

# PRELIMINARY OFFICIAL STATEMENT DATED JUNE 17, 2026

## NEW ISSUE

## BOND ANTICIPATION NOTES

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

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

### **TOWN OF WAPPINGER DUTCHESS COUNTY, NEW YORK (the "Town")**

## **\$5,611,000**

### **BOND ANTICIPATION NOTES, 2026**

Dated Date: July 8, 2026

Maturity Date: July 8, 2027

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

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

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

**Form and Denomination:** The Notes to be issued in book-entry form will be issued as registered notes, and, when issued, will be registered in the name of Cede & Co. as nominee, which will act as the securities depository for the Notes. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Individual purchases of the Notes to be issued in book-entry form may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof except for one necessary odd denomination. Noteholders will not receive certificates representing their ownership interest in the Notes to be issued in book-entry form purchased. See "Book-Entry System" herein.

**Payment:** Payment of the principal of and interest on the Notes to be issued in book-entry form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in "street name." Payment will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry System" herein. Payment of the principal of and interest on the Notes issued in the form registered to the purchaser(s) will be payable at such bank of trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

Proposals for the Notes will be received at 11:00 A.M. (Prevailing Time) on June 25, 2026 at the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

*The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of an approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey or such other place as may be agreed upon with the purchaser(s) on or about July 8, 2026.*

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



**TOWN OF WAPPINGER  
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**TOWN BOARD**

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Joseph P. Paoloni, Town Clerk  
Michael Liguori, Town Attorney  
Daniel Tucker, Town Comptroller

\* \* \*

**BOND COUNSEL**



Orrick, Herrington & Sutcliffe LLP  
New York, New York

\* \* \*

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

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# OFFICIAL STATEMENT

Relating to

## TOWN OF WAPPINGER DUTCHESS COUNTY, NEW YORK

\$5,611,000

### BOND ANTICIPATION NOTES, 2026

This Official Statement, including the cover page and appendices thereto, has been prepared by the Town of Wappinger, Dutchess County, New York (the "Town") and presents certain information relating to the Town's \$5,611,000 Bond Anticipation Notes, 2026 (the "Notes").

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

### THE NOTES

#### Description of the Notes

The Notes will be dated July 8, 2026 and will mature, without right of redemption prior to maturity, on July 8, 2027, with interest payable at maturity.

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

For those Notes registered to the purchaser(s), a single note certificate shall be delivered to the purchaser(s), for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at the office of the Town Clerk in Philipstown, New York.

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

The Town will act as Paying Agent for the Notes. The Town's contact information is as follows: Daniel Tucker, Town Comptroller, Town of Wappinger, 20 Middlebush Road, Wappingers Falls, New York 12590, telephone number (845) 297-0060, and email: DTucker@townofwappingerny.gov.

#### Optional Redemption

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

#### Book-Entry System

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need or physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

### **Disclosure Undertaking**

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

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a "financial obligation" of the Town, any of which affect noteholders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

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

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

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

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

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

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

The Town failed to file its unaudited financial statements for the fiscal year ended December 31, 2023 and December 31, 2024 in a timely manner as required by its continuing disclosure agreement entered into with certain bond issues of the Town. Additionally, the Town has failed to file its audited financial statements for the fiscal year ended December 31, 2024 in a timely manner as required pursuant to the Continuing Disclosure Undertaking entered into in conjunction with certain bonds of the Town. The delay in filing the Town’s audited financial statements was primarily driven by two transitional factors: the implementation of new financial management software and personnel turnover within the finance department. However, the Town did file its unaudited financial statements for the fiscal year ended December 31, 2025 in a timely manner on June 1, 2026.

**Authorization and Purpose**

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

<u>Date</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>Amount</u> <u>Outstanding</u>	<u>Total</u> <u>Amount to</u> <u>be Issued</u>
8/11/2025	Wildwood Sewer District Improvements	\$257,000	\$0	\$257,000
8/11/2025	Mid-Point Sewer District Improvements	257,000	0	257,000
8/11/2025	Fleetwood Sewer District Improvements	43,000	0	43,000
8/11/2025	Reconstruction and Resurfacing of Various Roads	2,300,000	0	2,300,000
4/27/2026	Acquisition of Land (Cranberry Hill)	2,754,000	0	2,754,000
	Totals:	<u>\$5,611,000</u>	<u>\$0</u>	<u>\$5,611,000</u>

## Nature of Obligation

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

Holders of any series of notes or bonds of the Town may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town subject to such taxation by the Town, subject to applicable statutory limitations. See "Tax Levy Limitation Law, herein.

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

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

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

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

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

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

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

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

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

### **Tax Levy Limitation Law**

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

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

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

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

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

### **General Municipal Law Contract Creditors’ Provision**

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

## **Execution/Attachment of Municipal Property**

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

## **Authority to File For Municipal Bankruptcy**

The Federal Bankruptcy Code allows public bodies, such as counties, city, towns or villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

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

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

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

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

## **State Debt Moratorium Law**

There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such Town of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature, as described below, authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board

requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

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

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

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

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

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

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

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

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

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

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

Several municipalities in the State are presently working with the FRB. The Town is presently not working with the FRB and does not reasonably anticipate doing so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

### **Constitutional Non-Appropriation Provision**

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

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

### **Default Litigation**

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

### **No Past Due Debt**

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

## **THE TOWN**

### **General Information**

The Town of Wappinger, is located within New York's Hudson River Valley National Heritage Area, just 70 miles (110 km) north of New York City, along the eastern banks of the majestic Hudson River. The Town's population is made up of over 28,000 residents of all creeds, cultures, and nationalities. The name, Wappinger, is derived from the Wappani Native Americans who inhabited our area. Wappinger comprises 3/4 of the incorporated Village of Wappingers Falls, the unincorporated hamlets of Chelsea, Diddell, FowlerHouse, Hughsonville, Middlebush, Myers Corners, New Hackensack, and Swartwoutville, and a number of residential neighborhoods. Wappinger is the second most densely populated Town in Dutchess County and covers a total of 28.5 square miles. With over 10,000 taxable parcels. The Town has considerable shoreline on the east bank of the Hudson River which has been utilized as a site for garden apartment complexes and condominiums. The Town also enjoys substantial retail and commercial activity and some light industry. Commercial activity is located in the Village of Wappingers Falls and along U.S. Route 9. The Castle Point Veterans Hospital and Dutchess County Airport are within the Town borders.

### **Form of Government**

The Town of Wappinger was established in 1875. The Town is a separate political entity vested with independent taxing and debt authority. Situated within the Town's borders are portions of three independent school districts. The school districts use the Town's assessment roll as the basis for taxation of property within the Town.

The legislative power of the Town is vested in the Town Board, which consists of five members, including the Town Supervisor, who is the presiding member and chief fiscal officer of the Town, elected for a term of two years. The four other members of Town Board (Councilmen) are also elected to two-year terms. Councilmen are elected in accordance with the ward system – 4 wards, one councilman per ward. There are no limitations as to the number of terms which may be served.

The Town Clerk serves as custodian of the Town's legal documents and papers, maintains the minutes of proceedings of the Town Board and is responsible for the publication and filing of all official notices. The Clerk is elected to serve a four-year term; the number of terms is not limited. The Receiver of Taxes, unless otherwise provided by law, has the duty to receive and collect all State, County, Town and school taxes and all assessments that may be levied in the Town. The Receiver of Taxes services a two-year term and the number of terms is without limit. Other offices of the Town include: two Town Justices, each elected to a four-year term; the Highway Superintendent, elected to a four-year term; and the Town Comptroller and the Town Attorney who are appointed by and serve at the pleasure of the Town Board.

The Town is governed by a five-member Town Board. The Town Supervisor, Joseph D. Cavaccini, serves as the Chief Elected, Operations, and Fiscal Officer of the Town government. He presides at all meetings of the Town Board, directing the legislative and administrative functions of that body. The Town Supervisor also oversees the day-to-day operations of a municipal government of nearly 20 departments/offices/divisions, employing around 80 people, and providing services to nearly 30,000 residents. As the Chief Financial Officer of the town, the Town Supervisor is responsible for the implementation of the Town's \$20,000,000 budget. The town is structured as a ward system with Town Council-members representing different areas within Wappinger. Senior Councilman William H. Beale represents Ward 1, which includes the Village of Wappingers Falls, northern US Route 9 corridor, Hughsonville hamlet, and Middlebush hamlet. Ward 2 Councilwoman Heather O'Dell represents the southern areas of Wappinger which consists of Chelsea hamlet, Swartwoutville hamlet, and the southern part of the US Route 9 corridor. Representing Ward 3 is Councilman Christopher Phillips which includes the middle of the town including part of Myers Corners hamlet, Rockingham Farms, Quiet Acres, Wildwood, and Shamrock Hills subdivisions. Councilman Al Casella oversees the northern part of Wappinger in Ward 4, which consists of New Hackensack hamlet, Myers Corners hamlet, Hudson Valley Regional Airport, and Edgehill Manor subdivision. The Town of Wappinger has an elected Town Clerk, held by Joseph P. Paoloni, who is tasked with maintaining town records and taking minutes of Town Board meetings. The Highway Department is overseen by the elected Superintendent of Highways Michael J. Sheehan maintaining over 150 miles of Town roadways, 1,200 easements, basins, etc. The town has two Town Justices, Heather Kitchen and Nicholas Maselli.

### **Services**

The Town is responsible for providing most governmental services to its residents.

Water and sewer services are furnished by various water and sewer districts which have been formed within the Town.

Highway construction and maintenance is also a Town function. In addition, recreation is provided and parks maintained through Town government. Other services performed at the Town level include: property assessment, building inspection, zoning administration and the local justice court system. The County Sheriff's Office and the New York State Police furnish police protection while fire protection is provided for through the three fire districts located in the Town. Education is the responsibility of the three independent school districts serving the Town. The County of Dutchess provides various social and health services.

### **Education**

Elementary and secondary education is the responsibility of the three independent school districts in the Town. Children of the Town attend one of the three school districts, determined by geography. Dutchess County Community College, a two-year co-educational college, offers four main programs of study leading to associate degrees in the arts, science, applied science. It also operates an aviation program at Hudson Valley Regional Airport within the Town offering degrees and certifications in the aviation field. In addition, there are three four-year colleges located in the County. These institutions are Bard College, Marist College and Vassar College.

### **Financial Institutions**

Numerous banking facilities are available in and around the Town. Many of the State's major commercial banks have branch offices located in the area. Bank of America, Citizens Bank, JPMorgan Chase, Key Bank, HSBC, M&T Bank and TD Bank, N.A. are located within the Town or nearby.

### **Transportation**

The Town maintains its own interior road network. Interstate 84 (providing access east to Danbury, Connecticut and west to Scranton, Pennsylvania) and several U.S. and State Highways serve the Town, including U.S. Route 9 and N.Y.S. Routes 9D, 82, and 376. Frequent bus service is available by the Dutchess County Loop System which provides intra-county service. Metro North Railroad provides a commuter service to New York City via the Hudson Line, with stops at Poughkeepsie, New Hamburg and Beacon. Commercial air transportation is available at nearby Stewart Airport located in Orange County.

### **Utilities**

Electricity and natural gas are supplied throughout the Town by CH Energy Corp. Telephone service is provided by Verizon.

### **Culture and Recreation**

Several libraries are available to residents of the Town. Grinnell Library, a member of the Mid-Hudson Library System, located within the Town, offers a variety of services. The library at Dutchess County Community College is open to the public for reference work.

The Town of Wappinger maintains over 1,000 acres of land for recreation and environmental protection. Residents can hike through acres of natural and native wildlife along the Hunter Creek ridge at Reese Park Town Nature Preserve or hit a home run at William "Big Guy" Farrell Fields at our Robinson Lane Baseball Complex. Residents can launch their vessel on the Hudson River from our Chelsea Boat Launch or sit high above the valley and experience breathtaking views from Carnwath Farms Historic Site & Park. Paddle-boarding and kayaking are favorite pastimes along the lower Wappinger Creek and Lake. The Parks & Recreation Department offers a number of programs and events annually for our residents. At Martz Field Recreation Facility and Castle Point Park the Town's ever-growing and popular Summer Camp attracts children from around Wappinger to enjoy the sun and be with friends. Visitors can listen to music from the area's best musicians under the stars at the new Sesquicentennial Stage and Brexel-Schlathaus Park. Wappinger is a community with a long history steeped in heroism, innovation, and prosperity; which has allowed the town to grow. Wappinger is home to a variety of places of historical interest, some owned by the Town of Wappinger, Village of Wappingers Falls, or private non-profit entities such as the 1741 Mesier Homestead Historic Site, the Chapel of Sacred Mirrors, an art sanctuary created by artists, Alex Grey and Allyson Grey, and the Sports Museum of Dutchess County.

## Employees

The Town employs approximately 62 full-time and 37 part-time workers. There are two collective bargaining organizations representing Town employees as follows:

<u>Name of Union</u>	<u>Approximate Membership</u>	<u>Contract Expiration Date</u>
Civil Service Employees Association	18	12/31/2028
Teamsters	30	12/31/2025 <sup>a</sup>

<sup>a</sup>. Currently under negotiations.

## Selected Wealth and Income Indicators

	<u>Per Capita Money Income</u>			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023</u>
Town of Wappinger	\$25,817	\$31,490	\$40,670	\$45,487
County of Dutchess	23,940	31,642	42,309	50,196
State of New York	23,389	30,791	40,898	48,847

	<u>Median Household Income</u>			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023</u>
Town of Wappinger	\$58,079	\$73,078	\$82,929	\$92,226
County of Dutchess	53,086	69,838	81,842	96,824
State of New York	43,393	55,217	71,117	80,095

<sup>a</sup>. Based on American Community Survey 5-Year Estimates (2019-2023)  
Source: United States Bureau of the Census

## Population

<u>Year</u>	<u>Town of Wappinger</u>	<u>County of Dutchess</u>	<u>State of New York</u>
2000	26,274	280,150	18,976,457
2010	27,073	296,152	19,378,102
2020	26,654	293,524	19,514,849
2023	28,203	297,150	19,571,216

<sup>a</sup>. Based on American Community Survey 5-Year Estimates (2019-2023)  
Source: United States Bureau of the Census

**Major Non-Government Employers in the County <sup>a</sup>**  
(400 or more employees)

<u>Name</u>	<u>Type of Business</u>	<u>Estimated Number of Employees</u>
Nuvance	Hospital	5,000
International Business Machine Corp.	Technology	4,100
Amazon	Logistics	2,000
Gap Inc.	Warehousing/Distribution	2,000
Mid-Hudson Regional Hospital	Hospital	1,500
Culinary Institute of America	College	1,500
Bard College	College	1,442
Vassar College	College	1,358
Marist College	College	1,311
Onsemi	Manufacturing	1,200
Central Hudson Gas & Electric Corp.	Electric Services	1,200

a. Some of the employment figures include part-time positions.  
Source: Dutchess County Official Statement dated March 31, 2026.

**Unemployment Rate Statistics**

<u>Annual Averages:</u>	<u>Town of Wappinger (%)</u>	<u>County of Dutchess (%)</u>	<u>State of New York (%)</u>
2021	4.5	4.4	6.9
2022	2.8	3.0	4.4
2023	3.0	3.1	4.2
2024	3.3	3.4	4.3
2025	3.3	3.3	4.2
2026 (YTD)	3.8	3.6	4.6

Source: New York State Department of Labor.

**INDEBTEDNESS OF THE TOWN**

**Constitutional Requirements**

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

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

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

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

**General.** The Town is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Town so as to prevent abuses in the exercise of such powers; however, as has been noted under "Nature of Obligation", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law imposes a statutory limitation on the Town's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limitation Law. See "Tax Levy Limitation Law," herein.

### **Statutory Procedure**

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

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

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

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

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

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

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

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

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

**Computation of Debt Limit and Calculation of Net Debt Contracting Margin**  
(As of June 17, 2026)

Fiscal Year Ending <u>December 31:</u>	<u>Assessed Valuation</u>	State Equalization <u>Rate (%)</u>	<u>Full Valuation</u>
2021	\$3,064,731,001	100	\$3,064,731,001
2022	3,366,873,830	100	3,366,873,830
2023	3,718,391,520	100	3,718,391,520
2024	4,229,481,026	100	4,229,481,026
2025	4,547,621,496	100	<u>4,547,621,496</u>
Total Five Year Full Valuation			\$18,927,098,873
Average Five Year Full Valuation			3,785,419,775
Debt Limit - 7% of Average Full Valuation			264,979,384
 Inclusions:			
Outstanding Bonds:			
General Purpose Bonds			14,617,463
Sewer Purpose Bonds			1,877,980
Water Purpose Bonds			4,829,557
Bond Anticipation Notes			<u>915,000</u>
Total Inclusions			<u>22,240,000</u>
 Exclusions:			
Water Debt			4,829,557
Bond Appropriations			<u>845,000</u>
Total Exclusions			5,674,557
Total Net Indebtedness			<u>16,565,443</u>
Net Debt Contracting Margin			<u><u>\$248,413,941</u></u>
Percent of Debt Limit Exhausted			6.25%

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

Fiscal Year Ending December 31:	Principal	Interest	Total
2026	\$2,100,000	\$708,222	\$2,808,222
2027	2,185,000	633,225	2,818,225
2028	2,270,000	554,678	2,824,678
2029	2,180,000	481,363	2,661,363
2030	1,480,000	423,075	1,903,075
2031	1,535,000	373,612	1,908,613
2032	1,575,000	328,175	1,903,175
2033	1,615,000	281,294	1,896,294
2034	1,485,000	232,866	1,717,866
2035	1,375,000	189,050	1,564,050
2036	1,415,000	146,669	1,561,669
2037	1,075,000	108,919	1,183,919
2038	875,000	79,388	954,388
2039	250,000	52,638	302,638
2040	265,000	42,975	307,975
2041	270,000	32,731	302,731
2042	280,000	22,288	302,288
2043	290,000	11,338	301,338
Totals	<u>\$22,520,000</u>	<u>\$4,702,503</u>	<u>\$27,222,504</u>

a. The subsidies received from the Environmental Facilities Corporation (EFC) have not been deducted from the interest due on loans through EFC. Does not reflect payments made to date.

**Trend of Town Indebtedness**

	Fiscal Year Ending December 31:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt Outstanding End of Year:					
Subject to Debt Limit:					
Bonds	\$25,145,000	\$23,165,000	\$26,444,016	\$24,554,016	\$22,520,000
BANs	<u>1,155,000</u>	<u>1,078,286</u>	<u>1,000,000</u>	<u>960,000</u>	<u>915,000</u>
Total Debt Outstanding	<u>\$26,300,000</u>	<u>\$24,243,286</u>	<u>\$27,444,016</u>	<u>\$25,514,016</u>	<u>\$23,435,000</u>

**Details of Short-Term Indebtedness Outstanding**

As of the date of this Official Statement, the Town has bond anticipation notes outstanding in the amount of \$915,000 maturing October 9, 2026.

### Authorized but Unissued Indebtedness

Date of Authorization	Purpose	Amount Authorized	Issued to Date	Authorized But Unissued
02/24/2020	Wildwood Sewer District Improvements	\$ 5,566,000	\$1,155,000	\$ 4,411,000
09/13/2021	Improvements of United Wappinger Water District	2,634,000	0	2,634,000
08/11/2025	Wildwood Sewer District Improvements	257,000	0	257,000
08/11/2025	Mid-Point Sewer District Improvements	257,000	0	257,000
08/11/2025	Fleetwood Sewer District Improvements	43,000	0	43,000
08/11/2025	Reconstruction and Resurfacing of Various Roads	2,300,000	0	2,300,000
08/11/2025	Reconstruction of Highway Garage	1,578,000	0	1,578,000
04/27/2026	Acquisition of Land (Cranberry Hill)	2,754,000	0	2,754,000
Total:		<u>\$15,389,000</u>	<u>\$1,155,000</u>	<u>\$14,234,000</u>

The Notes will provide original funding of \$6.4 million of authorized but unissued amount.

### Capital Project Plans

The Town of Wappinger is committed to maintaining and enhancing the public infrastructure, facilities, and services that support a growing and vibrant community of nearly 30,000 residents. Through disciplined financial management, strategic planning, and responsible investment, the Town continues to strengthen its infrastructure, improve public amenities, and preserve the long-term value of municipal assets while maintaining a strong fiscal position.

The Town is responsible for providing a broad range of municipal services on a town-wide basis, including the maintenance and improvement of transportation infrastructure, parks and recreational facilities, drainage systems, public amenities, and special district infrastructure. The Town maintains an extensive roadway network that requires ongoing resurfacing, reconstruction, drainage improvements, snow and ice control operations, and the periodic replacement of highway equipment necessary to support efficient public works operations.

The Town also owns, operates, and continually improves numerous parks, recreational facilities, waterfront assets, and community gathering spaces that contribute significantly to the quality of life enjoyed by residents and visitors. Through its special assessment districts, the Town finances, maintains, and upgrades water supply and distribution infrastructure, ensuring the continued delivery of essential public services. Future capital expenditures may be authorized by the Town Board as necessary to address infrastructure needs, economic development opportunities, public safety priorities, and community growth.

Since 2024, the Town has undertaken the largest and most comprehensive capital improvement initiative in its history. Guided by a long-term vision for infrastructure modernization and community enhancement, Town leadership has aggressively pursued investments designed to address deferred maintenance, improve public safety, expand recreational opportunities, strengthen environmental resiliency, and enhance the overall attractiveness of the community.

Between 2024 and 2025, the Town initiated or completed eleven major capital projects representing millions of dollars in public investment. These projects include the construction of a new waterfront live-performance stage, reconstruction of the Town's Hudson River boat launch and docking facilities, restoration and reopening of a historic event venue within one of the Town's premier parks, construction of critical stormwater and drainage infrastructure, installation of new playgrounds and recreational amenities, expansion of park facilities, and the reconstruction and paving of approximately thirty Town-owned roads.

In addition to these completed and ongoing projects, the Town continues to advance a comprehensive infrastructure strategy focused on roadway rehabilitation, drainage improvements, park modernization, waterfront revitalization, public facility upgrades, and the preservation of critical municipal assets. These investments are intended not only to improve current service delivery but also to extend the useful life of public infrastructure, reduce future maintenance liabilities, and enhance the long-term value of municipal facilities.

The Town's capital program has been distinguished by its ability to leverage external funding sources, including grants, intergovernmental partnerships, and other non-taxpayer revenue streams. By aggressively pursuing outside funding opportunities, the Town has successfully maximized the impact of local investment while minimizing the burden on taxpayers and preserving financial flexibility for future needs.

These investments have generated tangible benefits throughout the community, improving transportation safety, enhancing recreational opportunities, strengthening environmental protections, increasing public access to the Hudson River waterfront, supporting local businesses, and improving the overall quality of life for residents. The Town's commitment to strategic investment has also enhanced its ability to attract new residents, encourage private-sector investment, and support sustainable economic growth.

The successful execution of this unprecedented capital improvement program demonstrates the Town's strong management practices, operational capacity, and commitment to long-term fiscal stewardship. The Town Board continues to evaluate capital needs through a disciplined planning process that prioritizes projects based on public benefit, asset preservation, infrastructure resiliency, and financial sustainability.

As Wappinger continues to grow and evolve, Town leadership remains committed to investing in the infrastructure and community assets necessary to support future generations while maintaining the sound financial practices that have positioned the Town for continued success. The Town's ongoing commitment to infrastructure modernization, economic vitality, and responsible fiscal management reflects a forward-looking vision designed to protect and enhance the value of the community for residents, businesses, and investors alike.

**Calculation of Estimated Overlapping and Underlying Indebtedness**

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Dutchess	3/31/2026	9.24	\$26,936,910	\$25,989,810
Village of Wappinger Falls	09/21/2021	83.51	23,933,608	6,358,518
School District:				
Wappinger CSD	12/18/2025	87.39	82,103,411	82,103,411
Arlington CSD	05/29/2025	1.78	875,404	253,867
Beacon City CSD	5/27/2026	5.77	2,097,104	1,917,831
Totals			<u>\$135,946,437</u>	<u>\$116,623,437</u>

Sources: State Comptroller’s Special Report on Municipal Affairs or more recently published Official Statements.

**Debt Ratios**  
(As of June 17, 2026)

	<u>Amount</u>	<u>Per Capita<sup>a</sup></u>	<u>Percentage Of Full Value (%)<sup>b</sup></u>
Total Direct Debt	\$22,240,000	\$789	0.49
Net Direct Debt	16,565,443	587	0.36
Total Direct & Applicable Total Overlapping Debt	158,186,437	5,609	3.48
Net Direct & Applicable Net Overlapping Debt	133,188,880	4,723	2.93

- a. The current estimated population of the Town is 28,203.
- b. The full valuation of taxable real property in the Town for 2024-25 is \$4,547,621,496.

## **FINANCES OF THE TOWN**

### **Independent Audit Procedures**

The financial statements of the Town are audited annually by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2023. The Town also prepares an Unaudited Annual Financial Report (“AFR”) for filing with the Official to State comptroller. The Annual Financial Report for fiscal year ended December 31, 2025 is attached as Appendix C. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller (“OSC”) to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

The Statements of Revenues, Expenditures and Changes in Fund Balances presented in Appendix A of this Statement are based on the Annual Financial Reports of the Town for the 2021-2025 fiscal years.

#### *Fund Structure and Accounts*

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

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) enterprise funds that account for operations of a commercial nature; and, (3) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Town presently maintains the following major governmental funds: General Fund, Police District, Town Outside Village, Community Preservation, Highway, Public Safety and the Capital Projects Fund. Fiduciary funds consist of a Trust and Agency Fund. There are three enterprise funds - golf course, beaches and marinas, and waste management. Account groups are maintained for fixed assets and long-term debt.

#### *Basis of Accounting*

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

Expenditures are generally recognized under the modified accrual basis of accounting that is when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems, which are recorded in the General Long-Term Debt Account Group and recognized as an expenditure when due, and (2) un-matured interest on general long-term debt, which is recognized when due.

### **Investment Policy**

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

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

### **Financial Operations**

The Town Supervisor functions as the chief fiscal officer as provided in Section 2 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities. In addition, the Town Supervisor is the Town's budget officer and must therefore prepare the annual tentative budget for submission to the Town Board. Budgetary control during the year is the responsibility of the Supervisor. Pursuant to Section 30.00 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

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

Town finances are operated primarily through the General Fund. All real property taxes and most of the other Town revenues are credited to this fund. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has water and sewer departments, which are accounted for within separate funds. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year for operating and reporting purposes.

### **Revenues**

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

#### *Real Property Taxes*

See "Real Property Tax Information", herein.

### **State Aid**

Based on the unaudited financial reports of the Town, the Town received approximately 14.73% of its total General Fund operating revenue from State aid in 2025. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and has the ability to reduce funding to municipalities and school districts in order to balance its own budget.

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

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

The following table sets forth the percentage of the Town’s General Fund revenue comprised of State Aid for each of the fiscal years 2021 through 2025 and as budgeted for 2026.

<u>Fiscal Year Ended</u> <u>December 31:</u>	<u>General Fund</u> <u>Total Revenue</u>	<u>State Aid</u>	<u>State Aid To</u> <u>Revenues (%)</u>
2021	\$7,963,891	\$1,298,552	16.31
2022	8,636,429	1,010,804	11.70
2023	8,097,105	785,400	9.70
2024	8,863,177	817,592	9.22
2025	8,562,347	1,261,463	14.73
2026 (budgeted)	9,375,654	739,400	7.89

Source: Audited financial statements (2021-2023), Annual Financial Reports (2024-2025) and the Adopted Budgets (2026). Table itself is not audited. Audited results may vary.

### **Expenditures**

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

#### **Results of Operations 2025 (Unaudited)**

The Town's revenues exceeded its expenditures by \$488,396 in its General Fund for the fiscal year which ended December 31, 2025, which resulted in an increase in fund balance from \$3,781,530 at the beginning of the fiscal year to \$4,269,926 at the end of the fiscal year. Note: Audited results may vary herein.

#### **Results of Operations 2024 (Unaudited)**

The Town's revenues exceeded its expenditures by \$79,540 in its General Fund for the fiscal year which ended December 31, 2024, which resulted in an increase in fund balance from \$3,701,990 at the beginning of the fiscal year to \$3,781,530 at the end of the fiscal year. Note: Audited results may vary herein. The 2024 audited financial statement is near completion and is expected to be available third quarter of 2026.

#### **Results of Operations 2023(Audited)**

The Town's revenues exceeded its expenditures by \$303,340 in its General Fund for the fiscal year which ended December 31, 2022, which resulted in an increase in fund balance from \$3,264,647 at the beginning of the fiscal year to \$3,567,987 at the end of the fiscal year.

#### **Results of Operations 2022 (Audited)**

The Town's revenues exceeded its expenditures by \$812,924 in its General Fund for the fiscal year which ended December 31, 2022, which resulted in an increase in fund balance from \$2,451,723 at the beginning of the fiscal year to \$3,264,647 at the end of the fiscal year.

#### **Results of Operations 2021 (Audited)**

The Town's revenues exceeded its expenditures by \$50,903 in its General Fund for the fiscal year which ended December 31, 2021, which resulted in an increase in fund balance from \$2,400,820 at the beginning of the fiscal year to \$2,451,723 at the end of the fiscal year.

### **Sales Tax**

The Town receives a share of the County sales tax. The County currently imposes a local 3.75% sales tax in addition to the 4.25% State tax. Such taxes are collected and administered by the State Tax Commission and the proceeds are paid monthly to the County.

The current 3.75% sales tax is a result of a 0.75% tax rate increase which became effective on June 1, 2005. Pursuant to Chapter 528 of the Laws of 2007, the State Legislature authorized a two-year extension of the 0.75% increase in the County’s sales tax rate. The County Legislature amended the 1975 resolution enacting the County’s sales tax by resolution 207259 which was signed by the County Executive on September 20, 2007. The additional 0.75% sales tax rate continues.

Pursuant to a 10-year agreement starting in 2014, the County capped the amount of sales tax that will be distributed to municipalities in the County to \$25 million for future fiscal years. This results in municipalities receiving approximately 85% of the sales tax previously received. To offset the impact to local municipalities, Dutchess County Government absorbed half of the 2011 and 2012 election costs due to be paid to the County and assumed full cost of elections starting in 2013. Following the expiration of the 2014 framework, a new 10-year sales tax agreement took effect on March 1, 2023, and will run through 2031. The new agreement eliminate the capped amount of sales tax that would be distributed and will pay towns their exact percentage as the county collects it. Towns and villages in Dutchess County will collectively receive a fixed 9.5% share of the total gross county sales tax revenue.

The following table sets forth total general fund revenues and sale taxes received for each of the past five fiscal years ended December 31 and the amounts budgeted for the most recent fiscal year.

**General Fund Revenues & Sales Tax <sup>a</sup>**

Fiscal Year Ended <u>December 31:</u>	General Fund <u>Total Revenue</u>	<u>Sales Tax</u>	Sales Tax to <u>Revenues (%)</u>
2021	\$7,963,891	\$2,247,240	28.22
2022	8,636,429	2,465,002	28.54
2023	8,097,105	2,046,029	25.27
2024	8,863,177	2,121,009	23.93
2025	8,562,347	2,689,503	31.41
2026 (budgeted)	9,375,654	2,400,302	25.60

a. General Fund, Town Wide and Part Town. Exclusive of the financing sources and appropriate fund balance. Audited results may vary.

Source: Audited financial statements (2021-2023), Annual Financial Reports (2024-2025) and the Adopted Budgets (2026). Table itself is not audited. Audited results may vary.

**The State Comptroller’s Fiscal Stress Monitoring System**

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

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

The most current applicable report of the State Comptroller designates the Town as “No Designation”. (Fiscal Score: 1.7%, Environmental Score: 0.0%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, the Office of the State Comptroller helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit performed was released on March 5, 2021. The purpose of such audit was to determine whether Town Officials developed adequate controls to ensure Recreation Department cash collected is accurately recorded and deposited timely and intact. The complete report may be found on the State Comptroller’s official website.

See the State Comptroller’s official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

## Pension Systems

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS" or the "Retirement System"). The Retirement System is a cost-sharing multiple public employee retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. Members hired on or after January 1, 2010 must contribute toward the costs of retirement programs throughout employment.

On December 10, 2009, a Tier V pension was signed into law. The law is effective for new ERS employees hired after January 1, 2010 and before April 2, 2012. Tier V ERS employees contribute 3% of their salaries; however, there is no provision for these contributions to cease after a certain period of service.

On March 26, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a Tier VI for employees hired after April 1, 2012. The new pension tier has progressive contribution rates between 3% and 6% which must be made throughout employment, it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter, vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more. No current employees were affected by this legislation.

The New York State Retirement System allows municipalities to make employer contribution payments in December, at a discount, or the following February, as required. The Town opted to make its pension payments in December 2013, 2014 and 2015 in order to take advantage of the discount.

Due to poor performance of the investment portfolio of the State Retirement System ("SRS"), the employer contribution rates for required pension contributions to the SRS have increased. To help mitigate the impact of such increases, legislation was enacted that permitted local governments to amortize a portion of such contributions. Under such legislation, local governments that choose to amortize will be required to set aside and reserve funds with the SRS for certain future rate increases.

The Town has not and does not reasonably expect to amortize such contributions in the foreseeable future.

Beginning July 1, 2013, a voluntary defined contribution plan option was made available to all unrepresented employees of New York State public employers hired on or after that date, and who earn \$75,000 or more on an annual basis.

In Spring 2013, the State and ERS approved a Stable Contribution Option ("SCO"), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage spikes in Actuarially Required Contributions rates ("ARCs"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount. For ERS, the 2014-15 SCO rate is 12%. The rates applicable to 2016 and thereafter are subject to adjustment.

The Town did not and has no plans to participate in the SCO.

On September 1, 2017, the State Comptroller announced for Fiscal Year 2018-19, the average contribution rates for ERS will decrease from 15.5% to 14.9%, and the average contribution rate for PFRS will decrease from 24.4% to 23.5%. Projections of required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees amount the six retirement tiers.

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

**Contributions to the Retirement Systems**

<u>Fiscal Year Ending</u> <u>December 31:</u>	<u>Amount of</u> <u>Contribution</u>
2021	\$466,675
2022	440,059
2023	444,616
2024	476,428
2025	560,357
2026 (Budgeted)	643,000

**Other Post-Employment Benefits**

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

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

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

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

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

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

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

Total OPEB Liability at Dec 31, 2023	<u>\$4,356,247</u>
Charges for the Year:	
Service Cost	159,304
Interest	145,296
Effect of Economic Gains or Losses	1,571,025
Changes in Assumptions or Other Inputs	(57,382)
Benefit Payments	<u>(107,126)</u>
Net Changes in total OPEB liability	<u>1,711,117</u>
Total OPEB Liability at Dec 31, 2024	<u>\$6,067,364</u>

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

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. The Town continues funding the expenditure on a pay-as-you-go basis.

### REAL PROPERTY TAX INFORMATION

#### Real Property Taxes

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

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

#### Tax Levy and Collection Record

	Fiscal Year Ending December 31:				
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Taxable Value	\$3,366,873,830	\$3,718,391,520	\$3,946,094,301	\$4,243,597,324	\$4,244,253,184
Equalization Rate	100%	100%	100%	100%	100%
Full Value	3,366,873,830	3,718,391,520	3,946,094,301	4,243,597,324	4,244,253,184
Property Taxes					
General & Highway	6,400,625	6,899,618	7,007,142	7,120,402	7,074,826
Special Town <sup>a</sup>	5,670,491	5,543,492	5,758,137	5,758,137	6,914,466
Amount Uncollected <sup>b</sup>	None	None	None	None	None
Tax Rate <sup>c</sup>					
General & Highway					
Homestead	\$1.84	\$1.81	\$1.71	\$1.68	\$1.48
Non-Homestead	3.60	3.55	3.33	3.17	2.89

a. Includes Water, Sewer, Lighting, Park, Drainage, Ambulance, Library and Fire.

b. See Tax Collection Procedures on the following page.

c. Town outside Village tax rate per \$1,000 assessed value.

Source: Office of the Town Supervisor and the State Office of Real Property Tax Services (the “ORPTS”).

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

**General Fund Revenues & Real Property Taxes**

<u>Fiscal Year Ended December 31:</u>	<u>General Fund Total Revenue</u> <sup>a</sup>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues (%)</u>
2021	\$7,963,891	\$2,716,206	34.11
2022	8,636,429	2,814,454	32.59
2023	8,097,105	2,814,454	34.76
2024	8,863,177	3,196,610	36.07
2025	8,562,347	3,211,065	37.50
2026 (budgeted)	9,375,654	3,412,442	36.40

a. General Fund, Town Wide and Part Town. Exclusive of the financing sources and appropriated fund balance. Audited results may vary.

Source: Audited financial statements (2021-2023), Annual Financial Reports (2024-2025) and the Adopted Budgets (2026). Table itself is not audited. Audited results may vary.

**Tax Collection Procedure**

Taxes may be paid in full or in three installments. No penalty is imposed on payments made by February 28<sup>th</sup>. Penalties on both delinquent taxes and installments paid subsequent to February 28<sup>th</sup> are imposed as follows: 2% on payments made from March 1<sup>st</sup> to May 31<sup>st</sup> and 4% on payments made from June 1<sup>st</sup> to August 31<sup>st</sup>. Unpaid tax bills are returned to the Dutchess County Commissioner of Finance in September. At such time, the Town retains the total amount of Town, Highway and Special Town levies from the total collections and returns the balance plus the uncollected items to the County, which assumes responsibility for ultimate collection and enforcement of delinquent taxes and holds annual tax sales.

**Large Taxable Properties  
2025 Assessment Roll<sup>a</sup>**

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Central Hudson Gas and Electric	Utility	\$118,089,801
Chelsea DHC, LLC	Rental Apartments	93,454,800
HP Coolidge Maloney Road, LLC	Rental Apartments	19,576,187
Riverbend at Wappingers Falls	Rental Apartments	16,335,000
MYCOR Holdings	Office Building	15,820,900
Imperial Gardens, LLC	Rental Apartments	15,650,000
DP123-DP126, LLC	Large Retail	15,435,000
Con Edison of NY, Inc.	Utility	11,842,827
165 Myers Corners Property	Office Building	11,550,000
Wappingers Shopping Center, LLC	Large Retail	10,188,000
	<b>Total<sup>a</sup></b>	<b><u><u>\$327,942,515</u></u></b>

a. Represents 7.21% of the total taxable Assessed Valuation of the Town for 2025.

## **Tax Certiorari Claims**

In common with other municipalities, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of Town taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money.

## **LITIGATION**

In common with other towns, the Town from time to time receives notices of claim and is party to litigation. In the opinion of the attorney for the Town, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Town has not asserted a substantial and adequate defense, nor which, if determined against the Town, would have a adverse material effect on the financial condition of the Town, in view of the Town's ability to fund the same through use of appropriate funding mechanisms provided by the Local Finance Law.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Town, threatened against or affecting the Town to restrain or enjoin sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the Town taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the Town.

## **CYBERSECURITY**

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

## **MARKET AND RISK FACTORS**

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

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

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

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

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

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

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

## **TAX MATTERS**

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

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

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

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

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

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

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

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

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

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

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

## **LEGAL MATTERS**

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

## **RATING**

The Notes are not rated. Standard & Poor’s Corporation (“S&P”) has assigned a rating of “AA+” to the outstanding bonds of the Town. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Notes or the availability of a secondary market for such Notes.

## **MUNICIPAL ADVISOR**

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

## **OTHER MATTERS**

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

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

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

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

## ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of Daniel Tucker, Town Comptroller, Town of Wappinger, 20 Middlebush Road, Wappingers Falls, New York 12590, telephone number (845) 297-0060, and email: DTucker@townofwappingerny.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>.

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

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

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

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

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

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

TOWN OF WAPPINGER, NEW YORK

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By: s/s JOSEPH D. CAVACCINI  
Town Supervisor and Chief Fiscal Officer

June , 2026

**APPENDIX A**

**FINANCIAL INFORMATION**

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

Fiscal Year Ending December 31, 2025

	<u>General Fund</u> <u>Town-Wide*</u>	<u>General Fund</u> <u>Part-Town</u>	<u>Highway</u> <u>Fund</u>	<u>Water</u> <u>Fund</u>	<u>Sewer</u> <u>Fund</u>
<b>Assets:</b>					
Cash	\$ 6,537,902	\$ 4,989,620	\$ 2,143,275	\$ 7,708,028	\$ 404,834
Restricted Cash	108,800	164,050	28,077	86,694	482,882
Other Receivables	729,946	133,822		250,803	562,415
Leases Receivables	1,550,055				
Due from Other Funds	1,797,157	2,754,736	1,372,239	23,645	4,624,521
Due from Other Governments		643,161			
Prepaid Expenses	<u>52,603</u>	<u>34,610</u>	<u>68,619</u>	<u>3,642</u>	<u>1,042</u>
Total Assets	<u>\$ 10,776,463</u>	<u>\$ 8,719,999</u>	<u>\$ 3,612,210</u>	<u>\$ 8,072,812</u>	<u>\$ 6,075,694</u>
<b>Liabilities:</b>					
Accounts Payable	\$ 226,181	\$ 21	\$ 82,794	\$ 18,211	\$ 313,551
Accrued Liabilities	62,536	13,659	65,601		
Guaranty & Bid Deposits		841,709	69,555		
Other Liabilities	187,468			248,646	
Due to Other Funds	4,463,340	23,937	67,478	4,049,284	495,478
Due to Other Governments	16,958				
Due to Employees Retirement System			153		
Deferred Revenues	<u>1,550,055</u>	<u>107,151</u>			
Total Liabilities	<u>6,506,538</u>	<u>986,477</u>	<u>285,581</u>	<u>4,316,141</u>	<u>809,029</u>
<b>Fund Balance:</b>					
Nonspendable	52,603	34,610	68,619	3,642	1,042
Restricted	510,535	969,963	28,077	86,694	482,882
Assigned	391,103	6,728,949	3,229,933	3,666,335	4,782,741
Unassigned	<u>3,315,684</u>				
Total Fund Balance	<u>4,269,925</u>	<u>7,733,522</u>	<u>3,326,629</u>	<u>3,756,671</u>	<u>5,266,665</u>
Total Liabilities and Fund Balance	<u>\$ 10,776,463</u>	<u>\$ 8,719,999</u>	<u>\$ 3,612,210</u>	<u>\$ 8,072,812</u>	<u>\$ 6,075,694</u>

\*Includes Miscellaneous Special Revenue (Parklands Trust Fund).

Source: Annual Financial Report (2025).

NOTE: This Schedule is NOT audited.

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

Fiscal Year Ending December 31, 2024

	General Fund Town-Wide*	General Fund Part-Town	Highway Fund	Water Fund	Sewer Fund
<b>Assets:</b>					
Cash	\$ 5,638,428	\$ 8,065,331	\$ 3,948,963	\$ 3,607,727	\$ 3,030,949
Restricted Cash	108,800	164,050	28,077	86,694	482,882
Other Receivables	120,395	54,690	19,660	538,321	603,882
Leases Receivables	1,550,055				
Due from Other Funds	1,830,864	77,940	84,977	15,322	1,386,786
Due from Other Governments					
Prepaid Expenses	<u>80,932</u>	<u>51,975</u>	<u>122,822</u>	<u>499</u>	<u>1,042</u>
Total Assets	<u>\$ 9,329,474</u>	<u>\$ 8,413,986</u>	<u>\$ 4,204,499</u>	<u>\$ 4,248,563</u>	<u>\$ 5,505,541</u>
<b>Liabilities:</b>					
Accounts Payable	\$ 1,359	\$ 21	\$ 185	\$ 5,991	\$ 5,186
Accrued Liabilities	8,165	22,267	5,499		
Guaranty & Bid Deposits	27,138	737,908	69,555		
Other Liabilities	2,267,275			5,229	
Due to Other Funds	1,147,747	155,875	10,255	1,262,609	502,879
Due to Other Governments	33,604				
Due to Employees Retirement System			153		
Deferred Revenues	<u>2,062,656</u>	<u>107,151</u>			
Total Liabilities	<u>5,547,944</u>	<u>1,023,222</u>	<u>85,647</u>	<u>1,273,829</u>	<u>508,065</u>
<b>Fund Balance:</b>					
Nonspendable	80,932	51,976	122,822	499	1,042
Restricted	490,321	1,154,839	28,077	86,694	482,882
Assigned	212,083	6,183,949	3,967,953	2,887,541	4,513,552
Unassigned	<u>2,998,194</u>				
Total Fund Balance	<u>3,781,530</u>	<u>7,390,764</u>	<u>4,118,852</u>	<u>2,974,734</u>	<u>4,997,476</u>
Total Liabilities and Fund Balance	<u>\$ 9,329,474</u>	<u>\$ 8,413,986</u>	<u>\$ 4,204,499</u>	<u>\$ 4,248,563</u>	<u>\$ 5,505,541</u>

\*Includes Miscellaneous Special Revenue (Parklands Trust Fund).

Source: Annual Financial Report (2024).

NOTE: This Schedule is NOT audited.

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

	Fiscal Year Ending December 31:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 2,716,206	\$ 2,814,454	\$ 2,969,732	\$ 3,596,222	\$ 3,816,320
Real Property Tax Items	127,379	161,434	211,260	172,916	118,775
Departmental Income	139,296	111,318	143,052	127,036	117,212
Use of Money and Property	255,757	312,948	425,519	538,019	664,265
Licenses & Permits	4,514	5,562	4,238	4,557	4,426
Fines & Forfeitures	309,020	372,281	272,541	383,795	306,550
Sale of Property & Compensation for Loss	21,008	282	5,065	819	152
Miscellaneous	294,064	374,883	321,062	18,974	273,684
State & Federal Aid	1,298,552	1,010,804	519,726	1,437,084	2,596,376
Total Revenues	<u>5,165,796</u>	<u>5,163,966</u>	<u>4,872,195</u>	<u>6,279,423</u>	<u>7,897,760</u>
<b>Expenditures:</b>					
General Government Support	2,264,098	2,216,583	2,227,468	2,907,994	2,678,588
Public Safety	32,428	32,795	33,032	36,296	51,745
Public Health	49,949	27,108	19,528	573,458	727,871
Transportation	183,233	188,268	197,237	182,568	216,155
Economic Assistance		5,000	1,836	131	4,490
Culture and Recreation	890,637	239,184	319,553	282,920	440,659
Home and Community Services	225,283	242,940	265,113	276,165	280,679
Employee Benefits	992,595	928,343	888,260	1,031,910	1,188,233
Capital Outlay	9,814	9,538	35,849		
Debt Service	466,856	456,642	530,979	436,017	455,568
Total Expenditures	<u>5,114,893</u>	<u>4,346,401</u>	<u>4,518,855</u>	<u>5,727,459</u>	<u>6,043,988</u>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In					94,938
Operating Transfers Out		(4,641)	(50,000)	(472,424)	(1,460,314)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(4,641)</u>	<u>(50,000)</u>	<u>(472,424)</u>	<u>(1,365,376)</u>
<b>Excess (Deficiency) of Revenues &amp; Other Financing Sources Over Expenditures &amp; Other Uses</b>					
	<u>50,903</u>	<u>812,924</u>	<u>303,340</u>	<u>79,540</u>	<u>488,396</u>
Fund Balance Beginning of Year	<u>2,400,820</u>	<u>2,451,723</u>	<u>3,264,647</u>	<u>3,567,987</u>	<u>3,781,530</u>
Prior Period Adjustments				<u>134,003</u>	
Fund Balance End of Year	<u>\$ 2,451,723</u>	<u>\$ 3,264,647</u>	<u>\$ 3,567,987</u>	<u>\$ 3,781,530</u>	<u>\$ 4,269,926</u>

\*Includes Miscellaneous Special Revenue (Parklands Trust Fund).

Source: Audited Financial Statements (2021-2023) & Annual Financial Report (2024 & 2025).

NOTE: This Schedule is NOT audited.

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Revenues:</b>					
Non-Property Tax Items	\$ 2,247,240	\$ 2,465,002	\$ 2,046,029	\$ 2,121,009	\$ 2,689,503
Departmental Income	214,746	581,964	577,085	262,544	316,802
Use of Money and Property	2,782	28,326	164,016	156,948	282,396
Licenses & Permits	322,513	326,379	415,541	369,100	376,188
Sale of Property & Compensation for Loss			1,008	26,790	2,573
Miscellaneous	10,814	45,061	21,231	79,461	128,639
State & Federal Aid		25,731			127,971
<b>Total Revenues</b>	<u>2,798,095</u>	<u>3,472,463</u>	<u>3,224,910</u>	<u>3,015,852</u>	<u>3,924,072</u>
<b>Expenditures:</b>					
General Government Support	111,753	159,814	168,230	388,095	275,041
Public Safety	443,629	515,406	570,367	565,660	665,706
Transportation	51,098	61,659	63,992	57,796	68,985
Economic Assistance	12,903	7,080	5,293	1,983	3,718
Culture and Recreation	123,848	783,087	959,827	2,006,156	2,863,926
Home and Community Services	211,145	513,398	583,010	271,872	335,674
Employee Benefits	355,975	594,341	544,754	674,798	768,063
Capital Outlay	13,340	9,386	110,958		
Debt Service	48,480	43,235	30,151		30,232
<b>Total Expenditures</b>	<u>1,372,171</u>	<u>2,687,406</u>	<u>3,036,582</u>	<u>3,966,360</u>	<u>5,011,345</u>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In				472,424	1,460,314
Operating Transfers Out		(185,731)			(30,103)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(185,731)</u>	<u>0</u>	<u>472,424</u>	<u>1,430,211</u>
<b>Excess (Deficiency) of Revenues &amp; Other Financing Sources Over Expenditures &amp; Other Uses</b>					
	<u>1,425,924</u>	<u>599,326</u>	<u>188,328</u>	<u>(478,084)</u>	<u>342,938</u>
<b>Fund Balance Beginning of Year</b>	<u>5,655,270</u>	<u>7,081,194</u>	<u>7,680,520</u>	<u>7,868,848</u>	<u>7,390,764</u>
<b>Prior Period Adjustments</b>					<u>(180)</u>
<b>Fund Balance End of Year</b>	<u>\$ 7,081,194</u>	<u>\$ 7,680,520</u>	<u>\$ 7,868,848</u>	<u>\$ 7,390,764</u>	<u>\$ 7,733,522</u>

Source: Audited Financial Statements (2021-2023) & Annual Financial Report (2024 & 2025).

NOTE: This Schedule is NOT audited.

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

Fiscal Year Ending December 31:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 3,339,175	\$ 3,586,171	\$ 3,929,886	\$ 4,094,557	\$ 3,862,384
Non-Property Tax Items	573,149	460,847	613,710		
Department Income					
Use of Money and Property	1,887	17,019	107,215	93,884	169,468
Licenses and Permits	9,294	2,400	1,950	2,700	13,950
Sale of Property & Compensation for Loss	194	19,637	71,658		9,275
Miscellaneous	9,973	85,382	23,813	115,475	106,854
State & Federal Aid	<u>433,537</u>	<u>422,603</u>	<u>456,553</u>	<u>457,258</u>	<u>486,352</u>
Total Revenues	<u>4,367,209</u>	<u>4,594,059</u>	<u>5,204,785</u>	<u>4,763,874</u>	<u>4,648,283</u>
<b>Expenditures:</b>					
General Support	99,544	56,632	65,258	12,370	40,000
Transportation	1,936,299	2,052,597	2,562,072	2,875,192	3,162,073
Employee Benefits	832,525	936,592	807,272	907,660	1,003,913
Capital Outlay	18,690	446,268	557,582		
Debt Service	<u>720,884</u>	<u>834,290</u>	<u>940,621</u>	<u>1,082,558</u>	<u>1,234,623</u>
Total Expenditures	<u>3,607,942</u>	<u>4,326,379</u>	<u>4,932,805</u>	<u>4,877,780</u>	<u>5,440,609</u>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In					103
Operating Transfers (Out)					
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>103</u>
<b>Excess (Deficiency) of Revenues &amp; Other Financing Sources Over Expenditures &amp; Other Uses</b>					
	<u>759,267</u>	<u>267,680</u>	<u>271,980</u>	<u>(113,906)</u>	<u>(792,223)</u>
Fund Balance Beginning of Year	<u>2,933,831</u>	<u>3,693,098</u>	<u>3,960,778</u>	<u>4,232,758</u>	<u>4,118,852</u>
Prior Period Adjustments					
Fund Balance End of Year	<u>\$ 3,693,098</u>	<u>\$ 3,960,778</u>	<u>\$ 4,232,758</u>	<u>\$ 4,118,852</u>	<u>\$ 3,326,629</u>

Source: Audited Financial Statements (2021-2023) & Annual Financial Report (2024 & 2025).

NOTE: This Schedule is NOT audited.

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

	Fiscal Year Ending December 31:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 1,147,585	\$ 1,469,895	\$ 932,076	\$ 893,038	\$ 982,587
Departmental Income	1,485,480	1,882,037	1,755,380	1,937,259	2,523,833
Use of Money and Property	826	19,660	75,049	94,508	
Licenses and Permits	33,300	65,830	37,100	48,990	6,400
Miscellaneous	1,984			6	
Sale of Property and Comp. for Loss	4,824	535	1,716	1,978	2,610
Total Revenues	2,673,999	3,437,957	2,801,321	2,975,779	3,515,430
<b>Expenditures:</b>					
General Support	27,523	20,447	26,010	23,249	50,000
Home and Community Services	1,659,910	1,556,199	1,614,742	1,712,858	1,781,902
Employee Benefits	3,715	3,403	2,679	1,490	1,577
Capital Outlay					
Debt Service	1,108,507	1,121,256	913,065	1,016,807	873,285
Total Expenditures	2,799,655	2,701,305	2,556,496	2,754,404	2,706,764
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In					7,449
Operating Transfers (Out)	(300,764)				(34,178)
Total Other Financing Sources (Uses)	(300,764)	0	0	0	(26,729)
<b>Excess (Deficiency) of Revenues &amp; Other Financing Sources Over Expenditures &amp; Other Uses</b>					
	(426,420)	736,652	244,825	221,375	781,937
Fund Balance Beginning of Year	2,198,302	1,771,882	2,508,534	2,753,359	2,974,734
Prior Period Adjustments					
Fund Balance End of Year	\$ 1,771,882	\$ 2,508,534	\$ 2,753,359	\$ 2,974,734	\$ 3,756,671

Source: Audited Financial Statements (2021-2023) & Annual Financial Report (2024 & 2025).

NOTE: This Schedule is NOT audited.

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

Fiscal Year Ending December 31:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 869,735	\$ 370,068	\$ 362,548	\$ 224,810	\$ 308,578
Departmental Income	2,449,789	2,598,806	2,571,187	3,411,404	3,036,330
Use of Money and Property	67,448	34,907	124,568	86,429	
Licenses and Permits	4,800				
Miscellaneous	113,327	2,455			
Total Revenues	<u>3,505,099</u>	<u>3,006,236</u>	<u>3,058,303</u>	<u>3,722,643</u>	<u>3,344,908</u>
<b>Expenditures:</b>					
Governmental Support	46,021	25,902	19,715	56,155	96,272
Home and Community Services	2,179,114	2,255,285	2,262,094	2,964,007	2,610,033
Employee Benefits	2,619	2,882	1,467	344	
Debt Service	882,271	228,351	255,545	246,878	301,205
Total Expenditures	<u>3,110,025</u>	<u>2,512,420</u>	<u>2,538,821</u>	<u>3,267,384</u>	<u>3,007,510</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In	20,514	20,532			14,356
Transfers (Out)	(20,514)	(20,532)			(82,565)
Proceeds from Issuance of Debt			814,016		
Bond Premium			55,919		
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>869,935</u>	<u>0</u>	<u>(68,209)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>395,074</u>	<u>493,816</u>	<u>1,389,417</u>	<u>455,259</u>	<u>269,189</u>
Fund Balance Beginning of Year	<u>3,417,136</u>	<u>3,812,210</u>	<u>4,306,026</u>	<u>5,490,438</u>	<u>4,997,476</u>
Prior Period Adjustments			<u>(205,005) a</u>	<u>(948,221) a</u>	
Fund Balance End of Year	<u>\$ 3,812,210</u>	<u>\$ 4,306,026</u>	<u>\$ 5,490,438</u>	<u>\$ 4,997,476</u>	<u>\$ 5,266,665</u>

Source: Audited Financial Statements (2021-2023) & Annual Financial Report (2024 & 2025).

NOTE: This Schedule is NOT audited.

a. The Town recorded prior period adjustments as of January 1, 2023 for *Accounts Payable* recorded in the wrong year, with the amount: \$(205,005)

**Budget Summaries**  
**General Fund**

	Fiscal Year Ended December 31:	
	2025	2026
Revenues:		
Real Property Taxes & Tax Items	\$ 3,230,492	\$ 3,412,442
Departmental Income	114,950	146,500
Use of Money and Property	340,000	441,799
Licenses and Permits	5,000	4,000
Fines and Forfeitures	400,300	380,300
Miscellaneous Local Sources	140,000	182,000
Interfund Transfers	94,938	96,950
State and Federal Aid	736,900	739,400
Appropriated Fund Balance	67,216	241,384
Total Revenues	\$ 5,129,796	\$ 5,644,775
Expenditures:		
General Government Support	\$ 2,904,532	\$ 2,967,234
Public Safety	59,048	45,101
Health	12,000	12,000
Transportation	216,258	296,281
Economic Assistance and Opportunity	5,500	5,000
Culture and Recreation	258,639	317,078
Home and Community Services	262,900	169,300
Employee Benefits	1,064,650	1,143,100
Debt Service	346,269	451,682
Transfer to Capital Projects		238,000
Total Expenditures	\$ 5,129,796	\$ 5,644,775

Source: Adopted Budgets of the Town.

**APPENDIX B**

**FORM OF BOND COUNSEL'S OPINION**

July 8, 2026

Town of Wappinger,  
County of Dutchess,  
State of New York

Re: Town of Wappinger, Dutchess County, New York  
\$5,611,000 Bond Anticipation Note, 2026

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a \$5,611,000 Bond Anticipation Note, 2026 (the "Obligation"), of the Town of Wappinger, Dutchess County, New York (the "Obligor"), dated July 8, 2026, numbered \_\_\_\_\_, of the denomination of \$ \_\_\_\_\_, bearing interest at the rate of \_\_\_\_\_ % per annum, payable at maturity, and maturing July 8, 2027.

We have examined:

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

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

In our opinion:

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

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

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

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

Very truly yours,

/es

**APPENDIX C**

**UNAUDITED ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

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