

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 18, 2025

NEW ISSUE SERIAL BONDS

Ratings: 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 Bonds **WILL** be designated by the County as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

COUNTY OF COLUMBIA, NEW YORK

\$9,580,000*

PUBLIC IMPROVEMENT REFUNDING (SERIAL) BONDS, 2025 (the “Bonds”)

Date of Issue: Date of Delivery

**Maturity Dates: August 1, 2026,
February 1, 2027 – 2037**

The Bonds are general obligations of the County of Columbia, New York (the “County”), and all of the taxable real property within the County 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 are 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 semiannually on February 1 and August 1 in each year until maturity, commencing August 1, 2026. The Bonds shall mature on the dates and in the principal amounts specified on the inside cover page hereof. The Bonds will not be subject to redemption prior to maturity as described herein. (See “No Optional Redemption” herein.)

The Bonds will be issued in book-entry form, such bonds will be delivered to Depository Trust Company (“DTC”), which will act as securities depository for the Bonds in book-entry form issued as registered to Cede & Co. Individual purchases of such Bonds may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds issued as book-entry-only bonds. Payment of the principal of and interest on such Bonds will be made by the County to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Bonds as described herein. (See “Book-Entry-Only System” herein.)

The Bonds are offered subject to the 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 December 16, 2025.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY 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 COUNTY’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING FOR THE BONDS”, HEREIN.

Dated: December __, 2025

*Preliminary subject to change.

The Bonds will mature on the dates and in the amounts as set forth below:

<u>Date</u>	<u>Principal Amount*</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP**</u>
August 1, 2026	\$ 430,000			
February 1, 2027	860,000			
February 1, 2028	900,000			
February 1, 2029	945,000			
February 1, 2030	990,000			
February 1, 2031	1,045,000			
February 1, 2032	1,095,000			
February 1, 2033	1,150,000			
February 1, 2034	500,000			
February 1, 2035	525,000			
February 1, 2036	555,000			
February 1, 2037	585,000			

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

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COUNTY OF COLUMBIA, NEW YORK

BOARD OF SUPERVISORS

Matt Murell
Chairman

James Guzzi	David Helsley
Robert Lagonia	Craig Simmons
Ronald Knott	Kathleen Eldridge
Tristya Houghtling	Dennis Michael Dorchak
James MacArthur	T. Randall Martin
Brenda Adams	Abdus Miah
Donal Collins	Michale Chameides
Clifford "Kippy" Wiegelt	Linda Mussmann
Raymond Staats	Richard Scalera
Richard Wolf	Timothy Ooms
John Reilly	Ryan Skoda

Paul J. Keeler, *County Treasurer*
Holly Tanner, *County Clerk*
Robert Fitzsimmons, *County Attorney*
James Breig, *County Controller*

BOND COUNSEL

ORRICK HERRINGTON & SUTCLIFFE LLP

New York, New York

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 County 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 foregoing. 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 County 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 County since the date hereon.

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DECEMBER 31, 2024**

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OFFICIAL STATEMENT

COUNTY OF COLUMBIA, NEW YORK

relating to

\$9,580,000*

PUBLIC IMPROVEMENT REFUNDING (SERIAL) BONDS, 2025 (the "Bonds")

This Official Statement (the "Official Statement"), which includes the cover page, inside cover page, and appendices hereto, presents certain information relating to the County of Columbia, in the State of New York (the "County" and "State", respectively), in connection with the sale of \$9,580,000* Public Improvement Refunding (Serial) Bonds, 2025 (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 County 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 County 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 at the annual rate or rates as specified on the inside cover page hereof, payable semiannually on February 1 and August 1 in each year until maturity, commencing August 1, 2026. The Bonds will mature on the dates and in the amounts specified on the inside cover page hereof. The Bonds are not subject to optional redemption prior to maturity. (See "No Optional Redemption" herein.)

The Bonds will be issued as registered bonds, registered to the Depository Trust Company ("DTC").

The Bonds will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the County to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.

The record date for payment of principal of and interest on the Bonds will be the fifteenth day (whether or not a business day) of the calendar month immediately preceding each interest payment date.

(The remainder of this page has been intentionally left blank.)

*Preliminary subject to change.

Authorization and the Refunding Plan for the Bonds

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including the Local Finance Law and the refunding bond resolutions adopted by the County Board of Supervisors on October 8, 2025 and November 12, 2025, which amended a refunding bond resolution passed on November 26, 2024, (the “Refunding Bond Resolutions”). The Bonds are being issued to refund up to \$6,075,000 of the outstanding principal of the County’s Public Improvement (Serial) Bonds, 2014 Series A, which mature on May 1 in the years 2026 to 2037, inclusive (the “2014A Refunded Bonds”), and up to \$4,385,000 of the outstanding principal of the County’s Public Improvement (Serial) Bonds, 2016 Series B, which mature on February 1 in the years 2027 to 2033, inclusive (the “2016B Refunded Bonds” and together with the 2014A Refunded Bonds, the “Refunded Bonds”). Under the Refunding Plan, the Refunded Bonds are to be called and redeemed as set forth below.

The net proceeds from the sale of the Bonds (after payment of the underwriting fee and other costs of issuance relating to the Bonds) will be placed in an irrevocable trust fund (the “Escrow Fund”) to be held by Manufacturers Traders Trust Company (the “Escrow Holder”), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the County and the Escrow Holder, dated as of the delivery date of the Bonds (the “Escrow Contract”). The amount placed in the Escrow Fund will be sufficient to pay the principal of, interest on and applicable redemption premium, if any, of the Refunded Bonds on the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the Refunding Bond Resolutions and the Escrow Contract, to pay the Refunded Bonds at maturity or at the earliest date on which the Refunded Bonds may be called for redemption prior to maturity.

The holders of the Refunded Bonds will have a first lien on all available monies held in the Escrow Fund. The Escrow Contract shall terminate upon final payment by the Escrow Holder to the paying agents/fiscal agent for the Refunded Bonds amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds, including interest and any redemption premium payable with respect thereto.

The Refunding Plan will permit the County to realize, as a result of the issuance of the Bonds, cumulative dollar and present value debt service savings.

Under the Refunding Plan, the Refunded Bonds will continue to be general obligations of the County. However, inasmuch as the funds held in the Escrow Fund will be sufficient to meet all required payments of principal, interest and redemption premium requirements when required in accordance with the Refunding Plan, it is not anticipated that any other source of payment will be required.

The list of Refunded Bond maturities set forth below may be changed by the County in its sole discretion due to market or other factors considered relevant by the County at the time of pricing of the Bonds and no assurance can be given that any particular bonds listed below or that any particular maturity thereof will be refunded.

(The remainder of this page has been intentionally left blank.)

The following is a summary of the Refunded Bonds:

2014A Refunded Bonds*:

<u>Maturity Date:</u>	<u>Principal*</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption Date/Price*</u>
May 1, 2026	\$415,000	3.000%	197504NT6	March 16, 2026 @ 100%
May 1, 2027	430,000	3.000	197504NU3	March 16, 2026 @ 100%
May 1, 2028	450,000	3.125	197504NV1	March 16, 2026 @ 100%
May 1, 2029	460,000	3.250	197504NW9	March 16, 2026 @ 100%
May 1, 2030	475,000	3.375	197504NX7	March 16, 2026 @ 100%
May 1, 2031	495,000	3.375	197504NY5	March 16, 2026 @ 100%
May 1, 2032	510,000	3.500	197504NZ2	March 16, 2026 @ 100%
May 1, 2033	530,000	3.625	197504PA5	March 16, 2026 @ 100%
May 1, 2034	545,000	3.625	197504PB3	March 16, 2026 @ 100%
May 1, 2035	565,000	3.750	197504PC1	March 16, 2026 @ 100%
May 1, 2036	590,000	3.750	197504PD9	March 16, 2026 @ 100%
May 1, 2037	<u>610,000</u>	3.750	197504PE7	March 16, 2026 @ 100%
Total:	\$6,075,000			

2016B Refunded Bonds*:

<u>Maturity Date:</u>	<u>Principal*</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption Date/Price*</u>
February 1, 2027	\$570,000	3.250%	197504RD7	March 16, 2026 @ 100%
February 1, 2028	585,000	3.250	197504RE5	March 16, 2026 @ 100%
February 1, 2029	605,000	3.250	197504RF2	March 16, 2026 @ 100%
February 1, 2030	625,000	3.375	197504RG0	March 16, 2026 @ 100%
February 1, 2031	645,000	3.500	197504RH8	March 16, 2026 @ 100%
February 1, 2032	665,000	3.625	197504RJ4	March 16, 2026 @ 100%
February 1, 2033	<u>690,000</u>	3.625	197504RK1	March 16, 2026 @ 100%
Total:	\$4,385,000			

Sources and Uses of Proceeds of the Bonds

Sources:

Bond Proceeds:

Par Amount \$

Original Issue Premium

Total: \$

Uses:

Refunding Escrow Deposits: \$

Delivery Date Expenses:

Underwriter's Fee

Costs of Issuance

and Contingency:

Total: \$

*Preliminary subject to change.

Verification of Mathematical Computations

Causey Public Finance will verify from the information provided to them, the mathematical accuracy, as of the date of the closing of the Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the underwriter's schedules, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium requirements of the Refunded Bonds, and (2) the computations of the yield on both the Government Obligations and the Bonds. Causey Public Finance will express no opinion on the assumptions provided to them.

No Optional Redemption

The Bonds are not subject to redemption prior to maturity.

Nature Of Obligation

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

Holders of any series of notes or bonds of the County 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 County and will contain a pledge of the faith and credit of the County 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 County has power and statutory authorization to levy ad valorem taxes on all real property within the County subject to such taxation by the County, without limitation as to rate or amount.

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

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

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

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

Book-Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds if issued as book-entry Bonds. Such Bonds will be issued as fully-registered bonds 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 deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with

DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of 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 and 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 ("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.

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.

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 County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

Source: The Depository Trust Company

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOKENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE COUNTY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE COUNTY 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 BONDOWNERS.

THE COUNTY 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 COUNTY 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.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the County and the holder thereof. Under current law, provision is made for contract creditors of the County 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 County 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 County may not be enforced by levy and execution against property owned by the County.

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

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 shortterm 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, as described below, enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the County.

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 villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities, and is authorized to offer

grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

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

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

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

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

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

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

RISK FACTORS

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

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

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

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

The County is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received (“State Aid”). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the County can be paid only if the State has such monies available therefore. The County’s receipt of State aid may be delayed as a result of the State’s failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the County fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the County is authorized pursuant to the Local Finance Law (“LFL”) to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the County will have market access for any such borrowing on a cost effective basis. (See also “*COVID-19 Stimulus and Uses*” and “*Revenues*” herein.)

In addition, in some recent years, the County’s receipt of State aid was delayed as a result of the County’s delay in disseminating State aid to towns within its borders, including the County. If the County should further delay payments to the municipalities within its borders, including the County, in this year or future years, the County may be affected by such a delay.

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

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

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

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

Cybersecurity

The County, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. To mitigate the risks of impact on the County operations and/or damage from cyber incidents or cyber-attacks, the County has invested in cybersecurity and other operational controls.

On the morning of October 18, 2024, the Management Information Systems (MIS) Department noticed unusual activity and loss of certain data and systems on the County’s network. Upon further investigation, the County IT Department became aware of a denial-of-service attack from an unknown actor, which was soon confirmed by the County internet provider. The County immediately reached out to the NYS Cyber Incident Response Team (CIRT) to report the issue and request assistance. During the interactions with the CIRT, the attack ceased and disappeared.

As a result of the incident, the MIS Department signed up for additional protection services to eliminate or mitigate the effects of future attacks. This attack was not a system breach, and no County data was extracted or compromised in any way.

While the County continues to review its policies and practices in regard to cybersecurity, there can be no assurances that such security and operational control measures will be completely successful to guard against and prevent cyber threats and attacks in the future. The result of any attacks could impact business operations and/or digital networks.

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. Complete copies of the proposed form of opinion of Bond Counsel is set forth in Appendix D hereto.

To the extent the issue price of any maturity of the Bonds are 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 County, in executing the Tax Certificate, will certify to the effect that the County 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 County, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County 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 County 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 County 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 County 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.

LITIGATION

The County is subject to a number of lawsuits in the ordinary conduct of its affairs. The County does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the County. The County has received significant amounts of Federal and State grants for specified purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Any such disallowances will be a reduction of revenue in the year the disallowances are finally determined.

The County is uninsured with respect to potential environmental hazards created or existing on and after September 1, 1981 with respect to the operations, maintenance and closure of approximately twelve landfill sites within the County of Columbia. The County has maintained reserves against future closure costs and other expenses to be incurred with respect to such landfill sites. Nevertheless, the potential financial responsibility of the County with respect to such sites is unknown and environmental hazards resulting in ecological damage has the potential to negatively impact the financial condition of the County. Hazards or ecological damages with resultant financial impacts are not anticipated to occur as the County monitors and maintains the landfills in compliance with New York State Department of Environmental Conservation regulations, monitoring and guidance.

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 County 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 December 2, 2025 of the County relating to the Bonds under the headings "LITIGATION" and all of Appendix A and Appendix B by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2025, 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, 2025; 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 County 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 County 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) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(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 County; (xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, 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 County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, 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 County, 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 County 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 County 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 County, 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 County.

With respect to events (xv) and (xvi) above, the term "Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a 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 County 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 County 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, notice of a failure to provide the annual financial information and operating data and such audited financial statement by the date specified.

The County reserves the right to terminate its obligation to provide the aforescribed notices, as set forth above, if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The County 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 interest 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 County obligations under its event notices undertaking and any failure by the County 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 County 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 County provided that, the County agrees that any such modification will be done in a manner consistent with the Rule.

Compliance History

The County failed to timely file its audited financial statements for the fiscal year ended December 31, 2021 by the last business day of the succeeding fiscal year. On January 12, 2023, a material event notice was filed in connection with such event and the audited financial statements were filed upon their completion.

RATING

The County has applied to Moody's Investors Service, Inc. ("Moody's") for a rating on the Bonds. Such application is pending at this time.

On May 10, 2024, Moody's affirmed its credit rating of "Aa3" on the uninsured, outstanding bonded indebtedness of the County.

Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Bonds or the availability of a secondary market for the Bonds.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC has acted as Municipal Advisor to the County in connection with the sale of the Bonds. 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 County 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 County for use in connection with the offer and sale of the Bonds, including this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained from Mr. Paul J. Keeler, County Treasurer, 401 State Street, Hudson, New York, (518) 828-0513 or from the County'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 County and the original purchasers or holders of any of the Bonds.

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

Orrick, Herington & Sutcliffe LLP, New York, New York, Bond Counsel to the County, expresses no opinion as to the accuracy or completeness of the information in any documents prepared by or on behalf of the County 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 County 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 County.

The Official Statement is submitted only in connection with the sale of the Bonds by the County 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. 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 County nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the County 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 County 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 County Treasurer.

COUNTY OF COLUMBIA, NEW YORK

By: _____
Paul J. Keeler
County Treasurer

DATED: December __, 2025

APPENDIX A

THE COUNTY

THE COUNTY

General Information

The County, with a land area of 643 square miles and an estimated population of 60,299 (Source: U.S. Census Bureau), is located in east-central New York State and extends from the Hudson River on the west to the Massachusetts border on the east between the Counties of Dutchess and Rensselaer. While major portions of the County are rural and agricultural in character, the County includes the City of Hudson (the “City”) and its surrounding area, which serve as the commercial, industrial and governmental hub of the County. The leading products manufactured in the County include plastics, furniture and fixtures, building products, paper products, and a cement storage plant which is located just south of the City of Hudson. Agricultural products include dairy, poultry, livestock and fruit production. The County is also a haven for passive recreation enthusiasts from the New York City region.

Transportation facilities include rail passenger service by Amtrak, rail freight transportation by Conrail and major highways which include the Berkshire Spur of the New York State Thruway system, the Taconic State Parkway, New York State Routes 9, 9G, and 9H along with numerous County highways. Air transportation is available at nearby Albany County Airport, along with business flights from the local Columbia County airport.

Form of Government

In New York State, local government services are generally provided by counties, cities, towns and villages. The County provides law enforcement services, economic assistance, health and transportation services, maintains county roads, co-sponsors a joint community college and provides numerous other services. The County Board of Supervisors is the main policy making body of the County. It has the power to levy taxes, adopt the County budget, make appropriations and adopt local laws. The County Board of Supervisors is a 23 member body consisting of one Supervisor from each of the 18 towns and one Supervisor from each of the five wards in the City of Hudson. Voting strength of each Supervisor is weighted to reflect population of that constituency. Supervisors are elected at large, within the area they represent, for two or four year terms in November of a given year. Annually, the Board of Supervisors elects a chairman from among its members. The Chairman of the Board of Supervisors is the chief executive officer who also acts on behalf of the County Board of Supervisors. The County Treasurer, who is elected at large within the County for a four year term, is the chief fiscal officer of the County. The County Treasurer maintains the fiscal records, is responsible for receipt of, depositing of and disbursing of all funds of the County and issuance of bonds and notes of the County. The other administrative officials of the County, including the County Attorney, County Controller/Auditor, Compliance Office, Budget Officer, Clerk of the Board and the various Commissioners, are appointed by the County Board of Supervisors. Other elected administrative officials of the County include the County Clerk, the County Attorney and the Sheriff, all elected to four year terms.

Employees

The County provides services through 625 full-time, 147 permanent part-time employees, and 37 Per Diem employees some of whom are represented by the following units of organized labor:

<u>Employees</u>		
<u>Number of</u>	<u>Organization</u>	<u>Contract</u>
<u>Employees</u>		<u>Expiration Date</u>
483	United Public Service Employees-Union Local	12/31/2025 ⁽¹⁾
55	Columbia County Sheriffs Benevolent Assoc.	12/31/2026
46	Columbia County Correctional Officers Benevolent Assoc.	12/31/2026
216	Managerial/Part-Time	N/A
12	911 Dispatchers	12/31/2025 ⁽¹⁾

(1) Contract currently in negotiations.

Columbia-Greene Community College

The Columbia-Greene Community College (the “College”) is a comprehensive, two-year college operating under the program of the State University of New York. The College offers a variety of programs leading to the degrees of Associate in Arts, Associate in Science and Associate in Applied Science, as well as one-year certificate programs and specialized courses in response to community interest. The College is sponsored on a joint basis by the Counties of Columbia and Greene. Capital costs are shared by the sponsoring counties and the State of New York. The operating costs not covered by student tuition and fees are shared by the State and the sponsoring counties. Operating fund contributions after State payments between the sponsoring counties are proportioned by the prior year enrollment in the College from each sponsor’s residents.

The County’s contributions to the general fund of the College for the last five audited fiscal years have been as follows:

Contributions to Community College

<u>Year</u>	<u>Amount</u>
2020	\$3,454,977
2021	3,474,911
2022	3,339,641
2023	3,545,974
2024	3,425,686

The County also contributes to capital projects undertaken at the College. As of December 31, 2024, the County had approximately \$4,070,700 in serial bonds outstanding for the County’s share of the reconstruction of various College buildings. The County will be making principal payments between \$175,000 and \$302,000 in each of the years 2025 through 2041 for these bonds.

Employee Pension Benefits

Substantially all employees of the County 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 ten years of service must contribute 3% of gross annual salary toward the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The law became effective for new ERS and Teacher Retirement System (“TRS”) hires on January 1, 2010. The legislation created a new 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 to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- 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.

Payments by the County to the Retirement System for the past five fiscal years, and the amount budgeted for the current fiscal year are as follows:

<u>Year</u>	<u>Amount</u>
2020.....	\$6,337,195
2021	6,183,036
2022	5,360,691
2023	5,583,895
2024	6,552,588
2025 (Budgeted).....	7,662,806

The County has not elected to amortize any of its contributions for the last 5 years.

Other Post-Employment Benefits

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), replaces GASB Statement No. 45. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment 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 similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial valuation using a measurement date that is no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year.

GASB 75 requires that most changes in the OPEB liability be included in OPEB expense in the period of the changes. Based on the results of an actuarial valuation, certain changes in the OPEB liability are required to be included in OPEB expense over current and future years.

Drescher & Malecki LLP, has completed its analysis and actuarial valuation of the County’s OPEB obligation as of the fiscal year ended December 31, 2024 in accordance with GASB 75. The report determined that as of December 31, 2024, the County’s total OPEB liability was approximately \$86,613,780 using a discount rate of 3.26%.

Should the County be required to fund the total OPEB liability, it could have a material adverse impact upon the County’s finances and could force the County to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the County to partially fund its OPEB liability.

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the County will continue funding this expenditure on a pay-as-you-go basis.

Legislation has been introduced to create an optional investment pool to help the State and local governments fund retiree health insurance and other post employment benefits. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State’s OPEB trust and the governing boards as trustee for local governments and allow school districts to

transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. The County cannot predict whether such legislation will be enacted into law in the foreseeable future

FINANCIAL FACTORS

COVID-19 Stimulus and Uses

On March 11, 2021, the federal government signed into law The American Rescue Plan Act (ARPA) that addresses issues related to the ongoing pandemic. ARPA also creates new programs to address continuing pandemic-related crisis and fund recovery efforts. It provides significant funding to local governments and school districts in NYS. The County has been allocated \$11,549,602 which was received in two equal payments of \$5,774,801 in May 2021 and July 2022. The County formed an ARPA workgroup which met regularly to review the guidance and to develop a plan to allocate the funds in the best interests of the County and its residents. Funds have been used for premium pay for employees mandated to work during the COVID-19 pandemic, numerous infrastructure projects, community and public health projects, and 911 equipment and building improvements. The funds were all obligated by December 31, 2024 and must be expended by December 31, 2026.

Independent Audit

The County's annual audited financial statements for the fiscal year ending December 31, 2022 through 2024 were audited by Drescher & Malecki LLP. For fiscal years ending December 31, 2020 and December 31, 2021, the audits were audited by UHY LLP, CPAs. Appendix B to this document presents certain information derived from the audited financial statements for the fiscal years ending December 31, 2020 through December 31, 2024.

Fund Structures and Accounts

The County 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.

The General Fund is the general operating fund for the County and is used to account for substantially all revenues and expenditures of the County. The County also maintains several major funds consisting of a County Road Fund and a Solid Waste Fund. In addition, a Capital Projects Fund is used to record capital facilities while a Trust and Agency Fund accounts for assets received by the County in a fiduciary capacity. Other non-major funds include a Health Related Facility Fund, a Road Machinery Fund, a Water Fund and a Sewer Fund.

Basis of Accounting

The financial statements of the County 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 Tax. The County derives a major portion of its revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix B, herein). In its General Fund budget for the 2025 fiscal year, property taxes account for approximately 22.8% of total operating revenues.

The following table sets forth total General Fund revenues and real property tax revenues received for each of the past five audited fiscal years and the budgeted amounts for the current fiscal year.

Real Property Taxes (General Fund)

<u>Fiscal Year</u>	<u>Total Revenues⁽¹⁾</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2020	\$122,710,206	\$30,893,439	25.2%
2021	135,734,706	33,396,757	24.6
2022	144,850,243	32,296,111	22.3
2023	148,975,555	32,357,055	21.8
2024	154,762,009	31,941,033	20.6
2025 (Budgeted)	147,215,014 ⁽²⁾	33,515,064	22.8

(1) Excludes other financing sources.

(2) Excludes appropriated fund balance.

Source: The County Controller, County's Audited Financial Statements Fiscal Year Ending 12/31 (2020-2024),
Adopted Budget for Fiscal Year Ending 12/31/2025. This summary itself is not audited.

State Aid. The County receives financial assistance from the State. In its General Fund budget for the 2025 fiscal year, approximately 14.5% of the revenues of the County are estimated to be received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the County, in any year, the County may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, the County may be affected by a delay in the payment of State aid.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the COVID-19 or other similar outbreaks.

The State is not constitutionally obligated to maintain or continue State aid to the County. No assurance can be given that present State aid levels will be maintained in the current or future fiscal years. In view of the State's continuing budget problems, State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the County, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See “RISK FACTORS” herein.)

The State's 2021-22 Enacted Budget provided \$10.8 billion in State funding to local governments. This funding available for use over multiple years, is designed to support essential workers and government employees, assist COVID-19 vaccination efforts, boost local economies, and support local government services.

The Aid and Incentives for Municipalities (“AIM”) program provides State aid to all of the State's cities (other than New York City), and 141 towns and villages. AIM was funded at \$656.1 million in the 2021-22 Enacted State Budget.

Should the County fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the County is authorized

by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

The following table sets forth General Fund revenues and State aid during the past five audited fiscal years and the budgeted amounts for the current fiscal year.

<u>State Aid (General Fund)</u>			
<u>Fiscal Year</u>	<u>Total Revenues⁽¹⁾</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2020	\$122,710,206	\$18,372,952	15.0%
2021	121,755,076	18,282,248	13.5
2022	144,850,243	19,076,324	13.2
2023	148,975,555	20,654,162	13.9
2024	154,762,009	29,064,209	18.8
2025 (Budgeted)	147,215,017 ⁽²⁾	21,321,367	14.5

(1) Excludes other financing sources.

(2) Excludes appropriated fund balance

Source: The County Controller, County's Audited Financial Statements Fiscal Year Ending 12/31 (2020-2024), Adopted Budget for Fiscal Year Ending 12/31/2025. This summary itself is not audited.

Sales and Compensating Use Taxes

Section 1210 of the New York Tax Law authorizes the County to levy sales and compensating use taxes of up to 3% in addition to the 4% tax levied by the State. Such sales and compensating use tax collections in New York are administered by the State Tax Commission and the proceeds are paid to the County monthly. The New York Tax Law, however, permits cities to impose a 1-1/2% sales and compensating use tax within their own jurisdictions preemptively. In such event, counties may levy a 3% sales and compensating use tax in the areas outside such cities and a 1-1/2% tax in the cities that exercise this preemptive right. However, in those jurisdictions where the 3% County tax applies, one-half thereof must be distributed to the towns and villages. The City of Hudson (the "City"), the only City in the County, has waived this preemptive right.

In 1995, the County received State legislative approval to increase the sales and compensating use tax from 3% to 4%. The increase took effect on March 1, 1995. The County receives 70% of all sales and compensating use tax revenues, and the remaining 30% is distributed to the towns, villages, and City. In addition to the aforementioned distribution formula, the County pays .0084% of its gross quarterly sales tax revenue to the City in quarterly payments. These payments are made from the County's percentage of its gross sales tax revenue. A local law was adopted by the Board of Supervisors which prohibits any increase in the existing sales and compensating use tax, and the imposition of any new form of County tax except by a resolution approved by the affirmative vote of two-thirds of the total membership, or a majority of the total membership if such resolution is adopted subject to permissive referendum.

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The sales and compensating use tax collections as received by the County, net of the distributions as described above, for each of the past five audited fiscal years and the budgeted amounts for the current fiscal year.

Sales and Use Tax

<u>Fiscal Year</u>	<u>Sales and Use Tax Revenues Collected</u>
2020	\$31,674,093
2021	38,635,341
2022	42,864,279
2023	43,033,038
2024	42,001,781
2025 (Budgeted)	42,140,724

Source: The County Controller, County's Audited Financial Statements Fiscal Year Ending 12/31 (2020-2024),
Adopted Budget for Fiscal Year Ending 12/31/2025. This summary itself is not audited.

Budget Process

During July of each year, budget request forms are sent to department heads who must return them by August 1. During August the Budget Officer reviews the requests and holds hearings with each department head and revisions are made where necessary. By November 15, the Budget Officer presents a tentative budget to the Clerk of the Board for review by Supervisors. During the month of December public hearings are held and by December 20 the Board of Supervisors adopts the final budget. The budget is not subject to referendum.

2026 Tentative Budget

The County's 2026 Budget is expected to be adopted on December 10, 2025. It assumes \$5,000,000 will be appropriated from the fund balance in the General Fund.

2025 Adopted Budget

The County's 2025 Budget was adopted on December 11, 2024. It assumes \$4,800,000 will be appropriated from the fund balance in the General Fund.

Investment Policy

The County's investments are governed by a formal written investment policy, which investment policy is consistent with the Investment Policies and Procedures guidelines promulgated by the Office of the State Comptroller.

Pursuant to the County Treasurer's investment policy, investments of monies not required for immediate expenditure may be made in certain obligations authorized by Section 11 of the General Municipal Law of the State, as defined therein being (a) Special time deposit accounts; (b) Certificates of deposit; (c) Obligations of the United States Government; and (d) Obligations of the State of New York. The County Treasurer's investment policy further provides that, in accordance with the provisions of Section 10 of the General Municipal law of the State, all deposits, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, are secured by a pledge of "eligible securities" with an aggregate "market value" equal to 110% of the aggregate amount of deposits. Eligible securities used for collateralizing deposits are to be held by a third party bank or trust company subject to security and custodial agreements. The County's investment policy also authorizes the County to enter into repurchase agreements, subject to the following restrictions: (a) All repurchase agreements must be entered into subject to a master repurchase agreement; (b) Obligations shall be limited to obligations of the United States of America and obligations of agencies of the United States of America where principal and interest are guaranteed by the United States of America; (c) No substitution of securities will be allowed; (d) The custodian shall be a party other than the trading partner, and (e) Repurchase agreements shall be for periods of days or less. The County Treasurer's investment policy does not permit the County to invest in reverse repurchase agreements or other

derivative-type investments and the County does not invest in reverse repurchase agreements, or other derivative-type investments.

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, fiscal year ending 2024, designates the County as "No Designation" with a fiscal stress score of 0.0 and an environmental score of 13.3.

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

In addition, the County is subject to periodic audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. On February 2, 2018, the State Comptroller released a report with findings related to the County's procurement policy, and whether the County procured goods and services in accordance with General Municipal Law, for the period January 1, 2016 through July 17, 2017.

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

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REAL PROPERTY TAXES

The Tax Levy Limit Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (as amended, the “The Tax Levy Limit Law”). The Tax Levy Limit 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 Limit 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 Limit 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 are 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 Limit 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 Limit 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 Limit 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 Limit 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 Limit 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 Limit 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 County derives its power to levy an ad valorem real property tax from the State Constitution. Methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the County are prepared by the component towns and the City. Assessed valuations are determined by the towns and City assessors and the State Office of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Office of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation of debt contracting and real property taxing limitations.

County taxes are collected by the respective tax collection officers of the City and towns in conjunction with City and town taxes. The City pays the County the full amounts of the County levy, regardless of collection results, prior to the end of the year of levy. The towns retain from gross tax collections the total amount of their respective tax levies (including levies for highway and special district purposes) and return the balance plus uncollected items to the County, which assumes responsibility for and collects delinquent taxes.

Taxes are due during the month of January without penalty. The penalty added to delinquent taxes is one-twelfth the rate of interest determined by the State Commissioner of Taxation and Finance. The rate is determined each year by July 15 based on the one-year constant maturity yield index for United States Treasury securities for the quarter-year ending on the immediately preceding June 30. The rate is effective for a twelve month period commencing August 1 each year and in no event will be less than ten per centum per annum.

Foreclosure proceedings are initiated on October 1 of the succeeding fiscal year for taxes which remain uncollected. If the taxes still remain unpaid by January 1, the matter goes to Supreme Court and, unless the property owner is granted a stay, the County is awarded title to the property.

The County is also responsible for the collection of delinquent school district taxes, with the exception of delinquent taxes for the Hudson City School District for properties located within the City’s borders. For the properties of the Hudson City School District that are located outside of the City’s borders, the County receives the unpaid taxes in November, collects such unpaid taxes and remits the amounts collected monthly to the Hudson City School District. The County makes the Hudson City School District whole, for such properties located outside the City’s borders, in December of the following year. For all other school districts in the County, the County receives the unpaid taxes in

November, collects in December, and then relieves these uncollected taxes on the County tax bill. The County makes these school districts whole by the following April 1 of each year.

Tax Collection Record
(As of September 1, 2025)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Tax Levy ⁽¹⁾	\$75,465,215	\$74,908,113	\$76,675,284	\$77,907,310	\$80,648,559
Tax Collected	73,151,438	71,795,378	73,822,224	74,994,527	76,824,282
Outstanding	2,313,777	2,697,924	2,853,059	2,912,783	3,824,278
Delinquent					
% Uncollected	3.07%	3.60%	3.72%	3.74%	4.74%

(1) Includes County, Town, special district, and relieved school district taxes.

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Largest Taxpayers

The following table presents the taxable assessments of the County's largest taxpayers as of the 2025 fiscal year end:

<u>Taxable Assessments</u>			
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of County's Assessed Valuation</u>
National Grid	Utility	\$ 104,325,911	0.97%
NYSEG	Utility	98,026,448	0.91
CSX Transportation Inc	Railroad	46,421,163	0.43
Tennessee Gas Pipeline	Utility	70,239,706	0.65
Widewaters Greenport Co LLC	Large Retail	31,212,750	0.29
The Falls in Hudson, Inc.	Apartments	23,200,000	0.22
Iroquois Gas Trans System	Utility	22,814,014	0.21
NY Transco, LLC	Utility	19,847,573	0.18
Columbia Memorial Hospital	Health Building	14,001,000	0.13
Colarusso Ventures, LLC	Industrial	13,826,000	0.13
Fairview Hudson 15 LLC	Shopping Center	13,630,000	0.13
Woodlands at Hudson LLC	Commercial	13,490,000	0.13
Taconic Farms Inc	Research	12,069,700	0.11
Galvan Initiatives Foundation	Collective	11,478,150	0.11
Wal-Mart Inc.	Shopping Center	11,475,000	0.11
Wally Farms LLC	Farm	11,147,755	0.10
777 Congress Ave Partners	Residential	10,816,488	0.10
Woodvale Holdings LLC	Commercial	10,112,000	0.09
FH Farms LLC	Farm	10,093,133	0.09
151 Harder Road 1&2 LLC	Residential	9,991,800	0.09
ADM Milling Co	Milling	9,560,000	0.09
Triple Net Greenport LLC	Shopping Center	9,300,000	0.09
TST FBO Angela Paige West	Residential	9,241,500	0.09
Hudson Seafood Property LLC	Fishery	8,535,885	0.08
GJ Kinderhook LLC	Shopping Center	8,448,000	0.08
Providence and Schuyler LLC	Apartments	8,250,000	0.08
Fifth Garden Park LP	Mobile Home Park	8,200,000	0.08
Barnwell Realty, Oper Assoc LLC	Real Estate	8,160,000	0.08
Central Hudson Gas & Electric	Utility	7,866,292	0.07
		<u>\$635,780,268</u>	<u>5.92%</u>

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COUNTY INDEBTEDNESS

Constitution Requirements

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

Purpose and Pledge Subject to certain enumerated exceptions, the County 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 County may contract indebtedness only for a County 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 within three fiscal year periods, 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 or, in the alternative, the weighted average period of probable usefulness of the several purposes, for which it is contracted and in no event may this period exceed forty years. No installment may be more than fifty per centum in excess of the smallest prior installment unless the County Board of Supervisors provides for substantially level or declining debt service payments in the manner prescribed by the State Legislature. The County is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General The County is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers.

Statutory Procedure

In general, the State Legislature has, by enactment of the Local Finance Law, authorized the power and procedure for the County 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 County Law and the General Municipal Law.

Pursuant to the Local Finance Law and the County Law, the County 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 Board of Supervisors.

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. Such period is expected to end prior to the issuance of 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 “Payment and Maturity” under “*Constitutional Requirements*” herein).

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

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

Debt Limit The County has the power to contract indebtedness for any County purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation 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. Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the County is calculated by taking seven percent of the latest five-year average of the full valuation of all taxable real property. The average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Tobacco Proceeds Securitization

Pursuant to a Master Settlement Agreement (“MSA”) entered into on November 23, 1998, 46 states (including New York) agreed to settle all their past, present and future smoke-related claims in exchange for an agreement by participating tobacco manufacturers to make certain payments to them (the “tobacco revenues”). A Decree and Final Judgment entered by the Supreme Court of New York State allocated a share of the revenues to the County.

The Columbia Tobacco Asset Securitization Corporation (“the Corporation”) is a special purpose, bankruptcy-remote local development corporation organized under the Not-For-Profit Corporation Law of the State of New York (the “State”) on October 28, 2000. The Corporation is an instrumentality of, but separate and apart from the County. The County sold all of its future right, title and interest in its tobacco revenues to the Corporation on December 7, 2000. The Corporation, along with five other Tobacco Asset Securitization Corporations combined to form the New York Counties Tobacco Trust II (the “Trust”) in August of 2001 to issue bonds to finance the purchase price of the future rights, title and interest in the tobacco revenues. Of the total \$215,220,000 of bonds issued by the Trust, the County received \$10,888,021 in proceeds together with beneficial ownership interest in a residual trust. The County used \$2,578,944 of such proceeds to fund County court house renovations and highway equipment. The remaining \$8,309,077 was deposited into an escrow account to fund \$5,900,000 general fund, \$1,764,000 enterprise fund and \$700,000 Pine Haven Home debt. The Corporation, along with twenty-four other Tobacco Asset Securitization Corporations combined to form the New York Counties Tobacco Trust V (the “Trust V”) in November of 2005 to issue Tobacco Settlement Pass-Through Bonds. Of the total \$199,375,348.20 of Bonds issued by the Trust V, the County received \$4,677,000 in proceeds together with beneficial ownership interest in a residual trust. The County used \$1,641,000 of the bond proceeds for capital improvements, which was the construction of a professional academic center at Columbia-Greene Community College. The remainder of the proceeds were used to economically defease \$3,036,000 of the \$7,250,000 Public Improvement (Serial) Bonds, 2005.

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Constitutional Debt Limit

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

Constitutional Debt Limit

<u>Taxable Year</u>	<u>Assessed Valuation</u>	<u>Equalization Ratio</u>	<u>Full Valuation</u>
2025	\$10,747,924,597	74.62%	\$14,404,055,367
2024	10,066,601,197	77.13	13,052,195,436
2023	9,617,498,789	84.28	11,411,058,956
2022	8,715,086,208	80.93	10,769,206,136
2021	8,723,865,175	92.14	<u>9,467,583,534</u>
Total Five-Year Valuation			59,104,099,429
Average Five-Year Valuation			11,820,819,886
Debt Limit - 7% of Average Full Valuation			<u>\$ 827,457,392</u>

Source: New York State Department of Audit and Control and County Officials.

Statement of Debt Contracting Power

Statutory Debt Limit and Net Indebtedness **(as of November 18, 2025)**

Five-Year Average Full Valuation	\$11,820,819,886
Debt Limit 7% Thereof	827,457,392
Inclusions:	
Outstanding Bonds	\$42,855,000
Bond Anticipation Notes	<u>0</u>
Total Inclusions	\$42,855,000
Exclusions:	
Appropriations	<u>\$0</u>
Total Exclusions	\$0
Total Net Indebtedness	<u>42,855,000</u>
Net Debt Contracting Margin	<u>\$784,602,392</u>
Percentage of Debt Contracting Power Exhausted	5.18%

Future Capital Project Plans

The County has several future capital project plans. Over the next five years, the County plans to spend approximately \$16,000,000 on building and airport improvements and \$40,000,000 on equipment, road and bridge improvements. The majority of the funding for these projects will come from State and federal aid.

Tax and Revenue Anticipation Notes

The County's cash flow has been sufficient to meet operating requirements during the last five years, and the County had not found it necessary to issue tax or revenue anticipation notes, not budget or deficiency notes, during such period and does not anticipate issuing any such notes in the foreseeable future.

Enviromental Facilities Corporation

On December 6, 2022, the County issued \$3,666,338 in Environmental Facilities Corporations (“EFC”) bonds with interest rates ranging from 3.04 to 4.88 percent. This converted \$4,201,767 of EFC notes payable to long-term financing. Principal payments, made from the Sewer Fund, began on March 1, 2023, and the bonds mature on March 1, 2052.

Trend of Outstanding Indebtedness

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

	<u>Outstanding Indebtedness</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Serial Bonds	\$45,600,000	\$50,885,000	\$50,891,338	\$47,276,338	\$46,085,000
Bond Anticipation Notes	<u>4,135,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	\$49,735,000	\$50,885,000	\$50,891,338	\$47,276,338	\$46,085,000

Source: The County Controller, the County’s Comprehensive Annual Financial Reports for the fiscal years ended December 31, 2020-2024.

Estimated Underlying Indebtedness

In addition to the County, various other political units within the County have the power to incur indebtedness payable from property taxes in property located in the County. The following table sets forth the total outstanding principal amount of debt issued by other political units within the County.

	<u>Estimated Underlying Indebtedness</u>
<u>Issuer</u>	<u>Net Underlying Indebtedness</u>
Towns	\$ 21,394,916
Villages	8,019,160
City of Hudson	15,185,414
School Districts	95,244,281
Fire Districts	<u>4,766,116</u>
Total Net Overlapping Debt	\$144,609,887

Source – New York State Office of the State Comptroller 2023 Data.

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Debt Ratios

The following table presents certain debt ratios relating to the County's net direct and overlapping indebtedness as of November 18, 2025:

	<u>Debt Ratio</u>		
	<u>Amount</u>	<u>Debt Per Capita⁽¹⁾</u>	<u>Debt to Full Value⁽²⁾</u>
Net Direct Debt	\$ 42,855,000	\$ 710.71	0.30%
Net Overlapping Debt	144,609,887	2,398.21	1.00
Net Direct and Overlapping Debt	\$187,229,887	\$3,108.92	1.30%

(1) The population of the County is 60,299

(2) The County's full value of taxable real property for 2025 is \$14,404,055,367.

Source: NYS - Office of the State Comptroller and the County.

Debt Service Schedule

The following table sets forth all principal and interest payments required on the County's outstanding bonded indebtedness for future fiscal years ending December 31.

	<u>Outstanding Bonds</u>		
<u>FYE December 31:</u>	<u>Principal</u>	<u>Interest⁽²⁾</u>	<u>Total</u>
2025 ⁽¹⁾	\$3,675,000	\$1,426,838	\$5,101,838
2026	3,480,000	1,261,197	4,741,197
2027	3,590,000	1,144,151	4,734,151
2028	3,625,000	1,022,387	4,647,387
2029	3,760,000	897,371	4,657,371
2030	3,880,000	768,174	4,648,174
2031	3,770,000	654,216	4,424,216
2032	2,720,000	562,018	3,282,018
2033	2,770,000	481,359	3,251,359
2034	2,125,000	410,699	2,535,699
2035	2,190,000	349,831	2,539,831
2036	2,255,000	286,433	2,541,433
2037	2,310,000	221,177	2,531,177
2038	1,085,000	165,848	1,250,848
2039	1,115,000	133,989	1,248,989
2040	785,000	100,675	885,675
2041	810,000	75,861	885,861
2042	290,000	58,415	348,415
2043	305,000	48,407	353,407
2044	310,000	37,984	347,984
2045	140,000	30,890	170,890
2046	145,000	27,167	172,167
2047	150,000	23,313	173,313
2048	150,000	19,336	169,336
2049	155,000	15,222	170,222
2050	160,000	10,974	170,974
2051	165,000	6,593	171,593
2052	170,000	2,077	172,077
	<u>\$46,085,000</u>	<u>\$10,242,602</u>	<u>\$56,327,602</u>

(1) For entire fiscal year.

(2) Net of any subsidies received from, and administrative expenses paid to, EFC (see "Environmental Facilities Corporation" herein).

ECONOMIC AND DEMOGRAPHIC DATA

Population

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

Population Trend

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2024</u>
County	63,094	63,096	61,570	60,299
State	18,976,457	19,378,102	20,201,249	19,862,488
Nation	285,491,303	309,349,689	331,449,281	341,198,888

Source: U.S. Census Bureau

Income

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

Per Capita Money Income

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023</u>
County	\$22,821	\$31,844	\$38,268	\$53,325
State	23,389	30,948	39,326	49,520

Source: U.S. Census Bureau.

Employment and Unemployment

Figures in this section are historical and do not speak as to current or projected employment rates. The following tables provide information concerning employment in the County:

Largest Employers In the County

<u>Name</u>	<u>Industry or Business</u>	<u>Number of Employees</u>
Columbia Memorial Hospital	Hospital	1,156
Hudson City School District	Education	600
Taconic Farms Inc.	Animal Specialties	550
Berkshire Farm Center	Educational Programs	548
COARC	Human Services	350
Barnwell Nursing Home	Skilled Nursing Care Facilities	330
Ichabod Crane School District	Education	300
Ginsbergs Institutional Foods	General Line	204
Wal-Mart	Department Store	200
Catamount Ski Area	Outdoor Recreation	200
Sonocco-Crellin Inc.	Plastics Products	200
Price Chopper	Grocery Store	190
Whittier Health Care	Skilled Nursing Care Facilities	180
Nova Pak Plastics	Products	180
Pine Haven Home	Nursing Facility	170
Hawthorne Valley School	Education	160
New Lebanon School District	Education	152
Firemen's Home Skilled	Nursing Facility	150
Ed Herrington's Retail	Lumber	150
Columbia Green Community College	Junior College	145

Source: Columbia Economic Development Corp.

Average Annual Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2013	6.2%	7.8%
2014	4.7	6.3
2015	4.0	5.2
2016	3.9	4.9
2017	4.0	4.6
2018	3.5	4.1
2019	3.3	3.9
2020	6.3	9.8
2021	4.1	7.1
2022	2.9	4.3
2023	3.0	4.1
2024	3.1	4.3

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

End of Appendix A

APPENDIX B

FINANCIAL STATEMENT AND BUDGET SUMMARIES

Columbia County, NY
General Fund Budgets

Fiscal Year Ending December 31:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026⁽¹⁾</u>
<u>Revenues</u>						
Real Property Taxes	\$33,793,875	\$31,899,031	\$32,017,007	\$32,517,007	\$33,515,064	\$33,533,669
Real Property Tax Items	2,095,000	2,419,000	2,095,000	2,285,000	2,035,000	2,035,000
Non-Property Taxes	44,391,000	51,807,139	58,135,000	62,810,000	64,182,000	64,547,000
Departmental Income	10,006,493	10,527,802	8,751,405	8,869,300	8,326,810	9,072,006
Intergovernmental Charges	650,930	543,104	795,863	2,470,364	4,506,829	4,221,924
Licenses and Permits	10,000	10,000	10,000	10,000	8,000	8,000
Fines and Forfeitures	77,000	77,000	75,000	71,000	71,000	71,000
Sale of Property and Compensation for Loss	85,000	85,000	65,000	95,000	95,000	95,000
Miscellaneous	618,450	503,750	668,250	1,128,250	1,365,000	1,542,250
State Aid	18,545,979	19,763,410	19,966,723	20,701,251	21,321,367	25,331,342
Federal Aid	11,481,349	14,447,968	12,720,377	11,675,518	11,788,947	11,509,798
Interfund Transfers	0	0	0	0	0	0
Appropriated Fund Balance	0	0	2,700,000	2,600,000	4,800,000	5,000,000
Total Revenues	<u>\$121,755,076</u>	<u>\$132,083,204</u>	<u>\$137,999,625</u>	<u>\$145,232,690</u>	<u>\$152,015,017</u>	<u>\$156,966,989</u>
<u>Expenditures</u>						
General Government Support	\$26,796,897	\$29,829,619	\$32,860,862	\$35,231,547	\$37,168,595	\$38,615,443
Education	4,474,911	4,474,641	4,745,974	4,625,686	4,603,896	4,598,533
Public Safety	15,731,772	17,024,707	18,531,596	19,150,932	19,336,054	19,577,826
Health	13,927,793	16,170,883	15,361,215	15,404,984	17,535,444	18,782,120
Transportation	527,165	671,165	1,181,810	1,138,300	1,121,537	1,419,400
Economic Assistance and Opportunity	37,099,800	38,623,024	38,197,639	39,489,384	40,052,557	40,429,544
Culture and Recreation	2,275,132	2,714,171	2,661,886	2,794,881	2,854,709	3,050,074
Home and Community Services	1,292,745	1,597,542	1,782,454	1,816,333	2,000,187	2,072,113
Interfund Transfers	254,500	37,500	30,000	106,250	0	109,050
Employee Benefits/Undistributed	16,451,390	18,066,602	19,875,608	22,711,615	24,667,212	25,960,822
Debt	2,922,970	2,873,349	2,770,581	2,762,778	2,674,826	2,352,064
Total Expenditures	<u>\$121,755,076</u>	<u>\$132,083,204</u>	<u>\$137,999,625</u>	<u>\$145,232,690</u>	<u>\$152,015,017</u>	<u>\$156,966,989</u>

(1) Tentative, expected to be passed on December 10, 2025.

Source: Adopted and Tentative Budgets of the County. Summary itself has not been audited.

Columbia County, NY
General Fund Balance Sheets

Fiscal Year Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Assets</u>						
Cash	\$7,589,431	\$11,066,331	\$26,061,332	\$8,462,135	\$4,528,315	\$8,206,676
Cash - Restricted	3,135,483	3,092,494	2,991,367	17,161,084	14,351,119	5,396,332
Investments	0	0	0	12,860,107	26,449,090	28,394,540
Taxes receivable, net	5,040,577	4,334,110	3,845,125	11,215,687	11,541,141	12,580,666
Accounts Receivable, net	0	0	0	1,715,783	1,934,609	3,245,061
State and Federal Aid receivable	12,943,578	20,340,257	15,503,027	19,663,667	16,070,281	14,957,583
Other Receivables	9,864,003	8,893,265	10,014,618	0	0	0
Due from other Funds	1,519,484	1,058,645	1,510,921	4,110,172	6,597,337	6,928,483
Due from other Governments	271,041	122,639	145,614	0	0	0
Leases Receivable	0	0	0	1,848,882	1,646,243	1,815,383
Prepaid Expenditures	1,560,078	135,252	1,405,698	1,235,452	1,210,011	1,622,964
Inventory	24,056	26,606	48,834	57,826	0	3,098
Total Assets	<u>\$41,947,731</u>	<u>\$49,069,599</u>	<u>\$61,526,536</u>	<u>\$78,330,795</u>	<u>\$84,328,146</u>	<u>\$83,150,786</u>
<u>Liabilities</u>						
Accounts Payable	\$5,295,324	\$4,954,378	\$9,430,159	\$3,646,152	\$5,033,657	\$5,171,408
Accrued Expenses	3,756,015	3,640,353	3,200,232	3,106,534	3,455,294	3,440,701
Consolidated Payroll	0	0	0	0	0	0
Due to other Governments	10,938,242	12,899,695	12,543,175	13,433,350	13,805,972	13,708,943
Due to other Funds	325,044	31,669	0	339,564	916,782	2,892,414
Due to employees' retirement system	0	3,905,464	0	0	0	0
Other	0	0	0	0	0	0
Unearned Revenues	0	0	0	11,711,116	8,312,175	4,056,513
Total Liabilities	<u>\$20,314,625</u>	<u>\$25,431,559</u>	<u>\$25,173,566</u>	<u>\$32,236,716</u>	<u>\$31,523,880</u>	<u>\$29,269,979</u>
Deferred inflows of resources	3,858,968	3,064,219	8,896,714	4,177,292	4,267,262	4,758,962
<u>Fund Balance</u>						
Non-spendable	\$1,584,134	\$161,858	\$1,454,532	\$2,295,353	\$2,985,988	\$3,433,515
Restricted	3,135,483	3,092,494	2,991,367	5,449,968	6,038,944	6,386,799
Committed	0	0	0	0	0	0
Assigned	3,846,823	1,622,629	1,089,765	4,883,576	7,929,979	10,940,324
Unassigned	9,207,698	15,696,840	21,920,492	29,287,890	31,582,093	28,361,207
Total Fund Equity	<u>\$17,774,138</u>	<u>\$20,573,821</u>	<u>\$27,456,156</u>	<u>\$41,916,787</u>	<u>\$48,537,004</u>	<u>\$49,121,845</u>
Total Liabilities and Fund Equity	41,947,731	49,069,599	61,526,436	78,330,795	84,328,146	83,150,786

Source: Audited Financial Statements of the County. Summary itself not audited.

Columbia County, NY
General Fund Revenues, Expenditures and Fund Balance

Fiscal Year Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Revenues:</u>						
Real Property Taxes	\$29,917,874	\$30,893,439	\$33,396,757	\$32,296,111	\$32,357,055	\$31,941,033
Real Property Tax Items	2,663,714	1,649,993	1,903,052	1,884,114	1,897,093	1,372,324
Non-Property Tax Items	46,919,370	49,199,463	60,371,082	65,722,318	65,119,418	61,981,468
Departmental Income	9,240,893	8,008,570	9,330,772	9,419,241	7,444,825	8,284,717
Intergovernmental Charges	249,868	1,444,493	2,360	178,426	1,339,701	909,966
Use of Money and Property	495,075	349,513	362,250	917,434	2,925,483	3,491,782
Licenses and Permits	7,089	5,642	7,948	11,195	13,001	9,441
Fines and Forfeitures	101,136	57,100	72,649	85,027	101,450	97,908
Sale of Property and Compensation for Loss	140,089	50,140	150,765	55,680	251,260	79,187
State Aid	19,499,133	18,372,952	18,282,248	19,076,324	20,654,162	29,064,209
Federal Aid	11,404,288	12,084,984	11,286,323	13,989,569	15,410,400	15,394,354
Miscellaneous	440,062	593,917	568,500	1,214,804	1,461,707	2,135,620
Total Revenues	<u>\$121,078,591</u>	<u>\$122,710,206</u>	<u>\$135,734,706</u>	<u>\$144,850,243</u>	<u>\$148,975,555</u>	<u>\$154,762,009</u>
<u>Expenditures:</u>						
General Government Support	\$26,265,940	\$26,926,315	\$30,713,110	\$32,943,321	\$35,305,924	\$35,332,533
Education	4,401,270	4,493,086	4,639,461	4,447,445	4,706,007	4,522,310
Public Safety	15,213,854	14,949,024	16,179,823	16,858,834	18,182,647	22,052,897
Health	12,983,589	12,100,198	13,851,477	13,894,796	15,459,448	16,893,709
Transportation	677,427	518,496	552,534	596,735	867,924	1,110,797
Economic Assistance & Opportunity	36,935,080	34,858,775	37,348,976	35,414,151	35,967,422	39,828,910
Culture and Recreation	2,084,494	2,118,177	2,155,927	2,739,638	2,673,403	2,774,436
Home and Community Services	1,534,710	1,290,857	1,308,897	1,794,587	1,653,420	1,700,734
Employee Benefits	19,571,044	19,692,672	19,180,136	18,972,877	20,916,714	23,541,143
Debt Service	2,494,723	2,952,046	2,922,030	3,152,591	3,499,256	3,314,409
Capital Outlays	0	0	0	0	0	0
Total Expenditures	<u>\$122,162,131</u>	<u>\$119,899,646</u>	<u>\$128,852,371</u>	<u>\$130,814,975</u>	<u>\$139,232,165</u>	<u>\$151,071,878</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,083,540)	2,810,560	6,882,335	14,035,268	9,743,390	3,690,131
<u>Other Financing Sources (Uses):</u>						
Operating Transfers In	0	0	0	0	0	0
Operating transfers out	(\$108,736)	(\$10,877)	\$0	(\$4,696,933)	(\$4,450,000)	(\$3,291,846)
Issuance of SBITAs	0	0	0	0	1,136,893	\$2,979
Leases Issued	0	0	0	1,057,242	189,934	183,577
Total Other Financing Sources (Uses)	<u>(\$108,736)</u>	<u>(\$10,877)</u>	<u>\$0</u>	<u>(\$3,639,691)</u>	<u>(\$3,123,173)</u>	<u>(\$3,105,290)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-1,192,276	2,799,683	6,882,335	10,395,577	6,620,217	584,841
Fund Balance-Beginning of Year	<u>\$18,966,414</u>	<u>\$17,774,138</u>	<u>\$20,573,821</u>	<u>\$27,456,156</u>	<u>\$41,916,787</u>	<u>\$48,537,004</u>
Prior Period Adjustment	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,065,054</u>	<u>\$0</u>	<u>\$0</u>
Fund Balance - End of Year	<u>\$17,774,138</u>	<u>\$20,573,821</u>	<u>\$27,456,156</u>	<u>\$41,916,787</u>	<u>\$48,537,004</u>	<u>\$49,121,845</u>

Source: Audited Financial Statements of the County. Summary itself not audited.

APPENDIX C

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024*

**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/P21952589.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. Drescher & Malecki, LLP, Certified Public Accountants, has not been requested by the County 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 BOND COUNSEL'S LEGAL OPINION

December 16, 2025

County of Columbia,
State of New York

Re: COUNTY OF COLUMBIA, NEW YORK
\$9,580,000 PUBLIC IMPROVEMENT REFUNDING (SERIAL) BONDS, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$9,580,000* Public Improvement Refunding (Serial) Bonds, 2025 of the County of Columbia, State of New York (the "Obligor"), dated December 16, 2025, 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 as to bonds maturing in each of the years 20__ to 20__, both inclusive, payable on August 1, 2026 and semi-annually thereafter on February 1 and August 1, and maturing in the amount of \$_____ on August 1, 20__ and \$_____ on February 1 in each of the years 20__ to 20__, both inclusive.

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 Obligations 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