

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE 30, 2026**

**NEW ISSUE  
SERIAL BONDS**

**See “RATING” herein**

*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 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Bonds 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 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). 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 Bonds. See “Tax Matters” herein.*

*The Town WILL NOT designate the Bonds as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.*

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

**\$14,594,000\***

**PUBLIC IMPROVEMENT (SERIAL) BONDS, 2026  
(the “Bonds”)**

**Dated: Date of Delivery**

**Due: July 15, 2027 – 2046**

The Bonds are general obligations of the Town of Orangetown, Rockland County, New York (the “Town”), and all of the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the “Tax Levy Limit Law”). (See “Tax Levy Limit Law” herein.)

The Bonds will be dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable on July 15, 2027, and semiannually thereafter on January 15 and July 15 in each year until maturity. The Bonds shall mature on July 15 each year in the principal amounts specified on the inside cover page hereof. The Bonds will be subject to redemption prior to maturity as described herein. (See “Optional Redemption” herein.)

The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as the securities depository for the Bonds. Individual purchases may be made in book-entry only form in the principal amount of \$5,000 or any integral multiple thereof, except for one necessary odd denomination in the first maturity which is or includes \$9,000. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. (See “Book-Entry-Only System,” herein.)

The Bonds are offered subject to the respective final approving opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel, and certain other conditions. It is anticipated that the Bonds will be available for delivery through the offices of DTC in New York, New York or as otherwise agreed with the purchaser on or about July 28, 2026.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE TOWN FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”) EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS. FOR A DESCRIPTION OF THE TOWN’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING FOR THE BONDS” HEREIN.

DATED: July \_\_, 2026

\* Preliminary, subject to change.

This P This Preliminary Offering Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or the or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

The Bonds will mature on July 15, subject to optional redemption, in the following years and principal amounts:

<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>	<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>
2027	729,000				2037**	\$730,000			
2028	730,000				2038**	730,000			
2029	730,000				2039**	730,000			
2030	730,000				2040**	730,000			
2031	730,000				2041**	730,000			
2032	730,000				2042**	730,000			
2033	730,000				2043**	730,000			
2034	730,000				2044**	730,000			
2035**	730,000				2045**	730,000			
2036**	730,000				2046**	725,000			

\* The principal maturities of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Bond Sale.

\*\* The Bonds maturing in the years 2035 and thereafter will be subject to redemption prior to maturity, as described herein (see “*Optional Redemption*”).

\*\*\* CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as indicated above.

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

**TERESA M. KENNY**  
Supervisor

**TOWN BOARD**

Jerry Bottari ..... Councilmember  
Brian Donohue ..... Councilmember  
Dan Sullivan..... Councilmember  
Paul Valentine..... Councilmember

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Jeffrey Bencik ..... Director of Finance  
Janice Ganley ..... Supervisor of Fiscal Services  
Rosanna Sfraga. .... Town Clerk and Collector of Taxes  
Robert Magrino, Esq..... Town Attorney  
Brian Kenney. .... Town Assessor

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**BOND COUNSEL**

**Orrick, Herrington & Sutcliffe LLP**  
New York, New York

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**MUNICIPAL ADVISOR**



**CAPITAL MARKETS ADVISORS, LLC**  
*Long Island & Western New York*  
(516) 274-4502

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

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**OFFICIAL STATEMENT**

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

**Relating To**

**\$14,594,000\***

**PUBLIC IMPROVEMENT (SERIAL) BONDS, 2026  
(the “Bonds”)**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the Town of Orangetown, in the County of Rockland, in the State of New York (the “Town”, “County” and “State,” respectively) in connection with the sale of \$14,594,000\* Public Improvement (Serial) Bonds, 2026 (the “Bonds”).

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

**THE BONDS**

***Description***

The Bonds are dated their date of delivery and will bear interest from such date until maturity, payable on July 15, 2027, and semiannually thereafter on January 15 and July 15 until maturity. The Bonds shall mature on July 15 each year in the principal amounts specified on the inside cover page hereof. The Bonds will be subject to redemption prior to maturity as described herein. (See “*Optional Redemption*” herein.)

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 and integral multiples thereof, except for one necessary odd denomination in the first maturity which is or includes \$9,000. Purchasers will not receive certificates representing their ownership interests in the Bonds. Principal and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its Participants (defined herein), for subsequent disbursement to the Beneficial Owners of the Bonds as described under “*Book-Entry-Only System*,” herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Town referred to therein.

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

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\* Preliminary, subject to change.

## ***Authority for and Purpose of the Bonds***

The Bonds are issued pursuant to the Constitution and Laws of the State, including, among others, the General Municipal Law, Town Law, the Local Finance Law, and various bond resolutions duly adopted by the Town on various dates, for the objects or purposes listed below. The proceeds from the sale of the Bonds will be used to provide original financing for such objects or purposes as shown below:

<u>Purpose</u>	<u>Authorization Date</u>	<u>Amount Authorized</u>	<u>Amount to Bonds</u>
Purchase of IT Hardware	4/21/2026	\$75,000	\$75,000
Parks Department Trailer	4/21/2026	8,000	8,000
Parks Department Equipment	4/21/2026	240,000	240,000
Parks Department Building Improvements	4/21/2026	1,000,000	1,000,000
Police Department Building Improvements	4/21/2026	400,000	400,000
Golf Course Improvements	4/21/2026	5,300,000	5,300,000
Highway Department Equipment	4/21/2026	3,000,000	3,000,000
Road Resurfacing	4/21/2026	1,967,000	1,967,000
Purchase of Traffic Signals	4/21/2026	475,000	475,000
Sewer District Improvements	5/19/2026	<u>2,129,000</u>	<u>2,129,000</u>
	Totals:	<u>\$14,594,000</u>	<u>\$14,594,000</u>

## ***Optional Redemption***

The Bonds maturing on or before July 15, 2034 are not subject to redemption prior to their stated maturity. The Bonds maturing on or after July 15, 2035 will be subject to redemption prior to maturity, at the option of the Town, on any date on or after July 15, 2034, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The Town may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the Town shall determine to be in the best interest of the Town at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Town by lot in any customary manner of selection as determined by the Town. Notice of such call for redemption shall be given by transmitting such notice to the registered owner not less than thirty (30) days nor more than ninety (90) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

## ***Book-Entry-Only System***

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds 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 for 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each bond or note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s Money Market Instruments (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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue 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.

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Town, on 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 Bonds at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, bond and 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, bond and note certificates will be printed and delivered as applicable.

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

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE TOWN TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO OWNERS.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS ; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

### **NATURE OF OBLIGATION**

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

Holders of any series of bonds or notes 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 Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon 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 applicable statutory limitations.

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 New York New York 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 Bonds 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 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 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 City of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the City 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 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, 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.

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

**General Municipal Law Contract Creditors' Provision.** Each Bond and 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 Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

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

**Authority to File For Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as the Town, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

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

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

The rights of the owners of the Bonds to receive interest and principal from the Town could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Town (including the Bonds) 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 City 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 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 the 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 Towns 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 Towns 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 has not applied to FRB and does not reasonably anticipate doing so. 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, Town 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, Town 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, Town 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.

## **RISK FACTORS**

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

There can be no assurance that the State appropriation for State aid to school districts or municipalities will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget or the State's financial condition due to the ongoing COVID-19 pandemic and other circumstances, including fiscal stress. The Town is not very dependent on State aid, however, State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. (See "*State Aid*", "*Sales Tax*" and "*COVID-19 Stimulus and Uses*" herein).

Should the Town fail to receive monies expected from the State in the amounts and at the times expected, the Town is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

If and when a holder of any of the should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond will decline, causing the bondholder to incur a potential capital loss if such bond is sold prior to its maturity.

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

The enactment of Chapter 97 of the New York Laws of 2011 on June 24, 2011, which imposes a tax levy limitation upon municipalities, including the Town, school districts, and fire districts in the State could have an impact upon operations of the Town and as a result, the market price for the Bonds. (See "*Tax Levy Limit Law*," herein.)

## **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.

## **LITIGATION**

The Town is subject to a number of lawsuits in the ordinary conduct of its municipal affairs. Except as noted below, the Town Attorney is of the opinion that adverse decisions in those suits, either individually or in the aggregate, will not have a material adverse effect on the financial condition of the Town.

The Town Attorney has reviewed the status of pending individual cases, which may result in a judgment against the Town for an amount of at least \$1,000,000 and reports as follows:

There are no current litigation claims with potential liability in excess of \$1,000,000.00.

The Town is a defendant in numerous tax certiorari proceedings instituted by property owners in the Town, some of which seek refunds of tax payments made in excess of the above stated amount and/or reductions in assessment. The Town believes that it has material defenses to these claims which either support the challenged assessments, and, therefore, relieve the Town of any liability for refund, or significantly mitigate the Town's exposure thereon. In the event of a judgment against the Town, the Town is authorized under the provisions of the Local Finance Law to finance any such refund through the issuance of bonds and notes.

In addition to the aforementioned litigation, the Town and its officers and employees are defendants in numerous lawsuits. The Town does not believe, however, that such suits, if decided against the Town, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town and its ability to pay the principal and interest on the Bonds when due. The Town currently carries liability insurance coverage, which covers all liability claims after a self-insured payment on the first \$100,000 for each claim. This general liability coverage insures the Town up to \$10 million.

## **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 Bonds 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 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. A Complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendices D hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), 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 Bonds 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 Bonds is the first price at which a substantial amount of such maturity of the Bonds 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 Bonds accrues daily over the term to maturity of such Bonds 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 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds 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 Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, 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 Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

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

Certain 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds. Prospective purchasers of the Bonds 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 Bonds 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 Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Town or the owners regarding the tax-exempt status of the Bonds 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 bonds 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 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Town or the owners to incur significant expense.

Payments on the Bonds 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 Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. 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 incident to the authorization, issuance and sale of the Bonds 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 D.

## **DISCLOSURE UNDERTAKING**

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the Town has agreed to provide, or cause to be provided,

(1) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated July 14, 2026 of the Town relating to the Bonds under the headings "The Town", "Financial Factors", "Real Property Taxes", "Town Indebtedness", "Economic and Demographic Data", "Litigation", and Appendix B (other than any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2026, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2026 such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Town of whether such provision is

compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

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

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event 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; and (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 Bond holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Town, any of which reflect financial difficulties.

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

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

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) above, the term “Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into with, or pledged as security or source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB 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 Bonds; but the Town does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above; and

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

The Town reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the Town no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The Town acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of

the Town's obligations under its continuing disclosure undertaking and any failure by the Town to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The Town reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town; provided that, the Town agrees that any such modification will be done in a manner consistent with the Rule.

An undertaking to provide continuing disclosure as described above shall be provided to the Underwriter at the closing.

## **RATINGS**

The Town has applied to Moody's Investor Service, Inc ("Moody's") and Standard & Poor's Global Ratings ("S&P") for a rating on the Bonds. Such applications are pending at this time.

On July 10, 2024, Moody's affirmed the Town's underlying credit rating of "Aa2". The Town does not currently have a rating with S&P.

Such ratings reflect only the views of S&P and Moody's and any desired explanation of the significance of such ratings should be obtained from such rating agencies at the following address: Standard & Poor's Ratings Services, 55 Water Street, New York, NY 10041 and Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. There is no assurance that such ratings will continue for any given period of time or that one or more will not be revised downward or withdrawn entirely by the rating agency that issued it, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

## **MUNICIPAL ADVISOR**

Capital Market Advisors, LLC, has served as the independent Municipal Advisor to the Town in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Town to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

## **MISCELLANEOUS**

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

## ADDITIONAL INFORMATION

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 Debt*", herein.

Additional information may be obtained from Jeffrey Bencik, Director of Finance, at (845) 359-5100 or the Town's Municipal Advisor, Capital Markets Advisors, LLC at (516) 274-4502.

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

This Official Statement has been prepared only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or in part for any other purpose.

Orrick, Herington & Sutcliffe LLP, New York, New York, Bond Counsel to the Town, expresses no opinion as to the accuracy or completeness of the information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the Town will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Town.

The Official Statement is submitted only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or in part for any other purpose.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at [www.capmark.org](http://www.capmark.org). 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. Capital Markets Advisors, LLC 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 Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC 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. Capital Markets Advisors, LLC and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

TOWN OF ORANGETOWN  
ROCKLAND COUNTY, NEW YORK

By: \_\_\_\_\_  
Teresa M. Kenny  
Supervisor

DATED: July \_\_, 2026

**APPENDIX A**

**THE TOWN**

## **THE TOWN**

### ***General Information***

The Town, incorporated in 1788, is located in the southeastern portion of Rockland County, approximately 20 miles north of New York City and encompasses about 25 square miles. It includes the incorporated villages of Grand View-on-Hudson, Nyack and Piermont. School districts providing educational services within the Town include Nanuet Union Free School District, South Orangetown Central School District, Nyack Union Free School District and Pearl River Union Free School District. The population for the Town is 50,377 representing a 3.5% increase since 2020.

The Town is primarily residential in character, consisting of single family, two-family and apartment houses. Commercial facilities include the village business districts and shopping centers.

### ***The Village of South Nyack Dissolution***

The residents of the Village of South Nyack voted to dissolve the Village, effective March 31, 2022. Pursuant to Article 17-A of the New York General Municipal Law, properties located within the bounds of the former Village are serviced by the Town government in the same manner as all other areas that are located within the Town that are not located within an incorporated village. In total, the addition of the properties of the former Village added \$163,174,306 in taxable assessed value to the Town outside of Village (“TOV”) tax rolls. This equates to a 5.5% increase over the prior TOV assessment levels. At dissolution, the Village transferred over \$1.1 million in funds to the Town. Going forward, the Town created a separate taxing account entitled “Village of South Nyack Legacy Costs,” consisting of properties within the bounds of the former Village, which is used to pay for the healthcare benefits of retired Village of South Nyack employees and any other Village liabilities from funds of the former Village and/or through taxation of properties located within the former Village.

### ***Form of Government***

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

The legislative power of the Town is vested in the Town Board, which consists of five members, including the Supervisor, who is the chief executive officer and chief fiscal officer of the Town and is elected for a two-year term. The four other members of the Town Board are elected to four-year terms, which are staggered such that two Town Board members are elected every two years. All Town Board members are elected at large and there is no limitation as to the number of terms each may serve.

The Town Clerk and the Superintendent of Highways are each elected to two-year terms. The Receiver of Taxes is elected to a four-year term. The Town Supervisor appoints a Director of Finance, and the Town Board appoints a Town Assessor, Town Attorney and Town Engineer. The Town Supervisor administers all Town departments. The Director of Finance is the Town’s Budget Officer as well as the official responsible for all audit and financial operations.

### ***Town Services***

The Town provides its residents with many of the services traditionally provided by Town governments, as follows: police protection and law enforcement; sewer services; highway and public facilities maintenance; a local justice court that is responsible for enforcing provisions of the State’s Vehicle and Traffic Law and local ordinances as well as having jurisdiction over certain civil and criminal matters; cultural and recreational activities; building code enforcement; and planning and zoning administration. Fire protection is furnished by five fire districts and by village fire departments.

Pursuant to State law, the County, not the Town, is responsible for funding and providing various social service and health care programs such as Medicaid, aid to the families with dependent children, home relief and mental health programs.

## ***Employees***

The Town provides services through 242 full-time equivalent employees, some of whom are represented by the following units of organized labor as shown in the table below. The Town also employs a large number of temporary seasonal employees, primarily in recreation programs.

<u>Number of Employees</u>	<u>Employees Organization</u>	<u>Contract Expiration Date</u>
84	Orangetown Policemen's Benevolent Associations	12/31/2027
133	Civil Service Employees Association (CSEA)	12/31/2028

## ***Employee Pension Benefits***

Substantially all employees of the Town eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employees' Retirement System ("ERS") and the Local Police and Fire Retirement System ("PFRS"), collectively referred to as the "System". The System is a cost sharing, multiple public employers' retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). The 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 ten years of credited service. The NYSRSSL generally provides that all participating employers in each retirement system are jointly and severally liable for any un-funded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the System. The System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 with less than five years of service must contribute 3% of gross annual salary toward the cost of retirement programs.

On December 12, 2009, Tier V was signed into law. The law became effective for ERS and PFRS hires on January 1, 2010. The legislation created a Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees and PFRS to contribute 3% of their salaries
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier 6 for employees hired after April 1, 2012. The Tier 6 pension tier provides, among other things, for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years and a readjustment of the pension multiplier. Tier 6 employees vest in the system after five years of employment and continue to make employee pension contributions throughout employment. The time period for calculating the final average salary of an employee is 3 years.

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The Town’s audited contributions to the ERS and PFRS from 2021 through 2025 and the budgeted payments for 2026 are as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2021	\$2,729,689	\$4,036,440
2022	2,471,719	3,971,792
2023	2,155,289	4,328,378
2024	2,476,262	4,781,373
2025	2,752,724	5,180,866
2026 (Budgeted)	3,159,664	5,790,539

Source: Town of Orangetown, Annual Report.

### ***Other Post Employment Benefits***

Accounting rule, GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”) has been replaced by GASB Statement No. 75 (“GASB 75”), which 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.

Under GASB 75, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements. There is no longer an amortized liability like under GASB 45, but now reflects the full liability.

GASB 75 does not require that the unfunded liabilities actually be funded, only that the Town account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation will be required every 2 years for the Town.

The Town is in compliance with the requirements of GASB 75 as was required by the end of the Town’s 2025 fiscal year. It has been determined that the Town’s total OPEB liability as of December 31, 2025 was approximately \$138,306,773 assuming a discount rate of 4.41%.

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## **FINANCIAL FACTORS**

### ***COVID-19 Stimulus and Uses***

The impact of the COVID-19 pandemic has been widespread and long lasting. In 2020, the Town faced lost revenues from camps, Justice fines, interest income, and filming. Importantly, the Town was able to reduce costs by laying off temporary workers and eliminating all overtime with the exception of emergencies. Additionally, there were some unanticipated financial benefits as the work-from-home trend supported a strong consumer resulting in record sales tax revenues in 2021. The sales tax revenues continued to increase in 2022-2025 as higher inflation and stimulus spending drove new record sales tax revenues. In 2025, sales tax revenues remained at record levels, coming in at \$2.65 million.

The Town's premier location only 25 miles outside of New York City resulted in significant home price appreciation and record mortgage tax revenues as many people left NY City and came to the suburbs. Mortgage tax revenue increased dramatically from \$1.5 million in 2019 to a peak of \$4.4 million in 2021. Due to the dramatic increase in the Federal funds rate from 0% in March of 2020 to a peak of 5.25% and the resulting higher mortgage rates, housing transactions have slowed down. Importantly, pricing remains elevated and future lower rates and pent-up demand for housing will likely lead to more transactions and higher mortgage tax revenues for the Town. While interest rates only dropped slightly, mortgage tax revenues increased from \$2.4 million in 2024 to \$3.2 million in 2025.

As noted above, the increase in interest rates was a negative for the mortgage tax, it was a huge benefit for the interest income for the Town. In 2021, the Town received almost no interest income (only \$16,000), far below the pre-pandemic levels of \$500,000-800,000. Given the increase in the Federal funds rate, the Town was able to aggressively negotiate with its banks to generate higher interest income. In fact, the Town generated over \$3.0 million in interest income in 2023. This accelerated in 2024, with an interest income of \$3.3 million, and was \$2.8 million in 2025.

Finally, after shutting down immediately after the breakout of COVID-19, the two golf courses owned by the Town produced record revenues in 2020. This has continued every year since the pandemic ended as well. In 2025, the golf course produced a near record revenue of almost \$4.1 million and profits of over \$510,000.

### ***The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews***

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school 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" with a fiscal score of "0.0" and an environmental score of "6.7".

The financial affairs of the Town are subject to periodic compliance reviews by OSC to ascertain whether the Town has complied with the requirements of various State and federal statutes.

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. References to websites and/or website

addresses presented herein are for information purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

### ***Independent Audit***

The Town's annual audited financial statements for the fiscal year ended December 31, 2025 were audited by O'Connor Davies, LLP, a firm of independent certified public accountants. Appendix B to this document presents a summary of certain information from the audited financial statements for the fiscal years December 31, 2021 through December 31, 2025.

### ***Fund Structures and Accounts***

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

There are two broad fund categories: (1) governmental funds that are used to account for basic services and capital projects; and (2) fiduciary funds that account for assets held in a trustee or custodial capacity. Account groups, which do not represent funds, are concerned with the measurement of financial position and not the results of operations.

The Town maintains the following governmental funds: General Fund, Special Revenue Funds (Town Outside Villages Fund, Sewer Fund, Special Districts Fund and Highway Fund), Debt Service Fund and Capital Projects Fund.

### ***Basis of Accounting***

The financial statements of the Town are prepared on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded in the accounting period in which they are measurable and available to finance current operations. Revenues susceptible to accrual include real property taxes, services to other governments, intergovernmental revenues and operating transfers. Expenditures are generally recognized under the modified accrual basis, 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 obligations account group, (2) unmatured interest on general long-term debt which is recognized as an expenditure when due, and (3) compensated absences which are charged as an expenditure when paid.

### ***Revenues***

**Real Property Taxes.** The Town derives a major portion of its General Fund (Town-wide) and Part-Town Fund (Town Outside Villages) revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein). Property taxes accounted for 61.4% of total operating revenues for the fiscal year ended December 31, 2025.

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The following table sets forth General Fund (Town-wide) and Part-Town Fund (Town Outside Villages) total general fund revenues and real property tax revenues during the last five audited fiscal years and the amounts budgeted for the current fiscal year:

**Property Taxes**  
**(General Fund and Part-Town Fund)**

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2021	\$50,929,038	\$32,361,147	63.5%
2022	54,689,179	32,796,798	60.0
2023	55,837,368	32,591,620	58.4
2024	58,914,760	34,174,485	58.0
2025	57,144,730	35,088,174	61.4
2026 (Budgeted)	60,368,804	35,734,489	59.2

Source: Town of Orangetown, 2021-2025 Comprehensive Audited Financials and the 2026 Adopted Budget. This summary itself is not audited.

**State Aid.** The Town also receives a portion of its revenues in the form of State aid. For the fiscal year ended December 31, 2025, State aid represented approximately 8.5% of the total General Fund and Town Outside Villages Fund revenues of the Town. However, there is no assurance that the State appropriation for State aid to towns will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid. State budgetary restrictions, which eliminate or substantially reduce State aid, could have a material adverse effect upon the Town; this would require either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures.

The following table sets forth General Fund (Town-wide) and Part-Town Fund (Town Outside Villages) revenues and State aid during the last five audited fiscal years and the amounts budgeted for the current fiscal year:

**State Aid**  
**(General Fund and Part-Town Fund)**

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2021	\$50,929,038	\$4,504,589	8.8%
2022	54,689,179	5,037,484	9.2
2023	55,837,368	3,728,151	6.7
2024	58,914,760	3,735,752	6.3
2025	57,144,730	4,837,612	8.5
2026 (Budgeted)	60,368,804	6,121,710	10.1

Source: Town of Orangetown, 2021-2025 Comprehensive Audited Financials and the 2026 Adopted Budget. This summary itself is not audited.

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## ***Mortgage and Sales Tax Revenues and Interest Income***

As a result of the COVID-19 pandemic, the Town’s premier location only 25 miles outside of New York City resulted in significant home price appreciation and record mortgage tax revenues as many people left NY City and came to the suburbs. Mortgage tax revenue increased dramatically from \$1.5 million in 2019 to a peak of \$4.4 million in 2021. Due to the dramatic increase in the Federal funds rate from 0% in March of 2020 to a peak of 5.25% and the resulting higher mortgage rates, housing transactions have slowed down. Importantly, pricing remains elevated and future lower rates and pent-up demand for housing will likely lead to more transactions and higher mortgage tax revenues for the Town. While interest rates only dropped slightly, mortgage tax revenues increased from \$2.4 million in 2024 to \$3.2 million in 2025.

The sales tax for the town is based on a 8.375% rate imposed by the County. The County appropriates roughly 94% of the generated amount and gives only 6% to the Town. The Town Supervisors are in discussions to increase this percentage; however, it is unclear if they will be successful. At the current rate, the sales tax for the Town has been relatively stable. Importantly, the Town maintains conservative budgeting practices as demonstrated by the sales tax consistently exceeding our budgeted forecasts.

As noted above, while the increase in interest rates was a negative for the mortgage tax, it was a huge benefit for the interest income for the Town. In 2021, the Town received almost no interest income (only \$16,000), far below the pre-pandemic levels of \$500,000-800,000. Given the increase in the Federal funds rate, the Town was able to aggressively negotiate with its banks to generate higher interest income. In fact, the Town generated over \$3.0 million in interest income in 2023. This accelerated in 2024, with an interest income of \$3.3 million, and was \$2.8 million in 2025.

### **Mortgage and Sales Tax**

<u>Mortgage Tax</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Budgeted Amount	\$2,000,000	\$2,000,000	\$2,500,000	\$2,300,000	\$1,800,000
Mortgage Revenue Received	3,171,226	2,364,676	1,991,292	3,087,165	4,364,121
Amount over/(under)	\$1,171,226	\$364,676	\$(508,708)	\$787,165	\$2,564,121
<u>Sales Tax</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Budgeted Amount	\$2,300,000	\$2,100,000	\$2,050,000	\$1,900,000	\$1,600,000
Sales Tax Revenue Received	2,645,698	2,515,982	2,526,581	2,471,388	2,161,315
Amount over/(under)	\$345,698	\$415,982	\$476,581	\$571,388	\$561,615
<u>Interest Income</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Budgeted Amount	\$2,535,500	\$2,000,000	\$ 689,000	\$157,293	\$ 0
Interest Income Received	2,828,301	3,314,523	3,038,075	655,692	16,411
Amount over/(under)	\$292,801	\$1,314,523	\$2,349,075	\$498,399	\$16,411

2026 Budgeted Mortgage Tax: \$2,500,000  
 2026 Budgeted Sales Tax: \$2,346,000  
 2026 Budgeted Interest Income: \$1,892,393

## ***Budget Process***

The Town Supervisor prepares and submits a tentative budget for all Town Funds to the Town Board each fall. The Town Board approves the preliminary budget, including any revisions, and holds a public hearing thereon. Subsequent to the budget hearing, revisions, if any, are made and the budget is then adopted on or before November 20 by the Town Board as its final budget for the coming calendar year. The budget is not subject to voter approval.

## ***2026 Adopted Budget***

The Town's 2026 Budget was adopted on November 18, 2025. It assumes \$500,000 will be appropriated from the fund balance in the General Fund. Total General Fund budgeted revenues for 2026 are equal to total budgeted expenditures for 2026.

### ***Investment Policy***

With respect to the temporary investment of monies which are not required for immediate expenditure, the Town has adopted an investment policy in conformity with applicable laws of the State. All such investments of the Town are made in accordance with such policy. Pursuant to State law, including Sections 10 and 11 of the General Municipal Law, a municipality is permitted to temporarily invest moneys 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 or acceptance of an eligible surety bond or an eligible letter of credit, pursuant to the provisions of eligible securities or acceptance of an eligible surety bond or an eligible letter of credit, pursuant to the provisions of and subject to the limitations of subdivision 3 of Section 10 of the General Municipal Law (the "GML") of the State; (2) obligations of the United States of American; (3) obligations guaranteed by agencies of the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Town itself; (6) certificates of participation issued by political subdivisions of the State, as those terms are defined in the law; (7) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (8) in the case of moneys held in certain reserve funds established by municipalities or certain improvements districts pursuant to law, in obligations of such municipality. All of the foregoing investments are required to be payable or redeemable at the option of the owner 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. Unless registered or inscribed in the name of the municipality, such obligations must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such obligations held in the custody of a band or trust company must be held by such bank or trust company pursuant to a written custodial agreement as set forth in subdivision 3 of Section 10 of the GML.

A municipality must also, pursuant to subdivision 2a. of Section 10 of the GML, designate by resolution one or more banks or trust companies for the deposit of public funds, the disposition of which is not otherwise provided for by law. Such resolution must specify the maximum amount which may be kept on deposit at any time in each bank or trust company. Except as otherwise provided by law, such deposits shall be made to the credit of the municipality. All public deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act as now or hereafter amended are required to be secured by either a pledge of eligible securities or acceptance of an eligible surety bond or an eligible letter of credit, pursuant to the provisions of and subject to the limitations of subdivision 3 of Section 10 of the GML.

## **REAL PROPERTY TAXES**

### ***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 all local governments, including school districts (with the exception of New York City, and the counties comprising New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the

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

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

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit", are used and they are not tautological. That is what the words say and that is what courts have held they mean."

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

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

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

"So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted....While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

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

## ***Real Property Tax Collection Procedure and History***

The Town derives a significant portion of its annual revenue through a direct real property tax. Taxes are due January 1 and are payable, without penalty, up to and including January 31. Penalties thereafter are imposed at an annual rate determined by the New York State Commissioner of Taxation and Finance. In April, the tax roll is returned to the County and taxes plus penalties are payable to the County Commissioner of Finance. The Town retains the total amount of its current levy and delinquent water and sewer charge levies from the total collections and returns the balance plus the uncollected items to the County, which assumes responsibility and holds annual tax sales.

The Town is a defendant in numerous tax certiorari proceedings, the results of which generally require tax refunds on the part of the Town. Refunds of this nature are normally not made directly by the Town but rather by the County of Rockland, with refunds being added to the County tax warrant, and with these costs paid by Town taxpayers in the subsequent year.

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

<u>Fiscal Year Ending December 31:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
County and State:					
Homestead	\$7.17	\$7.24	\$6.54	\$6.30	\$6.54
Town:					
Homestead	1.59	2.38	2.28	2.43	2.28
Non-Homestead	2.94	4.55	4.35	4.48	4.35
Part-Town: (Part Town I & II)1					
Homestead	7.41	7.68	8.15	8.20	8.15
Non-Homestead	10.8	10.88	11.69	11.82	11.69
Highway Part-Town:					
Homestead	1.90	1.99	2.04	2.12	2.04
Non-Homestead	2.93	3.02	3.15	3.30	3.15
Special Districts:					
Fire Districts2	1.28	2.95	3.01	3.48	3.01
Hydrant Districts2	0.59	0.70	0.66	0.79	0.66
Library Districts:					
Tappan	1.61	1.61	1.60	1.61	1.60
Blauvelt	1.42	1.42	1.42	1.41	1.42
Orangeburg	1.75	1.73	1.72	1.75	1.72
Palisades	1.69	1.74	1.77	1.83	1.77
Sparkill	1.74	1.75	1.75	1.78	1.75
South Orangetown Ambulance	0.23	0.23	0.23	0.23	.23
Nyack Ambulance	0.78	0.81	0.82	0.86	.82
Paramedic Service	0.38	0.40	0.45	0.47	.45

Source: Town Assessor's Office

(1) Includes Part-Town I - Police and Part-Town II – Other

(2) Average Fee.

There are no uncollected taxes in the Town. Payment in full of all Town items is guaranteed by the County.

### **Tax Levies**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Tax Levy	\$54,250,270	\$55,514,783	\$57,539,574	\$59,514,064	\$60,970,760
Tax Collected	\$54,250,270	\$55,514,783	\$57,539,574	\$59,514,064	\$60,970,760
% Uncollected	-	-	-	-	-

## Ten of the Largest Taxpayers

The following table presents the taxable assessments of ten of the Town’s largest taxpayers as of December 31, 2025:

<b><u>Taxable Assessments</u></b>			
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Taxable Assessed Valuation</u>
Orange & Rockland Utilities, Inc.	Public Utility	\$82,741,435	2.16%
American Cynamid (Pfizer) <sup>(1)</sup>	Pharmaceuticals	65,619,900	1.71
Palisades Interstate Park	State Lands	57,975,298	1.51
Spring Valley Water Co.	Public Utility	51,077,729	1.33
Pearl River Campus <sup>(1)</sup>	Industrial/Office	50,211,800	1.31
Glorious Sun Robert <sup>(1)</sup>	Office Complex	21,734,300	0.57
PG/OE Corporate <sup>(1)</sup>	Industrial	20,470,445	0.53
The Club/Millennium	Apartment Building	17,237,000	0.45
2000 Corporate Drive LLC.	Commercial	14,612,800	0.38
Palisades Renewal Center	Commercial	<u>9,352,875</u>	<u>0.24</u>
	Totals:	391,033,582	<u>10.19%</u>

(1) Currently in tax certiorari proceedings.

Source: Town Assessor’s Office, Assessed Valuation for 2025 is \$3,837,416,706.

## **TOWN INDEBTEDNESS**

### ***Constitutional Requirements***

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

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

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

**Payment and Maturity.** Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contract; 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 and unless substantially level or declining annual debt service is authorized by the Town Board and utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. 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 such required annual installments on its bonds.

**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, electric and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining average full valuation is by taking the assessed valuations of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the Town is calculated by taking 7 per centum of the latest five-year average of the full valuation of all taxable real property.

### ***Statutory Procedure***

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

Pursuant to the Local Finance Law and the Town Law, the Town Board authorizes the issuance of indebtedness, including bonds and notes issued in anticipation of the issuance of such bonds, by the adoption of a bond resolution approved by the members of the Town Board. Certain of such resolutions may be subject to permissive referendum, or may be submitted to mandatory referendum of the Town voters at the discretion of the Town Board.

The Local Finance Law also provides a twenty-day period of limitation after publication of a resolution or summary thereof which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The Town has complied with such period of estoppel for each required bond resolution related to the Bonds.

Each 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 obligations subject to the legal (Constitution, Local Finance Law and case law) restrictions related to the period of probable usefulness with respect thereto.

Each resolution usually 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 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 "*Constitutional Requirements*" herein).

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.

In addition, under each 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.

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***Constitutional Debt Limit***

The following table sets forth the constitutional debt limit of the Town:

**Constitutional Debt Limit**

<u>Taxable Year</u>	<u>Assessed Valuation</u>	<u>Equalization Ratio</u>	<u>Full Valuation</u>
2025	\$3,837,416,706	31.89%	\$12,033,291,646
2024	3,820,208,185	34.14	11,189,830,653
2023	3,810,375,563	35.63	10,694,290,101
2022	3,803,305,358	37.48	10,153,896,117
2021	3,794,847,212	42.64	<u>8,899,735,488</u>
Total			\$52,971,044,005
Five-Year Average Full Valuation			10,594,208,801
Debt Limit 7% Thereof			\$ 741,594,616

Source: Town of Orangetown - Assessors Office.

***Statement of Debt Contracting Power***

**Statutory Debt Limit and Net Indebtedness**  
**(as of June 30, 2026)**

Five-Year Average Full Valuation		\$10,594,208,801
Debt Limit 7% Thereof		741,594,616
Inclusions <sup>(1)</sup> :		
Outstanding Bonds	\$74,824,810	
Bond Anticipation Notes	<u>0</u>	
Total Inclusions	\$74,824,810	
Exclusions:		
Appropriations	\$ 1,463,470	
Water/Sewer Debt	<u>27,689,810</u>	
Total Exclusions	\$29,153,280	
Total Net Indebtedness		\$45,671,530
Net Debt Contracting Margin		\$695,923,086
Percentage of Debt Contracting Power Exhausted		6.16%

(1) Does not include the debt of the Orangetown Housing Authority which is guaranteed by the Town. The Town has not had to make a payment to the Orangetown Housing Authority, as of the date of this Official Statement (see “*Town of Orangetown Housing Authority*” herein).

***Bond Authorizations***

Following the sale of the Bonds, the Town will no longer have any authorized but unissued debt.

***Bond Anticipation Notes***

The Town does not currently have any bond anticipation notes outstanding.

***Tax and Revenue Anticipation Notes***

During the past five years, the Town’s cash flow has been sufficient to meet operating requirements, and the Town has not found it necessary to issue tax or revenue anticipation notes.

### ***Trend of Outstanding Indebtedness***

The following table provides information relating to the capital indebtedness outstanding at year end for the last five audited fiscal years:

	<b><u>Outstanding Indebtedness</u></b>				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Serial Bonds	\$87,035,000	\$82,860,220	\$77,921,750	\$84,894,148	\$78,489,810
Revenue Bonds (Housing) <sup>(1)</sup>	5,340,000	4,950,000	4,545,000	4,135,000	3,715,000
Bond Anticipation Notes	-	-	-	-	-
Totals	<u>\$92,375,000</u>	<u>\$87,810,220</u>	<u>\$82,466,750</u>	<u>\$89,029,148</u>	<u>\$82,204,810</u>

(1) The Town has guaranteed the debt of the Orangetown Housing Authority but has not had to make a payment to the Authority, as of the date of this Official Statement (see “Town of Orangetown Housing Authority” herein).

Source: Town, Fiscal Years End December 31, 2021-2025 Comprehensive Annual Financial Reports.

### ***Direct and Overlapping Indebtedness***

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County and other governmental units. Such taxpayers’ share of this overlapping debt is based upon the amount of the Town’s equalized property values taken as a percentage of each separate unit’s total values. The table below sets forth both the total outstanding principal amount of debt issued by the Town and the approximate magnitude of the burden on taxable property in the Town of the debt instruments issued and outstanding by such other political units. Authorized but unissued debt has not been included.

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>Town Share</u>	<u>Amount Applicable To Town</u>
Rockland County Villages	\$350,169,951	20.06%	\$70,244,092
Nyack	3,945,000	96.20%	3,795,090
Piermont	2,070,000	100.00%	2,070,000
School Districts			
Nanuet UFSD	58,561,160	27.15%	15,899,355
Nyack UFSD	3,855,030	40.98%	1,579,791
Pearl River UFSD	45,500,000	100.00%	45,500,000
South Orangetown CSD	29,100,000	100.00%	<u>29,100,000</u>
Total Net Overlapping Debt			<u>\$168,188,328</u>

Source: Electronic Municipal Market Access (“EMMA”).

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## Debt Ratios

The following table presents certain debt ratios relating to the Town's net direct and overlapping indebtedness.

### Debt Ratios (as of June 30, 2026)

	<u>Amount</u>	<u>Debt Per Capita<sup>(1)</sup></u>	<u>Debt to Full Value<sup>(2)</sup></u>
Net Direct Debt	\$ 45,671,530	\$ 906.59	0.38%
Net Overlapping Debt	168,188,328	3,338.59	1.40
Net Direct and Overlapping Debt	\$213,859,858	\$4,245.18	1.78%

(1) The population of the Town is estimated at 50,377 as of the 2025 U.S. Census, U.S. Census Bureau.

(2) The Town's full value of taxable real property for 2025 is \$12,033,291,646.

## Debt Service Schedule

The following table sets forth all principal and interest payments required on the Town's outstanding bonded indebtedness for fiscal years ending December 31, exclusive of the Bonds and economically defeased debt obligations:

### Bond Principal and Interest Requirements

<u>FYE Dec. 31</u>	<u>Principal</u>	<u>Interest</u>	<u>EFC Subsidy</u>	<u>Total Debt Service</u>
2026 <sup>(1)</sup>	\$5,128,470	\$3,024,817	\$(545,765)	\$7,607,522
2027	4,553,470	2,805,780	(508,877)	6,850,372
2028	4,718,470	2,614,407	(470,975)	6,861,902
2029	4,898,470	2,416,907	(432,198)	6,883,179
2030	4,753,470	2,219,087	(392,401)	6,580,155
2031	4,668,470	2,024,087	(351,766)	6,340,791
2032	4,828,470	1,828,653	(310,432)	6,346,690
2033	4,978,470	1,628,192	(268,030)	6,338,631
2034	4,443,470	1,447,489	(224,730)	5,666,228
2035	4,558,470	1,279,375	(180,412)	5,657,433
2036	4,678,470	1,105,867	(134,980)	5,649,357
2037	4,818,470	926,862	(88,513)	5,656,819
2038	4,953,470	744,540	(40,971)	5,657,039
2039	1,293,470	608,728	(14,451)	1,887,747
2040	1,338,470	559,694	(9,542)	1,888,622
2041	1,233,470	508,682	(4,452)	1,737,700
2042	1,278,470	463,233	(2,871)	1,738,832
2043	1,253,470	417,471	(1,879)	1,669,062
2044	1,298,470	369,909	(1,604)	1,666,774
2045	1,348,470	318,959	(1,330)	1,666,100
2046	1,403,470	265,889	(1,045)	1,668,315
2047	1,463,470	210,620	(760)	1,673,330
2048	1,518,470	152,960	(380)	1,671,050
2049	1,510,000	93,000	0	1,603,000
2050	1,570,000	31,400	0	1,601,400
Totals:	\$78,489,810	\$28,066,606	\$(3,988,367)	\$102,568,049

(1) For the entire fiscal year.

Notes: Excludes Housing Authority Revenue Bonds. Includes Village of South Nyack outstanding bonds.

Source: Town Annual Report.

***Town of Orangetown Housing Authority***

The following table sets forth the total debt service payments required to be made on the Orangetown Housing Authority’s Bonds by the Town, for future fiscal years ending December 31. The Authority’s debt is guaranteed by the Town.

**Orangetown Housing Authority Debt Service Requirements**

<u>December 31:</u>	<u>Total Debt Service</u>
2026	\$435,000
2027	450,000
2028	465,000
2029	485,000
2030-2034	700,000
2035-2039	710,000
2040-2042	<u>470,000</u>
Total:	\$3,715,000

Source: Town of Orangetown, Annual Report.

**ECONOMIC AND DEMOGRAPHIC DATA**

***Population***

The following table presents population trends for the Town, County and State, based upon recent census data:

**Population Trend**

	<u>2010</u>	<u>2020</u>	<u>2025</u>
Town	49,212	48,655	50,377
County	311,687	338,329	357,397
State	19,378,102	20,201,249	20,002,427

Source: US Census Bureau.

***Income***

The following table presents per capita money income for the Town, County and State:

**Per Capita Money Income**

	<u>2010</u>	<u>2020</u>	<u>2024</u>
Town	\$40,401	\$58,016	\$67,657
County	34,304	39,923	45,570
State	30,948	40,898	50,712

Source: US Census Bureau.

**Median Household Income**

	<u>2010</u>	<u>2020</u>	<u>2024</u>
Town	\$91,264	\$121,593	\$145,007
County	82,534	94,840	109,959
State	54,148	71,177	85,974

Source: US Census Bureau.

## ***Employment and Unemployment***

The following tables provide information concerning employment in the Town, County and State. Data provided for the County and the State may not be representative of the Town:

### **Large Commercial and Industrial Employers In the Town**

<u>Name</u>	<u>Industry or Business</u>	<u>Number of Employees</u>
Nyack Hospital	Hospital	1,693
Rockland Psychiatric Center	Health Services	1,293
Pfizer	Pharmaceutical	800
Orange and Rockland Utilities	Public Utility	817
Camp Venture	Health Services	625
Lamont-Doherty Earth Observatory	Earth Sciences Research	480
Dominican College	Education	445
Aluf Plastics	Plastics Manufacturing	401
Active International	Commercial	390
Chromalloy New York	Fabricated Metal Products	315

Source: Rockland Economic Development Corporation.

### **Civilian Labor Force**

	<u>2010</u>	<u>2020</u>	<u>2025</u>
Town	24,300	24,400	27,200
County	150,000	155,800	164,000
State	9,595,400	9,575,000	10,009,000

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

### **Yearly Average Unemployment Rates**

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2021	4.0%	4.6%	7.1%
2022	2.8	2.9	4.3
2023	2.9	3.0	4.0
2024	2.9	3.2	4.2
2025	3.0	3.2	4.3

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

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## ***Economic Development***

There are several projects that have been recently completed or are under development that have added or will add to the non-Homestead/Commercial tax base. These projects include the following:

### **Construction Recently Completed:**

- SMK Greene – 5 lot residential subdivision, 5 new homes.
- Hillside Commercial Park – Pearl River self-storage buildings. (Montar Group)
- 875 Western Highway, Asahi Depository LLC – new tenant office and storage renovation of existing building.
- Sansone Subdivision – 4 lot residential subdivision, 3 new homes constructed
- SMK Erie West – 6 new homes constructed
- Pfizer Bios Project – addition of new Bios refrigeration building for sample storage.
- Chefman Addition
- Dollar General – retail store 100 N Middletown Rd Pearl River.
- 700 Bradley Hill – UPS Addition to existing building

### **In Construction:**

- The Reserve, Phase III – 110 apartment units in 4 apartment buildings with separate clubhouse and pool, received preliminary planning board approval December, 2021.
- SQ Properties, 8 Olympic Drive – 35,400 commercial addition to existing 20,000 square foot building, for warehouse.
- 2000 Corporate Drive, New Data Center – Phase 1: 196,000 square feet; Phase 2: 146,000 square feet.
- Fairfield Inn at Orangeburg Shopping Center – New 38,356 square foot hotel.
- 29 Corporate Drive – 47,643 square foot commercial addition to existing warehouse.
- 470 Western Highway, Dominican College Athletic Complex – new soccer field complex and bleachers.
- 136 Sunset Road, Blauvelt – 10,000 square foot addition to existing church.
- Tappan Fire District – new annex building for existing fire house, 300 Western Highway, Tappan.
- Tappan Fire District – new fire house, 135 Washington St, Tappan, under construction
- Linens Choice – warehouse 21 Glenshaw.
- Gatto Lane Planned Adult Community – 36 units.
- Project Sycamore -addition to existing Data Center
- Caribbean Food Delight – Addition
- South Orangetown Ambulance Addition
- OT Shopping Center – new Dunkin Donuts pad site.
- Lidl Site Plan
- 800 Bradley Hill Road New Tenant application and miscellaneous site work for RIVIAN, new electric vehicles sales and service center.
- Orangetown Quick Stop

### **Projects Awaiting Final Approval:**

- WPT – 13-21 Mountainside – proposed 176,000 square foot warehouse.
- Safe N Sound - new 10,000 square foot child care center at 249 N Middletown Road, Pearl River
- 125/155 Greenbush Rd – 415,000 square foot warehouse at 125 Greenbush Rd and 128,000 square foot warehouse at 155 Greenbush Road.
- Pfizer Vitality Project – addition of Research and design building, 5 stories, 55,000 square feet and 14,600 administration wing and 6 story parking garage (68,000 square feet per level).
- 2 Route 340, South Corner Plaza – demolition of 3 dilapidated structures to construct new 10,390 sq ft. shopping center.
- 622 route 303 – new 160,000 square foot warehouse.
- 622 route 303 LLC – subdivision/warehouse.
- Hegarty- Major Subdivision 676 & 682 Western Highway
- 1 Ramland Road – 230,000 square foot, 3 story building expansion to existing 232,000 square foot data center-for expanded Data Center and new substation.
- Stac Outdoor Gym – 175 Route 340.
- Uovo Addition

- Fed Ex Parking Expansion – Suncap Properties
- Pearl River Gardens – Expansion of apartment building
- RRIS Site Plan Commercial Development – one story with 4 tenants

### ***Financial Institutions***

There are several financial institutions in the Town including branches of JPMorgan Chase Bank, Citibank, M&T Bank, KeyBank, Webster Bank, ConnectOne Bank and TD Bank.

### ***Communication***

The Town is served by the major New York metropolitan area newspapers, radio, and television stations. Optimum provides cable television service to the Town.

### ***Utilities***

Electricity and natural gas are supplied to the Town by Orange & Rockland Utilities, Inc. and water is supplied by the United Water Company. Sanitary sewer facilities are provided to over 95% of the Town residents through special assessment sewer benefit areas. The balance of the Town utilizes septic systems. Police protection is provided by the Town Police Department. Fire protection is provided by five fire districts and by village fire departments located within the Town. Telephone service is provided by Verizon and AT&T.

### ***Transportation***

Rail transportation is provided by the New Jersey Transit System (passenger service) and the West Shore Division of CSX (freight service). Highways serving the Town include the Palisades Interstate Parkway, New York State Route 9W and various County and Town roads. The New York State Thruway and the Garden State Parkway are located to the north and west, respectively, with readily accessible interchanges. The Town is less than a 90-minute drive from the three major airports that serve the New York City area (Kennedy, LaGuardia, and Newark). Air transportation is also provided by Stewart International Airport in Newburgh, New York and Westchester County Airport.

### ***Education***

There are numerous colleges, universities and vocational schools located throughout the County. Rockland Community College offers two-year associate degree and one-year certificate programs. Dominican College and St. Thomas Aquinas College are four-year independent liberal arts colleges. Empire State College/SUNY, Iona College – Rockland Campus and Long Island University – Rockland Campus, all offer graduate programs.

**End of Appendix A**

**APPENDIX B**

**SUMMARY OF BUDGETS AND FINANCIAL STATEMENTS**  
*(Summary itself is not audited)*

**TOWN OF ORANGETOWN, NEW YORK**

Comparative Balance Sheet - General Fund

Fiscal Years Ending December 31:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Assets:</u>					
Cash and Equivalents	\$ 10,840,601	\$ 6,756,036	\$ 4,517,973	\$ 6,195,725	\$ 5,139,119
Investments	-	5,022,616	10,503,745	5,449,915	4,585,005
Accounts Receivable	303,683	271,704	261,357	267,797	327,098
Due From Other Governments	656,801	1,905,771	89,992	325,660	113,387
Due From Other Funds	994,526	6,687	0	253,313	27,112
Advances to Other Funds	4,552,007	4,152,007	3,652,007	3,152,007	2,800,000
Prepaid Expenditures	270,662	238,565	341,026	351,973	376,040
State and Federal Aid	86,123	144,617	37,500	0	72,002
Total Assets	<u>\$ 17,704,403</u>	<u>\$ 18,498,003</u>	<u>\$ 19,403,600</u>	<u>\$ 15,996,390</u>	<u>\$ 13,439,763</u>
 <u>Liabilities and Fund Balance:</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 603,594	\$ 354,543	\$ 294,361	\$ 250,854	\$ 280,090
Accrued Liabilities	5,074	7,058	20,492	24,429	42,189
Due to Other Governments	792,372	678,393	1,092,169	1,454,803	737,908
Due To Other Funds	1,135,008	6,313	3,076,868	5,520	16,031
Deposits	879,194	914,097	793,773	738,056	841,003
Unearned revenues	763,793	7,500	0	33,400	28,600
Total Liabilities	<u>4,179,035</u>	<u>1,967,904</u>	<u>5,277,663</u>	<u>2,507,062</u>	<u>1,945,821</u>
 <u>Fund Balance</u>					
Nonspendable	\$ 4,822,669	\$ 4,390,572	\$ 3,993,033	\$ 3,503,980	\$ 3,176,040
Restricted	-	-	-	-	-
Assigned	1,214,331	910,208	1,608,147	1,182,807	671,681
Unassigned	7,488,368	11,229,319	8,524,757	8,802,541	7,646,221
Total Fund Balance <sup>(1)</sup>	<u>13,525,368</u>	<u>16,530,099</u>	<u>14,125,937</u>	<u>13,489,328</u>	<u>11,493,942</u>
Total Liabilities and Fund Balance <sup>(1)</sup>	<u>\$ 17,704,403</u>	<u>\$ 18,498,003</u>	<u>\$ 19,403,600</u>	<u>\$ 15,996,390</u>	<u>\$ 13,439,763</u>

Source: Town of Orangetown, Audited Financial Statements.

**TOWN OF ORANGETOWN, NEW YORK**  
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund  
Fiscal Years Ending December 31:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Revenues:</u>					
Real Property Taxes	\$ 3,320,176	\$ 1,630,292	\$ 3,594,965	\$ 3,223,940	\$ 3,555,229
Other Tax Items	151,521	119,235	139,357	141,793	136,155
Non Property Taxes	2,918,838	3,248,664	793,100	774,890	755,086
Departmental Income	630,022	767,408	880,494	980,506	1,059,065
Use of Money and Property	238,214	338,254	817,905	725,936	544,639
Licenses and Permits	340,725	329,446	217,517	224,709	211,899
Fines and Forfeitures	489,930	458,961	541,890	698,338	755,204
Miscellaneous	212,473	5,882	5,634	214,580	21,605
Interfund Revenues	4,328,233	4,522,273	4,744,828	5,351,480	5,560,808
Federal Aid	391,045	1,996,493	754,525	368,500	122,863
State Aid	4,391,860	4,878,411	3,550,032	3,617,124	4,557,462
Total Revenues	<u>\$ 17,413,037</u>	<u>\$ 18,295,319</u>	<u>\$ 16,040,247</u>	<u>\$ 16,321,796</u>	<u>\$ 17,280,015</u>
<u>Expenditures:</u>					
General Government Support:	\$ 6,767,845	\$ 6,888,537	\$ 7,357,920	\$ 7,948,772	\$ 7,235,621
Public Safety	149,883	207,954	162,251	188,438	201,710
Health	40,033	34,900	34,900	29,500	4,500
Transportation	581,348	483,696	539,069	546,235	561,856
Economic Opportunity and Development	179,834	204,915	212,266	198,802	200,402
Culture and Recreation	2,058,367	3,121,829	2,728,503	3,208,330	6,070,583
Home and Community Services	184,697	149,679	113,712	168,366	187,530
Employee Benefits	4,057,697	4,199,078	4,139,869	4,541,917	4,546,537
Total Expenditures	<u>\$ 14,019,704</u>	<u>\$ 15,290,588</u>	<u>\$ 15,288,490</u>	<u>\$ 16,830,360</u>	<u>\$ 19,008,739</u>
<u>Excess (Def) of Revenues</u> <u>&amp; Other Sources Over Expenditures</u>	<u>\$ 3,393,333</u>	<u>\$ 3,004,731</u>	<u>\$ 751,757</u>	<u>\$ (508,564)</u>	<u>\$ (1,728,724)</u>
<u>Other Financing Sources (Uses):</u>					
Sale of Real Property	-	-	142,612	0	0
Operating Transfers Out	(808,444)	-	(827,143)	(128,045)	(266,662)
Total Other Financing Sources (Uses)	<u>\$ (808,444)</u>	<u>\$ -</u>	<u>\$ (684,531)</u>	<u>\$ (128,045)</u>	<u>\$ (266,662)</u>
<u>Excess (Def) of Rev. and Other Sources</u> <u>Over Expenditures and Other Uses</u>	<u>\$ 2,584,889</u>	<u>\$ 3,004,731</u>	<u>\$ 67,226</u>	<u>\$ (636,609)</u>	<u>\$ (1,995,386)</u>
Fund Balance-Beginning of Year <sup>(1)</sup>	10,940,479	13,525,368	16,530,099	14,125,937	13,489,328
Prior Period Adjustments	0	0	(2,471,388)	0	0
Fund Balance-End of Year <sup>(1)</sup>	<u>\$ 13,525,368</u>	<u>\$ 16,530,099</u>	<u>\$ 14,125,937</u>	<u>\$ 13,489,328</u>	<u>\$ 11,493,942</u>

Source: Town of Orangetown, Audited Financial Statements.

**TOWN OF ORANGETOWN, NEW YORK**  
Statement of Budgeted Revenues and Expenditures - General Fund  
Adopted Budgets for Fiscal Years Ending December 31:

	Adopted Budget <u>2025</u>	Adopted Budget <u>2026</u>
<b>Revenues:</b>		
Real Property Taxes	\$ 3,547,219	\$ 4,152,062
Other Tax Items	141,569	140,050
Non-Property Tax Items	750,000	750,000
Departmental Income	902,785	914,250
Use of Money and Property	722,165	573,518
Licenses & Permits	278,600	279,700
Fines and Forfeitures	480,000	523,200
Miscellaneous	350	3,500
State Aid	2,000,000	3,690,000
Appropriated Fund Balance	1,050,000	500,000
Interfund Revenues	<u>7,050,808</u>	<u>5,560,802</u>
<b>Total Revenues and Appropriated Fund Balance</b>	<b><u>\$ 16,923,496</u></b>	<b><u>\$ 17,087,082</u></b>
<b>Expenditures:</b>		
General Government Support	\$ 7,987,694	\$ 7,678,475
Police & Public Safety	213,400	225,900
Health	5,000	5,000
Transportation	575,807	623,712
Economic Assistance & Opportunity	198,000	98,000
Culture & Recreation	2,893,073	2,957,819
Home & Community Service	205,500	208,500
Employee Benefits	<u>4,845,022</u>	<u>5,189,676</u>
<b>Total Expenditures</b>	<b><u>\$ 16,923,496</u></b>	<b><u>\$ 16,987,082</u></b>

Source: Adopted Budgets of the Town.

**APPENDIX C**

**GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2025\***

**CAN BE ACCESSED ON THE ELECTRONIC MUNICIPAL MARKET ACCESS  
("EMMA") WEBSITE  
OF THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB")  
AT THE FOLLOWING LINK:**

**<https://emma.msrb.org/P22022710.pdf>**

**The audited financial statements referenced above are hereby incorporated into this  
Official Statement.**

**\* Such Financial Statements and opinion are intended to be representative only as of the date thereof. PKF O'Connor Davies, LLP, has not been requested by the Town to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

**APPENDIX D**

**FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL**

[DRAFT FORM OF APPROVING OPINION]

July 28, 2026

Town of Orangetown  
County of Rockland,  
State of New York

Re: Town of Orangetown, Rockland County, New York  
\$14,594,000 Public Improvement (Serial) Bonds, 2026

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$14,594,000 Public Improvement (Serial) Bonds, 2026 (the "Obligations"), of the Town of Orangetown, Rockland County, New York (the "Obligor"), dated July 28, 2026, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_\_\_ centum (\_\_\_\_\_% ) per annum, payable on July 15, 2027 and semi-annually thereafter on January 15 and July 15, and maturing in the amount of \$729,000 on July 15, 2027, \$730,000 on July 15 in each of the years 2028 to 2045, both inclusive, and \$725,000 on July 15, 2046.

The Obligations maturing on or before July 15, 2034 are not subject to redemption prior to their stated maturity. The Obligations maturing on or after July 15, 2035 will be subject to redemption prior to maturity, at the option of the Town, on any date on or after July 15, 2034, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

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 Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations 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 Obligations 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 Obligations 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 Obligations 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 Obligations, including the form of the Obligations. 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 Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (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 Obligations; 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 Obligations 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(s) is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligations 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 Obligations.

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 Obligations) 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 Obligations 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 Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations 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 Obligations 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 Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment 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 the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, 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,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP