTNAM COUNTY, NEW YORK (the "Village")

\$1,305,000

BOND ANTICIPATION NOTES – 2026 SERIES B (the "Notes")

Dated Date: June 10, 2026

Maturity Date: April 30, 2027

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

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

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

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

Proposals for the Notes will be received until 11:00 A.M. (Prevailing Time) on May 28, 2026 at the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Village, and certain other conditions. It is expected that delivery of the Notes will be made on or about June 10, 2026 in New York, New York, or as otherwise agreed to by the Village and the purchaser.

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



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* * *

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No dealer, broker, salesman or other person has been authorized by the Village 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 Village. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Village 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 Village since the date hereof.

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OFFICIAL STATEMENT

Relating to

VILLAGE OF COLD SPRING PUTNAM COUNTY, NEW YORK

\$1,305,000 BOND ANTICIPATION NOTES – 2026 SERIES B (the “Notes”)

This Official Statement, including the cover page and appendices thereto, has been prepared by the Village of Cold Spring (the “Village”) in the County of Putnam, New York and presents certain information relating to the Village's \$1,305,000 Bond Anticipation Notes – 2026 Series B (the “Notes”). All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York (the “State”) and acts and proceedings of the Village contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the Village relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description of the Notes

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

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

The Village Clerk will act as Fiscal Agent for the Notes. Paying Agent fees, if any, will be paid by the purchaser(s). The Village’s contact information is as follows: Marjorie E. Gage, Village Clerk/Treasurer, Village of Cold Spring, 85 Main Street, Cold Spring, New York 10516, telephone number (845) 265-3611, email: vcsclerk@coldspringny.gov.

Optional Redemption

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

Book-Entry System

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

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

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

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

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

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Village 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 Village, 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 Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Authorization and Purpose

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Village Law and the Local Finance Law, and various bond resolutions duly adopted by the Board of Trustees of the Village. The Notes will provide original financing for two projects as follows:

<u>Date</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>Total</u> <u>Amount to</u> <u>be Issued</u>
03/25/2026	Dam Plans and Specs	\$ 375,000	\$ 260,000
03/25/2026	Land Acquisition	<u>1,045,000</u>	<u>1,045,000</u>
		<u>\$1,420,000</u>	<u>\$1,305,000</u>

Security and Source of Payment

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

The Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the Village has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Village, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See “*Tax Levy Limit Law*,” herein).

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the Village 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 Village’s power to increase its annual tax levy, unless the Village complies with certain procedural requirements to permit the Village to levy certain year-to-year increases in real property taxes. (See “*Tax Levy Limit Law*,” herein).

RISK FACTORS

There are certain potential risks associated with an investment in the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The Village’s credit rating could be affected by circumstances beyond the Village’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 Village 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 Village’s credit rating could adversely affect the market value of the Notes. If and when an owner of any of the Notes should elect to sell a Note 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 Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Note 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 Notes. 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 Village to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans 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, and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefor. Should the Village 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 Village 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 Village 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 Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (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 Village, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the Village, may affect the market price and/or marketability for the Notes. (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 Village, could impair the financial condition of such entities, including the Village, and the ability of such entities, including the Village, to pay debt service on the Notes.

A public health emergency similar to the COVID-19 pandemic could have a negative effect on the Village and its finances.

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the Village default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. Each Note is a general obligation contract between the Village and the owners for which the faith and credit of the Village are pledged and while remedies for enforcement of payment are not expressly included in the Village’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 Notes, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Village. 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 Notes from funds lawfully available therefor or, in the absence thereof, to order the Village 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 Village and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Note, the owner of such Note could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Village to assess, levy and collect an *ad valorem* tax, upon all taxable property of the Village subject to taxation by the Village, sufficient to pay the principal of and interest on the Notes 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 Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. 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 Notes 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 Village, 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 Village.

Pursuant to Article VIII, Section 2 of the State Constitution, the Village 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 Village 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 Village 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 Village 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 Notes. 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 Notes, and the obligations incurred by the Village, 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 Notes 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 finance 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 Village in the future cannot be assured.

No current state law purports to create any priority for holders of the Notes should the Village 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 Village 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 of 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 may be presently working with the FRB. The Village 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 Village indebtedness is past due. The Village has never defaulted in the payment of the principal of and/or interest on any indebtedness.

VILLAGE OF COLD SPRING

There follows in this Official Statement a brief description of the Village, 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 Village was incorporated in 1846. The Village is situated in the north west portion of Putnam County along the Hudson River and comprised of about 0.61 square miles wholly within the Town of Philipstown. The Village is approximately 50 miles north of New York City.

The Village is residential in character with single-family and two family homes as well as apartment or condominium complexes. The Village has commercial areas along Main Street which leads to the train station with additional sites along Route 9D. The Village is noted for its antique shops that attract shoppers from throughout the area.

The Village provides its residents with many of the services traditionally provided by the Village governments in the State. A list of these services are as follows: fire protection; police protection and law enforcement; water and sewer services; highway and public facilities maintenance; a local justice court that is responsible for enforcing provisions of the State Vehicle and Traffic Law and Local Ordinances as well as having jurisdiction over certain civil and criminal matters; cultural and recreation activities and planning and zoning administration. Refuse collection is provided by Royal Carting and is paid for by the Village. The Village contracts within the Town of Philipstown to provide building code enforcement. The Julia Butterfield Memorial Library, which is not funded by the Village, provides library services and other cultural and civic services to the Village residents. The Library is a member of the Mid-Hudson Library Association. In addition, the Town of Philipstown and the County furnish certain other services.

The Village maintains its own interior network of roads. 9D runs north and south through the Village and also intersects with Interstate 84 several miles north of the Village. Stewart International Airport located in Newburgh, provides commercial airline services, as well as the metropolitan New York airports which may be reached within approximately one hour. Amtrak and Metro North Railroad provide railroad passenger services while freight services are provided by Conrail.

Government

The Mayor and four Trustees form the main governing body, that is the Village Board. These officials are elected to their part-time positions for a two-year term and are responsible for adopting the Village budget, enacting local laws, and adopting municipal policies. Additionally, the Mayor and the Board of Trustees are responsible for appointing members to the Village Planning Board, Zoning Board of Appeals, Historic District Review Board, Recreation Commission, and any special advisory boards. Elections for the Mayor and Board of Trustees are held in November for terms that have expired.

The Mayor and Trustees are elected for a two-year term of office with the right to succeed themselves. In addition, the Mayor is a full member of and the presiding member of the Village Board.

The Village Clerk/Treasurer is appointed by the Board of Trustees for a one-year term. The responsibilities of the Clerk include: custody of seals, preparation and custody of minutes for board proceedings, custody of official communications, records and reports. In addition, the Village Clerk is responsible for maintaining and updating the Village of Cold Spring Code. The Village Accountant is an employee of the Village and performs the following activities with oversight from the Village Clerk/Treasurer: maintaining the Village's accounting systems and records including the responsibility to prepare and file an annual financial report with the State Comptroller, custody and investment of Village funds, and debt management. In addition, the Village Accountant, with oversight from the Clerk/Treasurer is the tax collector responsible for collecting and enforcing delinquent Village taxes.

Employees

The Village provides services for its residents through approximately 11 full-time, 25 part-time employees and the 5 member Board of Trustees. Members of the Cold Spring Police Department are part-time and are represented by the Village of Cold Spring Police Benevolent Association, Inc. Their current contract expires on May 31, 2030. All full-time employees are offered an employee benefit package by the Board of Trustees.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Characteristics

Since 2000, the Village has had a population trend, as compared to the Town and County, as indicated below:

	Total Population			
	2000	2010	2020	2023
Village of Cold Spring	1,983	2,013	1,986	1,868
Town of Philipstown	9,422	9,757	9,720	9,855
Putnam County	95,745	99,710	98,714	98,060

Source: U.S. Bureau of the Census.

Income Data

	Per Capita Money Income			
	2000	2010	2020	2023
Village of Cold Spring	\$34,560	\$37,614	\$62,122	\$72,465
Town of Philipstown	37,738	42,000	56,583	67,899
Putnam County	30,127	37,915	47,533	56,579
State of New York	23,387	30,948	40,898	48,847

	Median Household Income			
	2000	2010	2020	2023
Village of Cold Spring	\$53,382	\$63,000	\$111,667	\$116,635
Town of Philipstown	71,895	77,784	117,926	133,672
Putnam County	72,279	89,218	107,246	122,777
State of New York	43,393	55,603	71,117	82,095

Source: United States Bureau of the Census.

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Major Non-Governmental Employers in the County

<u>Name of Employer</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
Putnam Hospital Center	Health Services	900
Green Chimneys	Services	519
Ace Endico	Food Service & Retail	507
The ARC of Putnam	Services	375
Hudson Valley Cerebral Palsy Assoc	Services	264
Putnam Precision Products, Inc	Manufacturing	250
Big V ShopRite Supermarket	Retail	250
Home Depot	Retail	250
Arms Acres, Inc	Services	230
CareMount Medical PC	Health Services	223
Acme Supermarkets (3 locations)	Food Service & Retail	172
TOPS	Food Service & Retail	150
Friars of the Atonement	Services	148
DeCiccio Family Market	Food Service & Retail	125
Stop & Shop	Food Service & Retail	125
Powers Fasteners, Inc	Manufacturing	107

Source: Putnam County Division of Planning.

Unemployment Rate Statistics

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

<u>Annual Averages:</u>	<u>Putnam County (%)</u>	<u>New York State (%)</u>
2020	7.6	10.1
2021	4.5	7.2
2022	2.9	4.4
2023	3.0	4.2
2024	3.3	4.3
2025	3.0	4.2

Source: Department of Labor, State of New York.

INDEBTEDNESS OF THE VILLAGE

Constitutional Requirements

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

Purpose and Pledge. The Village 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 Village may contract indebtedness only for a Village 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 period of probable usefulness of the object or purpose 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 Village has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The Village 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 Village so as to prevent abuses in the exercise of such powers; however, as has been noted under "*Security and Source of Payment*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Village 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 Village's power to increase its annual tax levy, unless the Village complies with certain procedural requirements to permit the Village to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*," herein).

Statutory Procedure

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

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

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. Except on rare occasion, the Village complies with this estoppel procedure.

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

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

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

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

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

There is no constitutional limitation on the amount that may be raised by the Village 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 Village 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).

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

Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of May 18, 2026)

Fiscal Year Ending May 31:	Assessed Valuation	State Equal. Rate (%)	Full Valuation
2022	\$153,187,949	44.65	\$343,086,112
2023	155,497,826	44.60	348,649,834
2024	155,904,584	39.35	396,199,705
2025	157,463,007	35.22	447,084,063
2026	159,859,331	33.76	473,516,976
Total Five-Year Full Valuation			\$2,008,536,690
Average Five-Year Full Valuation			401,707,338
Debt Limit - 7% of Average Full Valuation			28,119,514
Inclusions:			
Sewer Bonds			305,000
Bond Anticipation Notes			4,233,550
Total Inclusions			4,538,550
Exclusions:			
Excluded Water Debt for BANs			1,019,480
Excluded Sewer Debt			0
BAN Appropriations			0
Total Exclusions			1,019,480
Total Net Indebtedness before Issuing the Notes			3,519,070
The Notes			1,305,000
Less: BANs to be Redeemed by the Issuance of the Notes			0
Net Effect of Issuing the Notes			1,305,000
Total Net Indebtedness After Issuing the Notes			4,824,070
Net Debt Contracting Margin			\$23,295,444
Percent of Debt Contracting Margin Exhausted (%)			17.16

Details of Short-Term Indebtedness Outstanding
(As of May 18, 2026)

The Village has bond anticipation notes outstanding for the following various purposes in the amount of \$4,233,550.

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Outstanding</u>
06/28/2011	Water Main Improvements	\$913,500
03/11/2014	Sewer Improvements	764,070
020/9/2016	Installation of Water Meters	105,980
08/27/2025	Construction of Drainage Improvements on Fair Street	2,200,000
03/04/2026	Sewer Improvements	250,000
		<u>\$4,233,550</u>

Debt Service Requirements - Outstanding Bonds ^a

<u>Fiscal Year Ending</u> <u>May 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 55,000	\$ 8,989	\$ 63,989
2027	20,000	7,986	27,986
2028	20,000	7,674	27,674
2029	20,000	7,353	27,353
2030	20,000	7,018	27,018
2031	25,000	6,636	31,636
2032	25,000	6,063	31,063
2033	25,000	5,426	30,426
2034	25,000	4,742	29,742
2035	25,000	4,018	29,018
2036	25,000	3,264	28,264
2037	25,000	2,483	27,483
2038	25,000	1,676	26,676
2039	25,000	848	25,848
Totals	<u>\$360,000</u>	<u>\$74,175</u>	<u>\$434,175</u>

a. Does not reflect payments made to date and interest subsidy received for the NYS Environmental Facilities Corporation on certain outstanding bonds of the Village.

Capital Project Plans

The Village is generally responsible for providing services as required to the citizens on a Village-wide basis. The Village maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and, from time to time, equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. In addition, the Village owns, operates, maintains and improves recreation facilities. As has been noted, the Village generally has provided the financing for sanitary sewer and water facilities and maintains primary responsibility for these functions. The Village has commenced a capital project for connection to the New York City Catskill Aqueduct which is expected to provide an alternative delivery water supply source. Capital borrowing levels are expected to remain about the same for the near future.

New York State Environmental Facilities Corporation

On December 21, 2016, the Village Board adopted a resolution authorizing various improvements to the Village's wastewater system. The project was awarded a grant of \$144,265 and the balance in subsidized financing through New York State Environmental Facilities Corporation ("EFC"). The Project has now been completed and the Village has converted a short-term loan through EFC to long-term subsidized financing in the amount of \$443,520 in June of 2019.

Authorized But Unissued Indebtedness

After the issuance of the Notes, the Village will have authorized but unissued indebtedness in the amount of \$115,000.

Trend of Village Indebtedness

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

	2021	2022	2023	2024	2025
Bonds	\$570,000	\$520,000	\$470,000	\$415,000	\$360,000
BAN's	2,263,050	2,133,050	2,197,050	2,071,050	1,930,050
Other Debt	0	0	0	0	0
Total Debt Outstanding	<u>\$2,833,050</u>	<u>\$2,653,050</u>	<u>\$2,667,050</u>	<u>\$2,486,050</u>	<u>\$2,290,050</u>

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable (%)	Applicable Total Indebtedness	Applicable Net Indebtedness
Putnam County	06/27/2025	1.67	\$ 518,619	\$ 479,123
Town of Philipstown	06/06/2025	10.80	539,290	420,145
Haldane School District	12/11/2024	22.19	1,516,687	985,846
			<u>\$2,574,595</u>	<u>\$1,885,114</u>

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

Debt Ratios (As of May 18, 2026)

	Amount	Per Capita ^a	Percentage Of Full Value (%) ^b
Total Direct Debt	\$4,538,550	\$2,430	0.958
Net Direct Debt	3,519,070	1,884	0.743
Total Direct & Applicable Total Overlapping Debt	7,113,145	3,808	1.502
Net Direct & Applicable Net Overlapping Debt	5,404,184	2,893	1.141

a. The current population of the Village is 1,868 (2023 U.S. Census).

b. The full valuation of taxable real property in the Village for 2025-2026 is \$473,516,976.

FINANCES OF THE VILLAGE

Financial Statements and Accounting Procedures

The financial statements of the Village are audited each year by an independent public accountant. The latest year for which an audit report is available is the fiscal year ending May 31, 2025. A copy of such report is attached hereto as Appendix B. The Balance Sheets and Statements of Revenues, Expenditures and Changes in Fund Balances presented in Appendix A of this Official Statement are based on the audited financial statements for the fiscal years 2021 through 2025.

In addition, the Village maintains its financial records in accordance with the Uniform System of Accounts for Villages prescribed by the State Comptroller. The financial affairs of the Village are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Village has complied with the requirements of various State and Federal statutes. As required by law, the Village also prepares an Annual Financial Report Update Document for submission to the Comptroller.

Investment Policy

The Village has adopted an investment policy which is summarized as follows:

The primary objectives of the local government's investment activities are, in priority order

- to conform with all applicable federal, state and other legal requirements (legal);
- to adequately safeguard principal (safety);
- to provide sufficient liquidity to meet all operating requirements (liquidity); and
- to obtain a reasonable rate of return (yield).

The governing board's responsibility for administration of the investment program is delegated to the Village Treasurer who has established written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information such procedures also regulate the activities of subordinate employees. Certain aspects of such procedures are summarized as follows:

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Village to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

It is the policy of the Village to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

It is the policy of the Village for all moneys collected by an officer or employee of the government to transfer those funds to the Village Treasurer within the time period specified by law.

The Village Treasurer is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly and are managed in compliance with applicable laws and regulations.

In accordance with the provisions of General Municipal Law, §10, all deposits of the Village, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

By a pledge of "eligible securities" with an aggregate "market value" as provided by GML §10, equal to the aggregate amount of deposits.

Eligible securities used for collateralizing deposits shall be held by a third party bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Village, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Village or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Village, 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 should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Village a perfected interest in the securities.

As authorized by General Municipal Law, §11, the Village authorizes the Village Treasurer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts;
- Certificates of deposit;
- Obligations of the United States of America;
- 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;
- Obligations of the State of New York;
- Obligations issued pursuant to Local Finance Law §24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Village;
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or the specific enabling legislation authorizes such investments.

All investment obligations shall be payable or redeemable at the option of the Village 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 at the option of the Village within two years of the date of purchase.

The Village shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the Village conducts business must be credit worthy. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Village Treasurer 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.

Budgetary Procedure

The head of each administrative unit of the Village is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the Budget Officer. After reviewing these estimates, the Budget Officer prepares a tentative budget which includes her recommendations. Subsequently, the Village Clerk presents the tentative budget to the Board at a regular or special meeting. Review and preliminary alteration of the tentative budget by the Board and the tentative budget and such modifications, if any, as approved by the Board are made. A public hearing on the tentative budget, notice of which must be given at least five (5) days prior to the hearing, must be held not later than April 15th. After the public hearing, the Board may further change and revise the tentative budget. The board must adopt the tentative budget as submitted or amended by May 1st, at which time the tentative budget becomes the annual budget of the Village for the ensuing fiscal year. Budgetary control is the responsibility of the Village Treasurer. The Tax Levy Limit Law imposes a tax levy limitation upon the Village commencing in the 2013 fiscal year. The Village's 2024 and 2025 Budgets did not exceed such limit. (See "*Tax Levy Limit Law*" herein).

Fund Structure and Accounts

The General Fund is the general operating fund for the Village and is used to account for substantially all revenues and expenditures of the Village. The Village also maintains a Water and a Sewer Fund.

Basis of Accounting

The Village's governmental funds are accounted for on a modified accrual basis whereby revenues, other than those susceptible ("measurable" and "available" to finance current operations) to accrual, are recorded when received in cash. Revenues susceptible to accrual include real property taxes and State aid. The Village generally records expenditures on the accrual basis when fund liabilities are incurred, except as follows: Interest on general obligation debt which is recorded when it becomes due. Pension costs billed to the Village by the State are recorded as expenditures in full in the fiscal year billed. The estimated unbilled portion of these pension costs for governmental funds are shown as a liability on the balance sheet of the general long-term debt accounts group. Accumulated vacation and sick leave are also accounted for in the general long-term debt account group. Inventories are generally not recorded but expensed at the time of purchase. Fixed assets are recorded at cost; there is no provision for depreciation expense.

Revenues

The Village receives most of its revenues from a real property tax on all non-exempt real property situated within the Village, Non-Property Taxes, Intergovernmental Charges, Departmental Income and State aid. A summary of such revenues for the five most recently completed fiscal years and estimated revenues for the current fiscal year may be found in Appendix A. (See also "Tax Levy Limit Law" herein).

Real Property Taxes

See "Tax Information", herein.

State Aid

The Village receives financial assistance from the State. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, 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 Village, in this year or future years, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

Should the Village 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 Village 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 Village's General Fund revenue comprised of State aid for each of the fiscal years 2021 through 2025, and as budgeted for 2026.

<u>Fiscal Year Ending May 31:</u>	<u>Total Revenue</u>	<u>State Aid</u>	<u>State Aid To Revenues (%)</u>
2021	\$2,212,737	\$119,379	5.40
2022	2,363,116	81,381	3.44
2023	2,305,668	64,977	2.82
2024	2,447,361	74,709	3.05
2025	3,240,171	267,577	8.26
2026 (Budgeted)	3,455,639	492,454	14.25

Sources: Audited Financials of the Village (2021-2025) and Adopted Budgets of the Village (2026).

Expenditures

The major categories of expenditure for the Village are General Government Support, Public Safety, Transportation, Home & Community Services and Employee Benefits. A summary of the expenditures for the five most recently completed fiscal years and the estimated expenditures for the current fiscal year may be found in Appendix A.

The State Comptroller’s Fiscal Stress Monitoring System and OSC Compliance Reviews

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

The most current applicable report of OSC designates the Village as “No Designation” (Fiscal Score: 6.7%; Environmental Score: 0.0%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, OSC 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.

Pension Systems

Substantially all employees of the Village are members of the New York State and Local Employees’ Retirement System (the “Retirement System” or “ERS”) or the New York State and Local Police and Fire Retirement System (PFRS) (ERS and PFRS collectively, the “Retirement System”). The Retirement Systems are a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. The Retirement Systems Law generally provides that all participating employers in the Retirement Systems are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

As a result of significant capital market declines at certain times, in certain years the State’s Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, it is anticipated that the employer contribution rate for the State’s Retirement System in future years may be higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the Retirement System. However, although these options reduce near term payments, they would require higher than normal contributions in later years.

The Village has decided not to amortize any pension contributions.

The amount of payments by the Village to the respective Retirement Systems for the past five years are presented below:

Payments to the Retirement Systems

Fiscal Year Ending May 31:	ERS	PFRS
2021	\$78,148	\$44,292
2022	88,315	28,285
2023	67,423	21,349
2024	82,417	19,377
2025	102,573	12,708
2026	110,624	24,696

Source: Village Officials.

Other Post-Employment Benefits

OPEB refers to "other post-employment benefits," meaning benefits other than pension benefits. OPEB consists primarily of health care benefits and may include other benefits such as disability benefits and life insurance. Accounting rules now require governmental entities, such as the Village, to account for post-retirement health care benefits as its accounts for vested pension benefits. GASB Statement No. 75 ("GASB 75") described below requires such accounting.

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 May 31, 2019, the Village adopted GASB 75, which eliminates GASB 45. Under GASB 75, 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.

The Village's total OPEB liability at May 31, 2025 is as follows:

Changes in the Total OPEB Liability	Fiscal Year Ending May 31:
Balance as of May 31, 2024	<u>\$4,171,187</u>
Changes for the year:	
Service Cost	83,144
Interest	165,077
Changes in assumptions or other inputs	(363,177)
Economic/demographic gains or losses	(179,281)
Benefit payments	<u>(151,792)</u>
Total Changes	<u>(\$446,029)</u>
Balance at May 31, 2025	<u><u>\$3,725,158</u></u>

The OSC has recently proposed legislation to provide the State and certain local governments with the authority to establish trusts in which to accumulate assets for OPEB and to establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments. The Village cannot predict at this time whether such proposed legislation will be enacted into law. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Village has decided to continue funding the expenditure on a pay-as-you-go basis.

Should the Village be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the Village's finances and could force the Village to reduce services, raise taxes or both.

Firefighter's Length of Service Award Program and Funding Requirements

Fire protection in the Village is provided through the Cold Spring Fire Company. The fire company has a length of service award program (a defined benefit plan) (the "Plan") for its volunteer fire fighters. Retirement benefits are to be paid to eligible volunteer firefighters at a rate of \$20 per month for each qualified year of active firefighting service, not to exceed 20 years. Participants are vested in the Plan upon completion of five years of service, or attainment of age 62. Benefit payments commence when the eligible volunteer firefighter reaches age 65 and completes one year of active plan participation. The Plan also provides for death and disability benefits. Contributions to the Plan are determined on an actuarial basis. This amount is intended to provide full funding upon retirement. The Village shall administer the Firefighters Service Award Program pursuant to Article 11-A of the General Municipal Law. The Village collects from residents of the Fire Protection District, as part of the Village Tax bill, the appropriate revenue annually to fund said program.

The Village has retained an actuary to determine the amount of the Village's contributions to the plan.

The amount shown below as the pension benefit obligation is a standardized disclosure measure of the present value of earned Service Awards (i.e. for this purpose, a firefighter's earned Service Award is considered to be a pension benefit), estimated to be payable in the future as a result of volunteer firefighter service rendered to date. The difference between the pension benefit obligation and the accumulated plan assets is the unfunded portion of the pension benefit obligation (i.e. the unfunded pension benefit obligation which in the case in the actuarial present value of the unfunded earned Service Awards). This measure is intended to assess the funding status of the Village's Service Award Program on a going concern basis and sees progress made in accumulating sufficient assets to pay earned Service Awards when due. The calculation of the pension benefit obligation is independent of the actuarial funding method used to determine annual contributions payable to the Service Award Program Trust Fund.

The total pension liability for the December 31, 2024 measurement date was determined using an actuarial valuation as of that date. The changes in the total pension liability are listed below:

Changes in the Total Pension Liability	Fiscal Year Ending Dec 31:
Balance as of December 31, 2023	\$1,215,203
Service Cost	33,782
Interest	48,978
Changes in assumptions or other inputs	(47,373)
Differences between actual and expected experience	2,335
Benefit payments	(49,089)
Net Changes	(\$11,367)
Balance as of December 31, 2024 measurement date	\$1,203,836

TAX INFORMATION

Real Property Taxes

The Village derives its power to levy an ad valorem real property tax from the Constitution of the State. The Village's power to levy real property taxes, other than for debt service and certain other purposes, is limited by the State Constitution to two percent of the five-year average full valuation of taxable property of the Village. The State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation or debt contracting and real property taxing limitations. (See "Tax Limit" herein.)

The following table sets forth the percentage of the Village’s General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2021 through 2025, and, as budgeted, for the year ending May 31, 2026.

Fiscal Year Ending May 31:	Total Revenue	Property Taxes	Property Taxes to Revenues (%)
2021	\$2,212,737	\$1,731,903	78.27
2022	2,363,116	1,763,500	74.63
2023	2,305,668	1,828,807	79.32
2024	2,447,361	1,872,279	76.50
2025	3,240,171	1,942,930	59.96
2026 (Budgeted)	3,455,639	1,983,769	57.41

a. Budgeted revenues include the application of reserves and fund balance.

Sources: Audited Financials of the Village (2021-2025) and Adopted Budgets of the Village (2026).

Tax Collection Procedure

The collection and enforcement of real property taxes is governed by the Real Property Tax Law of the State.

The Village is responsible for levying its own real property taxes pursuant to resolution and such taxes become a lien of the first day of June in each year. Taxes may be paid without penalty at any time during the month of June. Late payments are assessed a 5% penalty for the first month or fraction thereof and 1% each month thereafter up to a maximum of 11%.

Pursuant to an agreement between the Village and County, unpaid Village taxes are enforced by the County. The Village transmits to the County a list of taxes unpaid at the expiration of the tax warrant on February 1. The County pays the Village the full amount of unpaid taxes including accrued interest by March 25. Thus, the full amount of the Village’s real property tax levy is recorded as revenue in the fiscal year of levy.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the New York Laws of 2011 (the “Tax Levy Limit Law”) on June 24, 2011, all the taxable real property within the Village had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Village and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law, as amended, imposes a tax levy limitation upon the Village without providing an exclusion for debt service on obligations issued by the Village. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village to pay the bonds and notes of the Village and interest thereon is subject to statutory limitations set forth in Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of 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 Village, subject to certain exceptions. The Tax Levy Limit Law permits the Village 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 Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision 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 Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board is authorized to adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the Village, 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 Village 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.

Tax Limit

The Constitution limits the amount that may be raised by the Village ad valorem tax levy on real estate in any fiscal year to two per centum (2%) of the five-year average full valuation of taxable real estate of the Village plus (1) the amounts required for principal and interest on all capital indebtedness, and (2) current appropriations for certain purposes. The tax limit for the Village for the 2025-2026 fiscal year is as follows:

Five-year Average Full Valuation	\$401,707,338
Tax Limit - 2% thereof	8,034,147
Tax Levy for General Village Purposes	1,963,489
Less: Exclusions	<u>198,576</u>
Tax Levy Subject to Tax Limit	\$1,764,913
Constitutional Tax Margin	<u><u>\$6,269,234</u></u>

Tax Levy and Collection Record and Tax Rates
Fiscal Year Ending May 31:

	2022	2023	2024	2025	2026
Tax Levy	\$1,763,500	\$1,874,651	\$1,908,075	\$1,931,668	\$1,962,976
Tax Collections	1,732,038	1,838,404	1,881,202	1,893,739	1,929,027
Amount Returned to County	31,462	36,247	26,873	37,929	33,949
Percent Taxes Collected	98.22%	98.07%	98.59%	98.04%	98.27%
Taxes Rate per \$1,000 of	\$11.39	\$11.59	\$11.82	\$12.16	\$12.28

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Selected Listing of Large Taxable Properties
2025-2026 Assessment Roll

Name	Type	Assessed Valuation
Butterfield Realty LLC	Health bldg	\$4,629,600
Schuyler Meadows Development	Apartment	1,592,500
Serroukas Constatine	Nbh shop ctr	1,177,700
Krupp Richard	Res Multiple	1,016,100
Sutton Marianne Dr	1 Family Res	888,300
First Rosemount Realty	Hotel	832,200
Hirockviews LLC	1 Family Res	787,000
Burgoon Adam	Res Multiple	652,900
APASA, LLC	Apartment	651,000
Central Hudson Gas & Elec Corp	Elec & gas	626,590
Cold Spring Main St Properties	Att row bldg	578,799
72-76 Cold Spring LLC	Converted Re	566,300
Illian Matthew	1 Family Res	502,550
Andon Associates Inc	Att row bldg	497,800
Kupper Aric S	1 Family Res	490,600
Total ^a		\$15,489,939

a. Represents 9.6% of the most recently available Total Taxable Assessed Valuation.

LITIGATION

In common with other villages, the Village from time to time receives notices of claim and is party to litigation. In the opinion of the Village 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 Village has not asserted a substantial and adequate defense, nor which, if determined against the Village, would have an adverse material effect on the financial conditions of the Village.

CYBERSECURITY

The Village, 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 Village faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Village invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. To mitigate such risk the Village has contracted with an outside technology firm to assist in the prevention detection and remediation of any such attacks. In addition, the Village maintains an insurance policy covering cyber liability. The results of any such attack could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes 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 Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes 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 Village (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Notes 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 Village in connection with the Notes, and Bond Counsel has assumed compliance by the Village with certain ongoing 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 Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Village, under existing statutes, interest on the Notes 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 Notes, 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 Notes.

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 Notes in order that interest on the Notes 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 Notes, 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 Notes 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 Village, in executing the Tax Certificate, will certify to the effect that the Village 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 Notes 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 Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. 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 Notes.

Prospective owners of the Notes 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 Notes 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 Note (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 note 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 Notes. In general, the issue price for each maturity of Notes 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 Notes having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes 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 Notes.

In general, under Section 1288 of the Code, OID on a Discount Note 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 Discount Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Note. 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 Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes 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 Discount Notes.

Note Premium

In general, if an owner acquires a note 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 note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “note premium” on that note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note, determined based on constant yield principles (in certain cases involving a Premium Note 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 note). An owner of a Premium Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the note premium allocable to that period. In the case of a tax-exempt Premium Note, if the note 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 Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Note should consult their own tax advisors regarding the treatment of note 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 note premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Notes. 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 Note 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 Notes 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 Notes under federal or state law or otherwise prevent beneficial owners of the Notes 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 Notes.

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinion of the law firm of Hawkins Delafield & Wood LLP, Bond Counsel to the Village with respect to the Notes, which will be available at the time of delivery of the Notes, substantially in the form set forth in Appendix C.

DISCLOSURE UNDERTAKING

This Official Statement is in a form “deemed final” by the Village for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the time of the delivery of the Notes, the Village will provide an executed copy of its “Undertaking to Provide Notices of Events” (the “Undertaking”) substantially in the form set forth in Appendix D.

RATING

The Notes are not rated. Subject to the approval of the Village, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the Village. Such as a rating action may require the filing of a material event notification to EMMA and/or the provision of a supplement to the Final Official Statement.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the “Municipal Advisor”), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Village on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the Village and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Village or the information set forth in this Official Statement or any other information available to the Village 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 Village Treasurer's office, Marjorie E. Gage, Village Clerk/Treasurer, Village of Cold Spring, 85 Main Street, Cold Spring, New York 10516, telephone number (845) 265-3611, email: vcclerk@coldspringny.gov, or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888 and website: <https://www.munistat.com>.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the District's management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in Village's documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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

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

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

By: s/s MARJORIE E. GAGE
Village Clerk/Treasurer
Village of Cold Spring
Cold Spring, New York

May , 2026

APPENDIX A

FINANCIAL INFORMATION

Balance Sheets
General & Special Revenue Funds

	Fiscal Year Ending May 31, 2025:		
	<u>General</u>	<u>Water</u>	<u>Sewer</u>
Assets:			
Cash and Cash Equivalents	\$ 1,809,586	\$ 611,223	\$ 390,967
Receivables	57,444	121,679	59,957
Due From Other Funds	490,622	561,257	
Due From Other Governments	4,575		
State and Federal Receivables	176,669		
Prepays	9,280	9,364	4,432
	<u>9,280</u>	<u>9,364</u>	<u>4,432</u>
Total Assets	<u>\$ 2,548,176</u>	<u>\$ 1,303,523</u>	<u>\$ 455,356</u>
Liabilities:			
Accounts Payable	\$ 199,112	\$ 27,160	\$ 19,337
Accrued Liabilities	66,220	14,481	16,938
Due to Other Funds	175,302	640,681	186,032
Other Liabilities	10,883		
	<u>10,883</u>	<u>640,681</u>	<u>186,032</u>
Total Liabilities	<u>451,517</u>	<u>682,322</u>	<u>222,307</u>
Deferred Inflows of Resources:	<u>308,397</u>	<u></u>	<u></u>
Fund Balance:			
Nonspendable	9,280	9,364	4,432
Restricted	243,655		
Assigned	269,455	611,837	228,617
Unassigned	1,265,872		
	<u>1,265,872</u>	<u>611,837</u>	<u>228,617</u>
Total Fund Balances	<u>1,788,262</u>	<u>621,201</u>	<u>233,049</u>
Total Liabilities and Fund Balance	<u>\$ 2,548,176</u>	<u>\$ 1,303,523</u>	<u>\$ 455,356</u>

Source: Audited Financial Statements (2025)

NOTE: This Schedule is NOT audited.

Balance Sheets
General & Special Revenue Funds

	Fiscal Year Ending May 31, 2024:		
	<u>General</u>	<u>Water</u>	<u>Sewer</u>
Assets:			
Cash and Cash Equivalents	\$ 1,656,831	\$ 702,539	\$ 443,917
Receivables	31,188	100,049	49,435
Due From Other Funds	506,589	504,342	40,149
Due From Other Governments	7,895		
State and Federal Receivables	31,496		
Prepays	8,006	9,312	4,589
Total Assets	\$ 2,242,005	\$ 1,316,242	\$ 538,090
Liabilities:			
Accounts Payable	\$ 256,455	\$ 20,383	\$ 19,867
Accrued Liabilities	60,729	13,238	15,036
Due to Other Funds	225,465	616,713	230,561
Other Liabilities	40,378		
Total Liabilities	583,027	650,334	265,464
Deferred Inflows of Resources:	148,131		
Fund Balance:			
Nonspendable	8,006	9,312	4,589
Assigned	499,243	656,596	268,037
Unassigned	1,003,598		
Total Fund Balances	1,510,847	665,908	272,626
Total Liabilities and Fund Balance	\$ 2,242,005	\$ 1,316,242	\$ 538,090

Source: Audited Financial Statements (2024)

NOTE: This Schedule is NOT audited.

Statement of Revenues, Expenditures and Fund Balances
General Fund

Fiscal Year Ending May 31:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Real Property Taxes & Tax Items	\$ 1,731,903	\$ 1,774,454	\$ 1,828,807	\$ 1,872,279	\$ 1,942,930
Non-Property Taxes	44,579	45,955	41,911	37,299	53,144
Departmental Income	77,239	80,638	123,809	122,725	267,906
Intergovernmental Charges	97,925	97,220	100,797	103,530	104,459
Use of Money and Property	1,098	7,470	27,677	49,121	65,969
Licenses & Permits	1,882	42,599	32,743	52,169	114,255
Fines & Forfeitures	73,980	58,072	67,335	84,569	329,849
Sale of Property and Compensation for Loss	54,029	49,679	14,106	20,748	6,988
Miscellaneous Local Sources	2,488	24,255	2,108	7,964	62,376
State Aid	119,379	81,381	64,977	74,709	267,577
Federal Aid	8,235	101,393	1,398	22,248	24,718
Total Revenues	<u>2,212,737</u>	<u>2,363,116</u>	<u>2,305,668</u>	<u>2,447,361</u>	<u>3,240,171</u>
Expenditures:					
General Government Support	407,671	575,828	541,926	823,144	807,422
Public Safety	544,227	673,805	684,341	661,248	826,145
Health	1,597	1,627	1,677	1,608	1,670
Transportation	299,717	278,964	389,075	448,846	569,336
Culture and Recreation	21,456	22,420	33,817	24,771	20,332
Home and Community Services	209,483	249,857	343,149	360,570	323,687
Employee Benefits	400,944	396,128	398,874	416,692	447,956
Debt Service					2,208
Total Expenditures	<u>1,885,095</u>	<u>2,198,629</u>	<u>2,392,859</u>	<u>2,736,879</u>	<u>2,998,756</u>
Other Financing Sources (Uses):					
Operating Transfers In	36,000	36,000	36,000	36,000	36,000
Operating Transfers (Out)					
Proceeds from Capital Lease			8,832		
Total Other Financing Sources (Uses)	<u>36,000</u>	<u>36,000</u>	<u>44,832</u>	<u>36,000</u>	<u>36,000</u>
Change in Fund Balances	<u>363,642</u>	<u>200,487</u>	<u>(42,359)</u>	<u>(253,518)</u>	<u>277,415</u>
Fund Balance Beginning of Year	<u>1,242,595</u>	<u>1,606,237</u>	<u>1,806,724</u>	<u>1,764,365</u>	<u>1,510,847</u>
Prior Period Adjustments					
Fund Balance End of Year	<u>\$ 1,606,237</u>	<u>\$ 1,806,724</u>	<u>\$ 1,764,365</u>	<u>\$ 1,510,847</u>	<u>\$ 1,788,262</u>

Sources: Audited Financial Statements (2021-2025)

NOTE: This Schedule is NOT audited.

Statement of Revenues, Expenditures and Fund Balances
Water

	Fiscal Year Ending May 31:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Departmental Income	\$ 606,870	\$ 599,178	\$ 630,209	\$ 687,038	\$ 692,215
Use of Money and Property	1,293	413	10,405	25,837	22,692
State Aid					46,877
Miscellaneous Local Sources	8,246	7,558		5,102	2,822
Total Revenues	\$ 616,409	\$ 607,149	\$ 640,614	\$ 717,977	\$ 764,606
Expenditures:					
General Government Support	43,735	45,873	49,628	54,666	56,555
Home and Community Services	248,257	287,215	608,983	493,893	466,326
Employee Benefits	77,414	80,188	82,265	94,473	115,005
Debt Service	164,535	96,997	103,532	131,328	153,427
Total Expenditures	\$ 533,941	\$ 510,273	\$ 844,408	\$ 774,360	\$ 791,313
Other Financing Sources (Uses):					
Operating Transfers In					
Operating Transfers (Out)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)
Total Other Financing Sources (Uses)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)
Change in Fund Balances	64,468	78,876	(221,794)	(74,383)	(44,707)
Fund Balance Beginning of Year	818,741	883,209	962,085	740,291	665,908
Fund Balance End of Year	\$ 883,209	\$ 962,085	\$ 740,291	\$ 665,908	\$ 621,201

Sources: Audited Financial Statements (2021-2025)

NOTE: This Schedule is NOT audited.

Statement of Revenues, Expenditures and Fund Balances
Sewer

	Fiscal Year Ending May 31:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Departmental Income	\$ 557,372	\$ 555,584	\$ 568,647	\$ 606,875	\$ 612,706
Use of Money and Property	9,506	8,207	12,157	24,907	29,755
Miscellaneous Local Sources	6,025				
State Aid					
Federal Aid					
Total Revenues	\$ 572,903	\$ 563,791	\$ 580,804	\$ 631,782	\$ 642,461
Expenditures:					
General Government Support	27,043	29,143	31,858	34,883	34,153
Home and Community Services	195,106	256,191	305,811	301,914	343,116
Employee Benefits	95,985	92,915	97,476	125,152	140,325
Debt Service	348,447	132,279	123,594	140,667	146,444
Total Expenditures	\$ 666,581	\$ 510,528	\$ 558,739	\$ 602,616	\$ 664,038
Other Financing Sources (Uses):					
BANs redeemed from appropriations					
Operating Transfers In					
Operating Transfers (Out)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)
Total Other Financing Sources (Uses)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)
Change in Fund Balances	(111,678)	35,263	4,065	11,166	(39,577)
Fund Balance Beginning of Year	333,810	222,132	257,395	261,460	272,626
Fund Balance End of Year	\$ 222,132	\$ 257,395	\$ 261,460	\$ 272,626	\$ 233,049

Sources: Audited Financial Statements (2021-2025)

NOTE: This Schedule is NOT audited.

Budget Summaries
General Fund

	Fiscal Year Ending May 31, 2026		
	<u>General</u>	<u>Water</u>	<u>Sewer</u>
Revenues:			
Real Property Taxes	\$ 1,983,769	\$ 886,111	\$
Real Property Tax Items	69,360		
Departmental Income	711,151		647,831
Use of Money and Property		22,000	24,477
Fines & Forfeitures		11,200	4,575
State Aid	492,454		
Federal Aid	26,250		
Interfund Revenues	172,655		
Miscellaneous		12,140	
Fund Balance Transfer			44,000
	<u>3,455,639</u>	<u>931,451</u>	<u>720,883</u>
Total Revenues	<u>\$ 3,455,639</u>	<u>\$ 931,451</u>	<u>\$ 720,883</u>
Expenditures:			
General Government Support	\$ 756,868	\$ 67,119	\$ 39,777
Public Safety	832,186		
Health	1,700		
Transportation	868,468		
Culture and Recreation	37,154		
Home and Community Services	335,669	551,771	367,979
Employee Benefits	552,344	125,004	151,756
Debt Service	71,250	169,557	143,371
Transfer to Other Funds		18,000	18,000
	<u>3,455,639</u>	<u>931,451</u>	<u>720,883</u>
Total Expenditures	<u>\$ 3,455,639</u>	<u>\$ 931,451</u>	<u>\$ 720,883</u>

Sources: Tentative Budget from The Village of Cold Spring

Budget Summaries
General Fund

	Fiscal Year Ending May 31, 2025		
	<u>General</u>	<u>Water</u>	<u>Sewer</u>
Revenues:			
Real Property Taxes	\$ 1,931,668	\$ 681,396	\$
Real Property Tax Items	56,916		
Departmental Income	658,780		603,582
Use of Money and Property		18,000	
Fines & Forfeitures		7,300	4,275
State Aid	242,737		
Federal Aid			
Interfund Revenues	127,243		
Miscellaneous		1,200	
Fund Balance Transfer		55,000	67,286
	<u>3,017,344</u>	<u>762,896</u>	<u>675,143</u>
Total Revenues	<u>\$ 3,017,344</u>	<u>\$ 762,896</u>	<u>\$ 675,143</u>
Expenditures:			
General Government Support	\$ 918,438	\$ 69,894	\$ 42,669
Public Safety	728,855		
Health	1,700		
Transportation	436,585		
Culture and Recreation	33,834		
Home and Community Services	336,837	433,495	337,392
Employee Benefits	561,095	107,131	134,946
Debt Service		134,376	142,136
Transfer to Other Funds		18,000	18,000
	<u>3,017,344</u>	<u>762,896</u>	<u>675,143</u>
Total Expenditures	<u>\$ 3,017,344</u>	<u>\$ 762,896</u>	<u>\$ 675,143</u>

Sources: Tentative Budget from The Village of Cold Spring

VILLAGE OF COLD SPRING
APPENDIX B
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2025

[▶ Click Here For 2025 Audit](#)

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

APPENDIX C

FORM OF BOND COUNSEL OPINION

FORM OF OPINION OF BOND COUNSEL

Hawkins Delafield & Wood LLP
140 Broadway, 42nd Floor
New York, New York 10005

June , 2026

The Board of Trustees of the
Village of Cold Spring, in the
County of Putnam, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Cold Spring (the “Village”), in the County of Putnam, 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 \$1,305,000 Bond Anticipation Notes – 2026 Series B (the “Notes”) of the Village, 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 upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Notes are valid and legally binding general obligations of the Village for which the Village has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Village is subject to the levy of ad valorem real estate taxes to pay the Notes 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 Notes 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 Notes 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 Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note 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 that must be met subsequent to the issuance of the Notes in order that the interest on the Notes be and remain excludable from gross income 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 Notes, restrictions on the investment of proceeds of the Notes 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 Notes to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Notes, the Village will execute a Tax Certificate relating to the Notes containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Village represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Notes 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 Village's certifications, 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 Notes, and (ii) compliance by the Village with the procedures and certifications set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Notes 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 Notes, 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 Notes.

We give no assurances as to the accuracy, sufficiency or completeness of the Preliminary or Final Official Statement or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Village which have been or may hereafter be furnished or disclosed to purchasers of said Notes.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“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 Village of Cold Spring, in the County of Putnam, 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.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the Village Treasurer as of June 10, 2026.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the Issuer’s **\$1,305,000 Bond Anticipation Notes-2026 Series B**, dated June 10, 2026, maturing April 30, 2027, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (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 11776 to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;

- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (vii) modifications to rights of Securities holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Securities, if material;
- (xi) rating changes;
- (xii) 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;

- (xiii) 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;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

- (xv) incurrence of a financial obligation, as defined in Rule 15c2-12, of the Village, 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
- (xvi) 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.

(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. 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 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (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 5. 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 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 5 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 6. 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 in accordance with 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.

Section 7. 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 8. 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 **June 10, 2026**.

VILLAGE OF COLD SPRING, NEW YORK

By: _____
Village Treasurer