

PRELIMINARY OFFICIAL STATEMENT DATED MAY 6, 2026

RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Walsh Schwartz LLP, Saratoga Springs, New York, Bond Counsel, under existing law, interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; provided, however, interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations, and subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. In the opinion of Bond Counsel, under existing law, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. No opinion is expressed regarding any other tax consequences resulting from ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

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



\$4,950,000

**TOWN OF STILLWATER
SARATOGA COUNTY, NEW YORK**

GENERAL OBLIGATIONS

\$4,950,000 Bond Anticipation Notes, 2026 (Renewals)

(referred to herein as the "Notes")

Dated: May 28, 2026

Due: May 28, 2027

The Notes are general obligations of the Town of Stillwater, Saratoga County, New York (the "Town"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "THE NOTES – Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes are to be issued without the option of prior redemption.

At the option of the purchaser, the Notes will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Town at maturity.

If the Notes are issued in book-entry-only form, such Notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on such Notes will be paid in Federal Funds by the Town to Cede & Co., which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the unqualified legal opinion as to the validity of the Notes of Walsh Schwartz LLP, Saratoga Springs, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or otherwise as may be agreed with the purchaser(s), on or about May 28, 2026.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on May 12, 2026 by no later than 11:00 A.M., Prevailing Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

May __, 2026

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

TOWN OF
STILLWATER, NY
TURNING POINT OF THE AMERICAN REVOLUTION

TOWN BOARD

EDWARD D. KINOWSKI
Town Supervisor

ELLEN VOMACKA
Deputy Supervisor

COUNCIL MEMBERS

CHRISTOPHER D'AMBRO
JENNIFER WEAVER



ELLEN VOMACKA
JIMEL WILLIAMS

* * * * *

DANIELLE COWIN
Town Clerk

TRAINOR, PEZZULO & DESANTO PLLC
Attorneys for the Town

WALSH SCHWARTZ LLP
Bond Counsel



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

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

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT
OF THE
TOWN OF STILLWATER
SARATOGA COUNTY, NEW YORK**

Relating To

\$4,950,000 Bond Anticipation Notes, 2026 (Renewals)

This Official Statement, which includes the cover page, has been prepared by the Town of Stillwater, Saratoga County, New York (the “Town”, “County”, and “State”, respectively), in connection with the sale by the Town of \$4,950,000 Bond Anticipation Notes, 2026 (Renewals) (referred to herein as the “Notes”).

The factors affecting the Town’s financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Town’s tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

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

THE NOTES

Description of the Notes

The Notes are general obligations of the Town, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the laws of the State of New York. All the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See “TAX LEVY LIMITATION LAW” herein.

Under Article VIII of the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and the State is specifically precluded from restricting the power of the Town to levy taxes on real property for the payment of such indebtedness.

The Notes are dated May 28, 2026 and mature, without option of prior redemption, on May 28, 2027. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

At the option of the purchaser, the Notes will be issued in (i) registered form registered in the name of the purchaser(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York (“DTC”). If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Town. If the Notes are issued in book-entry-only form, such Notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on the Notes will be paid in Federal Funds by the Town to Cede & Co., which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes. See “BOOK-ENTRY-ONLY SYSTEM” herein.

No Optional Redemption

The Notes are to be issued without the option of prior redemption.

Purpose of Issue

The Notes are being issued pursuant to a bond resolution adopted by the Town Board on April 3, 2014 authorizing the issuance of serial bonds in an aggregate principal amount not to exceed \$6,800,000 to finance the Saratoga County Water Authority Connection Project.

The proceeds of the Notes together with \$70,000 available funds of the Town will redeem \$5,020,000 bond anticipation notes maturing on May 29, 2026.

Nature of the Obligation

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

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

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

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 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). Chapter 97 of the 2011 Laws of New York, as amended (the “Tax Levy Limitation Law”), applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

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

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

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

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

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

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Notes if selected by the purchaser(s). As such, the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for the Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry-only system for the Notes is discontinued.

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

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

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

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

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

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

Source: The Depository Trust Company.

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

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (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 NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE TOWN MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry-only form is initially chosen by a purchaser of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in fully registered form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the Town. The Notes will remain not subject to the option of redemption prior to their stated maturity date.

THE TOWN

General Information

The Town was established as a town in 1788, prior to Saratoga County being formed. In 1816, the hamlet of Stillwater was incorporated as a village. The Town is at the eastern border of the County, southeast of the City of Saratoga Springs and borders both Rensselaer and Washington Counties. The City of Albany is located approximately 20 miles southwest of the Town. The Town has a total area of 43.6 square miles, of which 41.4 square miles is land and 2.2 square miles is water.

US Route 4, partly conjoined with New York State Route 32, follows the Hudson River, north to south, through the Town. New York State Route 423 is an east-west highway in the northern part of the Town. County Route 76 is an east-west highway in the southern part of the Town. Both State Route 423 and County Route 76 connect to New York State Route 9P, which is a north-south highway in the northwestern part of the Town by Saratoga Lake. New York State Route 67 runs along the south town line.

Schools located within the Town include Mechanicville City SD, Schuylerville CSD, Shenendehowa CSD and Stillwater CSD. There are several higher educational opportunities, both State and private, available for 2 year, 4 year and higher degrees, primarily within 20 miles of the Town and many more within 30 miles.

Utilities are provided by New York State Electric & Gas Corporation and National Grid. Telephone service is provided by Verizon New York Inc. Broadband companies are Direct TV, DishTV, and Spectrum. Water services are provided in certain areas of the Town by two private companies and one municipal.

Police protection is provided by the Town of Stillwater Police. Additional protection is provided by the New York State Police and the Saratoga County Sheriff's Office. Over the last several years, the Town was ranked within the Top 10 "Safest Places to Live in New York". Local volunteer and paid units provide fire and ambulance services.

Residents commute to local areas adjoining communities, to work at GlobalFoundries, DeCrescente Distributing, Price Chopper Markets, in the Momentive Performance Materials plant, as well as commuting to the Town of Malta, Cities of Albany, Troy, Schenectady and Saratoga Springs. Commercial services and many businesses can be found locally and in the surrounding communities.

Malta and the surrounding Capital Region has become a destination for employers in the nanotechnology field. High-tech industry leaders in science and nanotechnology, educational institutions, research and development facilities and high-tech sites and tech parks all reside in New York's Tech Valley, which is an area that encompasses the Capital Region, Adirondacks/North Country, Hudson Valley and Mohawk Valley. A strong infrastructure, desirable State incentives for businesses, high quality of living and devoted and educated workforce continue to draw new nanotech businesses to the area.

GlobalFoundries

Major economic developments nearby the Town include the completion of the GlobalFoundries Fab 8 manufacturing plant, located within the 1,400-acre Luther Forest Technology Campus in the nearby town of Malta, which currently employs approximately 3,000 people and produces state-of-the-art 300mm semiconductor wafers for leading edge companies like IBM, Rockchip, Broadcom, Qualcomm, STMicroelectronics and others. The GlobalFoundries campus consists of approximately 2 million square feet of building space situated on just over 220 acres including two office buildings over 200,000 square feet each, utility and support buildings and a 390,000 square foot factory including a clean room the size of six football fields.

GlobalFoundries completed and then expanded its first Fabrication facility ("Fab") in 2015; then completed a large administrative building and a new Technology Development Center (TDC) that added more production space in 2016. The expanded facilities are expected to play a key role in the company's strategy to develop innovative semiconductor solutions allowing customers to compete at the leading edge of technology. The TDC features more than a half million square feet of flexible space to support a range of technology development and manufacturing activities, including cleanroom and laboratory space.

GlobalFoundries was also recently granted zoning and planning approval for a new Fab 8.2 manufacturing plant which could produce 450mm wafers. This 575,000-square-foot factory with 475,000 square feet of cleanroom space could add an estimated 3,700 new jobs. The expansion would triple the company's current employment of 3,000 on site jobs to 6,700 jobs. GlobalFoundries has applied for the zoning changes for Fab 8.2 so it could act quickly if there is an increase in demand for chips and a need for more capacity in the semiconductor industry. As of the date of this Official Statement, there are no firm plans or timeframe for construction of Fab 8.2.

Including the construction of the TDC, the total GlobalFoundries capital investment is now approximately \$14 billion, of which New York State has invested roughly \$1.3 billion. The planned Fab 8.2 plant is expected to cost up to \$14.7 billion. New York State has invested over \$100 million in the development of the Luther Forest Technology Campus and accompanying infrastructure including roads, power, water, sewer and other systems infrastructure. Saratoga County has also invested over \$68 million in a new countywide water system and has invested \$54 million to upgrade sewage treatment capacity.

Source: Town officials.

Population Trends

<u>Year</u>	<u>Town of Stillwater</u>	<u>Saratoga County</u>	<u>New York State</u>
2000	7,522	200,635	18,976,457
2010	8,287	219,607	19,378,102
2020	9,022	235,509	20,201,249
2024	8,999	235,507	20,203,772

Source: U.S. Census Bureau.

Larger Employers

The top ten employers located within the County and the estimated number of persons employed by each are as follows:

<u>Employer</u>	<u>Type/Industry</u>	<u>Approximate # of Employees</u>
GlobalFoundries	Chip Fabrication	3,200
Saratoga Hospital	Hospital & Nursing Home	1,850
Shenendehowa Central School District	Educational Institution	1,800
US Navy-Kesselring Site (Fluor)	Naval Construction and Training	1,500
Saratoga County	Local Government	1,400
Skidmore College	College	1,120
State Farm	Insurance	1,050
Saratoga Springs City School District	Educational Institution	1,010
Momentive Performance Materials	Silicone Products Division	1,000
Quad Graphics	Marketing	850

Source: Saratoga County Economic Development Corporation.

The top five employers located within the Town and the estimated number of persons employed by each are as follows:

<u>Employer</u>	<u>Type</u>	<u>Approximate # of Employees</u>
DeCrescente Distributing Company	Beverage Distribution	430
Stillwater Central School District	Educational Institution	213
Price Chopper	Grocery Store	92
Town of Stillwater	Government	70
Polyset	Polymer Manufacturing	47

Note: A portion of GlobalFoundries is located within the Town.

Source: Town officials.

Selected Wealth and Income Indicators

Per capita income statistics are available for the Town, County and State. Listed below are select figures from the 2006-2010 Census Reports, 2016-2020 and 2020-2024 American Community Survey 5 Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
Town of:						
Stillwater	\$ 29,417	\$ 43,366	\$ 52,457	\$ 72,986	\$107,614	\$ 121,728
County of:						
Saratoga	32,186	45,624	57,380	81,251	106,258	129,811
State of:						
New York	23,461	40,898	50,712	67,405	87,270	106,873

Note: 2021-2025 American Community Survey estimates are not available as of the date of this Official Statement.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Saratoga County	3.4%	6.7%	3.8%	2.7%	2.7%	2.9%	2.9%
New York State	4.0%	10.0%	6.9%	4.3%	4.1%	4.3%	4.3%

2026 Monthly Figures

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Saratoga County	3.3%	3.2%	N/A	N/A	N/A
New York State	4.7%	5.2%	N/A	N/A	N/A

Note: Unemployment rates for the months of March, April and May of 2026 are unavailable as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Form of Town Government

The chief executive officer and the chief fiscal officer of the Town is the Supervisor who is elected to a term of four years and is eligible for re-election. The Supervisor is also a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected to four-year terms, which terms are staggered such that two Board members (council people) are elected every two years. There is no limitation as to the number of terms which may be served by members of the Town Board.

The Town Clerk is elected to a four-year term. The Town Budget Officer is appointed without a limited term of office. The Town Board annually appoints the attorneys for the Town. The Town Receiver of Taxes is elected to a four-year term. The Town Supervisor is not the Receiver of Taxes.

Financial Organization

As the Chief Fiscal Officer, the Town Supervisor is directly responsible for all financial and budgetary transactions of the Town. The duties include administration, direction and control of the following divisions: Accounting, Purchasing, Accounts Payable, Accounts Receivable, Audit and Control, Budgeting, and Payroll/Personnel as specified in New York Town Law.

Budgetary Procedures and Recent Budget Votes

The Town Supervisor is the Chief Fiscal Officer of the Town. The Town has a full time Bookkeeper who is also the Budget Officer. The Budget Officer develops a tentative budget, which is presented to the Town Board in the fall of each year. During the next four weeks the Town Board further develops the budget into a preliminary budget, which is presented at a public hearing in early November. After final revisions are made by the Town Board, a budget is adopted. All modifications of the budget must be approved by the governing board.

For the 2017 through 2023 fiscal years, the Town Board voted to override its tax levy limitation; however, the Town did not exceed its tax levy limitation for these years. For the 2024, 2025 and 2026 fiscal years the Town did not override its tax levy limitation. See "TAX LEVY LIMITATION LAW" herein.

State Aid

The Town receives financial assistance from the State. In its Combined General Fund budget for the 2026 fiscal year, approximately 2.11% of the operating revenues of the Town is expected to be received from the State as 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 Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Town; (6) obligations of a New York public corporation which are made lawful investments by the Town pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and (8) in the case of Town moneys held in certain reserve funds established pursuant to law, obligations issued by the Town. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the Town's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the Town may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a bank or trust company located and authorized to do business in the State of New York as a third party custodian.

Employees

The Town currently employs approximately 71 part time and full time employees. The number of employees represented by collective bargaining agents and the dates of expiration of their agreements are as follows:

<u>Unit</u>	<u>Number Represented</u>	<u>Date of Contract Expiration</u>
Local 1000 AFSCME, AFL, CIO	18	December 31, 2028
United Public Service Employees Union	16	December 31, 2026

Source: Town officials.

Pension Payments

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

The ERS is non-contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

The PFRS is non-contributory with respect to members hired prior to January 8, 2010 (Tier 1, 2 & 3); members hired from January 9, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For both ERS & PFRS, Tier 5 provides for:

- 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 employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw 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.

For both ERS & PFRS, Tier 6 provides for:

- Increase in contribution rates of between 3% and 6% based on annual wage.
- Increase in the retirement age from 62 years to 63 years.
- A readjustment of the pension multiplier.
- A change in the period for final average salary calculation from 3 years to 5 years.

The Town's contributions to the ERS and PFRS for the years 2021 through 2025 and budgeted for 2026 are as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2021	\$ 273,628	\$ 51,596
2022	213,746	59,997
2023	241,771	51,627
2024	289,947	56,531
2025	336,896	66,375
2026 (Budgeted)	397,482	83,000

Source: Town officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The Town does not currently offer any early retirement incentives or programs to employees.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement Systems in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2022 to 2027) is shown below:

<u>State Fiscal Year Ending</u>	<u>ERS</u>	<u>PFRS</u>
2022	16.2%	28.3%
2023	11.6	27.0
2024	13.1	27.8
2025	15.2	31.2
2026	16.5	33.7
2027	17.6	36.5

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Town, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The Town pays its pension payments in full in December and does not amortize or smooth any portion of the contributions. It does not reasonably expect to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the Town’s employees is not subject to the direction of the Town. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Town which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

The Town has evaluated the costs and benefits of adopting GASB 45 and GASB 75 and determined that at this time the cost outweighs the benefit. Therefore, the Town has continued to recognize OPEB costs on a pay-as-you-go basis, which is not in accordance with generally accepted accounting principles. The amount that would be recorded in the long-term debt account group had GASB 45 or 75 been adopted is not known.

OPEB costs on a pay-as-you-go basis were approximately \$261,047 in 2021 for 14 retirees.

OPEB costs on a pay-as-you-go basis were approximately \$295,381 in 2022 for 14 retirees.

OPEB costs on a pay-as-you-go basis were approximately \$344,526 in 2023 for 15 retirees.

OPEB costs on a pay-as-you-go basis were approximately \$365,597 in 2024 for 15 retirees.

OPEB costs on a pay-as-you-go basis were approximately \$418,159 in 2025 for 15 retirees.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the Town Law and the Local Finance Law.

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

No principal or interest upon any obligation of the Town is past due.

The fiscal year of the Town is the calendar year.

Except as set forth in "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Town.

Financial Statements

The Town retains an independent certified public accountant firm for a continuous independent audit of all financial transactions of the Town. The Audited Financial Report for fiscal year ended December 31, 2024 is available and attached as "APPENDIX – D" to this Official Statement. The Audited Financial Report for the fiscal year ended December 31, 2025 is not available as of the date of this Official Statement. Additional summary financial information may also be found in the Appendices to this Official Statement.

The Town complies with the Uniform System of Accounts as prescribed for towns in New York State by the State Comptroller. This System differs from generally accepted accounting principles (GAAP) as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

The Town's audited financial statements do not comply with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. In addition, the Town's audited financial statements do not comply with GASB Statement No. 45 (see "Other Post-Employment Benefits" herein). The Town's financial reports do not incorporate the changes required for GAAP statements as these changes are not required by the State Comptroller.

Projected (Unaudited) Results of Operations for Fiscal Year Ending December 31, 2025

Summary unaudited projected information for cumulative totals of the General Fund, General Outside Village Fund and Highway Fund for the period ending December 31, 2025 is as follows:

Projected Revenues:	\$ 10,405,926
Projected Expenditures:	9,571,058
Projected Other Sources and Uses:	<u>-</u>
Projected Revenues over Expenditures:	<u>\$ 834,868</u>
2024 Ending Total Fund Balance	3,873,039
2025 Projected Ending Total Fund Balance:	\$ 4,707,725

These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Town has complied with the requirements of various State and Federal statutes. These audits can be searched on the official website of the Office of the New York State Comptroller.

There are no State Comptroller audits of the Town in the past five years, nor are there any currently in progress or pending release at this time.

Note: Reference to website implies no warranty of accuracy of information therein.

The State Comptroller’s Fiscal Stress Monitoring System

The 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 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 reports of the State Comptroller for the 2020 through 2024 fiscal years classified the Town as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	6.7
2023	No Designation	3.3
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	1.7

Note: A Fiscal Score for fiscal year ending 2025 has not been calculated as of the date of this Official Statement.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

TAX INFORMATION

Taxable Valuations

<u>Year of Town Tax Roll:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessed Valuation	\$ 947,643,338	\$ 968,712,339	\$ 1,018,282,433	\$ 1,060,959,450	\$ 1,091,060,053
New York State Equalization Rate	86.00%	76.00%	67.00%	63.00%	59.50%
Total Taxable Full Valuation	\$ 1,101,910,858	\$ 1,274,621,499	\$ 1,519,824,527	\$ 1,684,062,619	\$ 1,833,714,375

Note: The increase in assessed valuation is primarily due to growth in residential properties and utility growth.

Tax Rate Per \$1,000 (Assessed)

<u>Year of Town Tax Roll:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
General Town-Wide	\$ 1.877	\$ 1.977	\$ 2.107	\$ 2.407	\$ 2.407

Tax Collection Procedure

Taxes are payable during the month of January without penalty. Penalties thereafter are imposed at an annual rate determined by the New York State Commissioner of Taxation and Finance. On June 1st the tax roll is returned to the County and taxes plus penalties are payable to the County. The Town retains the total amount of Town, Highway, Special District and delinquent water and sewer charge levies from the total collections and returns the balance plus the uncollected items to the County, which assumes responsibility and holds annual tax sales. As far as the Town is concerned, there are no uncollected taxes. Payment in full of all Town items is guaranteed by the County.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy	\$ 4,425,716	\$ 4,611,238	\$ 4,879,119	\$ 5,555,361	\$ 5,491,199
Amount Uncollected ⁽¹⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

⁽¹⁾ The Town receives 100% of its tax levy from Saratoga County. See “Tax Collection Procedure” herein.

Ten Largest Taxpayers - 2025 Assessment Roll for 2026 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
NYSEG	Utility	\$ 47,778,891
Stillwater Apartments	Apartments	28,857,000
Kings Isle Apartments	Apartments	27,912,500
National Grid	Utility	16,575,142
Kings Isle Adult Living	Apartments	9,099,000
Kings Isle LLC	Apartments	8,662,500
Stillwater Elgen LLC	Mobile Home Park	6,496,020
Schuylerville Mechanicville Partners	Retail	4,193,400
GR Catalyst One	Manufacturing	3,093,425
Mark Breslin	Residential	1,750,000

The larger taxpayers, listed above, have a total assessed valuation of \$154,417,878 which represents 8.42% of the tax base of the Town. As of the date of this Official Statement, the Town does not have any pending or outstanding tax certioraris proceedings which are known to have a material impact on the Town.

Additional Tax Information

Real property in the Town is assessed by the Town.

Veterans' and senior citizens' exemptions are offered to those who qualify.

The assessment roll of the Town is constituted approximately as follows: 76% Residential, 10% Commercial, 6% Vacant and 8% Utility.

The total property tax bill of a typical residence with a market value of \$210,000 is approximately \$4,836 including County, Town, fire and school district (before STAR Program exemption) taxes.

TAX LEVY LIMITATION LAW

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments are required for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent (60%) vote of the total voting strength of such body, a local law (or resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget, must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid 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 as determined by statute; unless substantially level or declining debt service is utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

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

Statutory Procedure

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

Debt Limit. The Town has the power to contract indebtedness for any Town 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 Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional 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. 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.

Pursuant to the Local Finance Law, the Town authorizes the issuance of bonds by the adoption of a bond resolution, approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Customarily, the Town Board has delegated to the Supervisor, as chief fiscal officer of the Town, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the Town is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the Town complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. The Town has complied with this estoppel procedure in connection with the issuance of the Notes.

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

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided, generally, that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the Town with the power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget and capital notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 5,543,600	\$ 5,055,200	\$ 4,551,800	\$ 4,028,400	\$ 3,495,000
Bond Anticipation Notes	<u>5,280,000</u>	<u>9,720,000</u>	<u>10,555,000</u>	<u>10,395,000</u>	<u>10,205,000</u>
Total Debt Outstanding	<u>\$ 10,823,600</u>	<u>\$ 14,775,200</u>	<u>\$ 15,106,800</u>	<u>\$ 14,423,400</u>	<u>\$ 13,700,000</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds and notes as of May 6, 2026.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2025-2042	\$ 3,495,000
<u>Bond Anticipation Notes</u>		
SCWA Connection Project	May 29, 2026	5,020,000 ⁽¹⁾
Public Safety Facility	August 21, 2026	<u>5,185,000</u>
	Total Debt Outstanding	<u>\$ 13,700,000</u>

⁽¹⁾ To be redeemed with the proceeds of the Notes and \$70,000 available funds of the Town.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 6, 2026:

Five-Year Average Full Valuation of Taxable Real Property.....\$1,482,826,775
Debt Limit 7% thereof 103,797,874

Inclusions:

Bonds\$ 3,495,000
Bond Anticipation Notes (BANs):10,205,000
Total Inclusions prior to issuance of the Bonds and Notes ... 13,700,000
Less: BANs being redeemed from appropriations (70,000)
Add: New money proceeds of the Notes0
Total Net Inclusions after issuance of the Notes \$ 13,630,000

Exclusions:

Water Debt - Bonds ⁽¹⁾\$ 0
Water Debt - Notes ⁽¹⁾ 5,020,000
Appropriations ⁽²⁾270,000
Total Exclusions \$ 5,290,000

Total Net Indebtedness subject to Debt Limit.....\$ 8,340,000

Net Debt-Contracting Margin\$ 95,457,874

The percent of debt contracting power exhausted is 8.03%

⁽¹⁾ Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

⁽²⁾ Appropriations and revenue obligations are excluded pursuant to Section 136.00 of the Local Finance Law.

Note: The issuance of the Notes will not increase the total net indebtedness of the Town.

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

Cash Flow Borrowings

The Town has not found it necessary to issue revenue or tax anticipation notes in the past and does not anticipate having to issue such notes in the future.

Capital Project Plans

On August 21, 2025, the Town issued \$5,185,000 bond anticipation notes pursuant to a bond resolution adopted by the Town Board on August 18, 2022 and supplemented on June 1, 2023 authorizing the issuance of serial bonds in an aggregate principal amount not to exceed \$5,400,000 to finance the construction of a public safety facility. The Town plans to renew the outstanding notes at maturity on August 21, 2026.

Lease Obligations

The Town does not have any lease obligations currently outstanding.

Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the Town:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Town Share</u>	<u>Net Overlapping Indebtedness</u>
County of:				
Saratoga	12/31/2024	\$ 99,428,288	3.22%	\$ 3,201,591
Village of:				
Stillwater	5/31/2025	3,230,000	12.08%	390,184
School District:				
Mechanicville	6/30/2025	25,200,000	21.88%	5,513,760
Schuylerville	6/30/2025	23,165,000	0.31%	71,812
Shenendehowa	6/30/2025	43,955,000	0.03%	13,187
Stillwater	6/30/2025	23,285,000	85.15%	19,827,178
Fire District:				
Stillwater	12/31/2024	-	100.00%	-
Total:				<u>\$ 29,017,710</u>

⁽¹⁾ Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.

Note: Gross Indebtedness sourced from local government data provided by the State Comptroller’s office. Information regarding applicable exclusions, such as water debt, sewer debt, and budgeted appropriations for the municipalities and state building aid for the school districts is not available from source.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness, without giving effect to this financing, as of May 6, 2026:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Gross Direct Indebtedness ^(c)	\$ 8,340,000	\$ 926.77	0.45%
Gross Direct Indebtedness Plus Overlapping Indebtedness ^(d)	37,357,710	4,151.32	2.04

^(a) The Town's 2024 estimated population is 8,999. (See “THE TOWN - Population Trends” herein).
^(b) The Town's full valuation of taxable real estate for the 2026 tax roll is \$1,833,714,375. (See “TAX INFORMATION – Taxable Valuations” herein).
^(c) See calculation of the “Debt Statement Summary” herein.
^(d) The Town's estimated applicable share of net underlying indebtedness is \$29,017,710. (See “Estimated Overlapping Indebtedness” herein).

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an “emergency financial control board” for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law (“Title 6-A”) effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

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

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

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

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

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

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

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

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

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

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

Several municipalities in the State are presently working with the FRB. The Town has not requested FRB assistance nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

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

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

Default Litigation. In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crisis 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 “THE NOTES - Nature of the Obligation” and “State Debt Moratorium Law” herein.

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

MARKET AND RISK FACTORS

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

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

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

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

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

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

Cybersecurity

The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. No assurances can be given that such security and operational control measures implemented would be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

TAX MATTERS

In the opinion of Walsh Schwartz LLP, Saratoga Springs, New York, Bond Counsel, under existing law, interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; provided, however, interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

The opinion described above is subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. Included among these continuing requirements are certain restrictions on the investment and use of proceeds of the Notes and certain requirements to rebate arbitrage earnings from the investment of proceeds of the Notes to the federal government. Failure to comply with certain of such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to their date of issuance, regardless of when such noncompliance occurs. The Town will covenant in its arbitrage and use of proceeds certificate with respect to the Notes to comply with certain procedures and guidelines designed to assure satisfaction of the continuing requirements of the Code.

Bond Counsel is further of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

The Notes are being designated by the Town as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code. The Town will represent in its arbitrage and use of proceeds certificate that (1) the Town does not reasonably anticipate that the amount of tax-exempt obligations (within the meaning of Section 265(b)(3)(C) of the Code) to be issued by the Town (and any subordinate entities) in calendar year 2026 will exceed \$10,000,000, and (2) the amount of "qualified tax-exempt obligations" issued by the Town (and any subordinate entities) during the current calendar year does not as of this date, and including this issue, exceed \$10,000,000.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect an owner's federal, state or local tax liability. Prospective purchasers of the Notes should consult their own tax advisors as to any other tax consequences resulting from their ownership or disposition of, or the accrual or receipt of interest on, the Notes. Bond Counsel expresses no opinion regarding any such consequences.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Notes may affect the tax status of interest on the Notes or the tax consequences of the ownership of the Notes. There can be no assurance that legislation proposed or enacted, clarifications of the Code or court decisions after the date of issuance of the Notes will not have an adverse effect on the tax-exempt status or market price of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes will be covered by the final approving opinion of Walsh Schwartz LLP, Saratoga Springs, New York, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Notes. Such legal opinion will state that, under existing law, (1) the Notes have been duly 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 Town, for the payment of which the Town has validly pledged its faith and credit, and all the taxable real property within the boundaries of the Town is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to the rate or amount, subject to applicable statutory limitations, and (2) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; provided, however, interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations, and subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. Such opinion shall also contain further statements to the effect that (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting creditors' rights generally enacted before or after the date of such opinion, and by equitable principles, whether considered at law or in equity, (b) the scope of its engagement as Bond Counsel in relation to the issuance of the Notes has extended solely to rendering the opinions described herein, and 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 Town, together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of or interest on the Notes as the same respectively become due and payable, and (c) while Bond Counsel has participated in the preparation of this Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained herein, and, accordingly, Bond Counsel expresses no opinion as to whether the Town, in connection with the sale of the Notes, 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.

LITIGATION

The Town is subject to several lawsuits arising in the ordinary course of its affairs. The Town 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 Town as the Town feels it maintains adequate insurance coverage to address the foreseeable outcomes of such lawsuits.

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

CONTINUING DISCLOSURE

In order to assist the purchaser(s) in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Town will enter into an "Undertaking to Provide Notice of Material Events", as described in "APPENDIX – C" to this Official Statement.

Historical Continuing Disclosure Compliance

Under prior continuing disclosure undertakings, the Town is required to file its Annual Financial Information and Operating Data on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if audited financial statements are prepared, sixty days following receipt by the Town of audited financial statements for the preceding fiscal year, but, in no event, not later than the last business day of each such succeeding fiscal year.

The Town's 2021 audited financial statements were filed to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board on September 15, 2022. The Town's outstanding continuing disclosure undertakings require the audited financial statements to be filed within 6 months of the succeeding fiscal year or 60 days after receipt of the audited financial statements. The Town filed a failure to file material event notice on September 15, 2022.

The Town failed to file an event notice within 10 business days of the occurrence of a financial obligation, that being the execution of a lease purchase agreement. The material event notice for the financial obligation was due February 5, 2021 but was not filed until April 23, 2021. In addition to the financial obligation material event notice, the Town also disclosed its failure to provide event notification as required.

The Town failed to file an event notice within 10 business days of the occurrence of a financial obligation, that being the issuance of a bond anticipation note. The material event notice for the financial obligation was due October 27, 2022 but was not filed until May 8, 2023. In addition to the financial obligation material event notice, the Town also disclosed its failure to provide event notification as required.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the Town; provided, however, the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale pending approval by the Town and at the expense of the purchaser(s), including any fees to be incurred by the Town, as such rating action will result in a material event notification to be posted to EMMA which is required by the Town's continuing disclosure undertakings. (See "APPENDIX – C" herein.)

Moody's Investors Service ("Moody's") has assigned its rating of "Aa3" to the Town's outstanding bonds. This rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from: Moody's Investor Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to them and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds.

MISCELLANEOUS

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

Statements in this 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 Town management’s beliefs as well as assumptions made by, and information currently available to, the Town 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 Town files with the repositories. When used in Town documents or oral presentation, the words “anticipate”, “believe”, “intend”, “plan”, “foresee”, “likely”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, “will”, or “should”, or similar words or phrases are intended to identify forward-looking statements.

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

Walsh Schwartz LLP, Saratoga Springs, New York, Bond Counsel, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Notes, 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 Notes, the Town will furnish a certificate to the effect that as of the date of this Official Statement, this 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 the light of the circumstances under which they were made, not misleading, subject to limitation as to information in this Official Statement obtained from sources other than the Town as to which no representation can be made.

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

The Town hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

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

The Town contact information is as follows: Mr. Edward D. Kinowski, Town Supervisor, Town of Stillwater, Stillwater Town Hall, P.O. Box 700, Stillwater, New York 12170, telephone: (518) 664-6148, fax: (518) 664-9537, email: ekinowski@stillwaterny.org.

This Official Statement has been duly executed and delivered by the Town Supervisor of the Town of Stillwater, Saratoga County, New York.

TOWN OF STILLWATER

Dated: May 6, 2026

/s/ _____
EDWARD D. KINOWSKI
TOWN SUPERVISOR

COMBINED GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>ASSETS</u>					
Cash and Short-term Investments	\$ 2,435,218	\$ 3,316,625	\$ 4,409,045	\$ 3,230,720	\$ 2,917,357
Due from Other Governments	426,018	470,611	499,715	508,701	598,919
Due from Other Funds	-	75,000	-	-	-
Prepaid Expenses	115,355	128,866	125,460	130,702	160,147
Other Receivables	32,511	32,174	116,936	102,459	53,508
Inventory	39,474	32,835	44,709	42,752	36,581
Cash restricted	520,655	794,277	1,211,164	663,571	596,978
State and Federal Aid Receivable	-	-	-	-	-
TOTAL ASSETS	\$ 3,569,231	\$ 4,850,388	\$ 6,407,029	\$ 4,678,905	\$ 4,363,490
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 173,947	\$ 111,863	\$ 149,317	\$ 136,035	\$ 182,930
Accrued Liabilities	160,136	195,587	211,020	199,980	292,937
Due to Other Governments	-	-	-	-	-
Due to Retirement System	-	-	-	-	-
Unearned Revenue	-	372,519	38,758	68,441	15,949
Due to Other Funds	-	-	-	-	6,307
Compensated Absences	-	-	-	-	-
Overpayments	-	-	-	-	55,212
TOTAL LIABILITIES	\$ 334,083	\$ 679,969	\$ 399,095	\$ 404,456	\$ 553,335
<u>FUND EQUITY</u>					
Nonspendable	\$ 154,829	\$ 161,701	\$ 170,169	\$ 173,454	\$ 196,728
Restricted	520,655	794,277	1,173,188	663,571	596,978
Assigned	1,691,226	1,213,556	1,492,021	779,255	2,607,744
Unassigned	868,438	2,000,885	3,172,556	2,658,169	471,589
TOTAL FUND EQUITY	\$ 3,235,148	\$ 4,170,419	\$ 6,007,934	\$ 4,274,449	\$ 3,873,039
TOTAL LIABILITIES and FUND EQUITY	\$ 3,569,231	\$ 4,850,388	\$ 6,407,029	\$ 4,678,905	\$ 4,426,374

Source: 2020-2024 Audited financial reports of the Town.

This Appendix is not itself audited.

Note: Combined General Fund is the Town's General Fund, General Outside Village Fund, and Highway Fund.

COMBINED GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 3,016,758	\$ 3,190,599	\$ 3,249,618	\$ 3,416,860	\$ 3,624,117
Real Property Tax Items	452,691	427,564	366,745	313,925	291,211
Non Property Tax Items	2,349,303	2,902,519	3,210,897	3,306,419	3,372,720
Departmental Income	620,352	862,265	962,397	456,931	670,356
Use of Money & Property	65,447	76,334	90,072	211,796	192,970
Licenses and Permits	96,974	202,825	188,679	212,709	190,327
Fines and Forfeitures	38,550	43,348	33,361	22,446	39,187
Sale of Property and Compensation for Loss	175,634	157,100	123,708	203,991	20,229
Miscellaneous	281,077	179,462	241,900	244,112	435,732
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	511,783	839,896	936,474	738,034	978,152
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	<u>\$ 7,608,569</u>	<u>\$ 8,881,912</u>	<u>\$ 9,403,851</u>	<u>\$ 9,127,223</u>	<u>\$ 9,815,001</u>
<u>EXPENDITURES</u>					
General Government Support	\$ 929,199	\$ 1,155,228	\$ 1,217,104	\$ 1,274,312	\$ 1,284,996
Public Safety	617,497	846,242	754,657	790,737	909,161
Health	308,063	308,375	313,949	345,246	350,678
Transportation	2,366,718	2,963,356	2,519,586	2,855,097	3,387,897
Economic Assistance and Opportunity	17,150	16,624	20,371	17,826	23,441
Culture and Recreation	730,744	767,844	771,935	718,387	799,407
Home and Community Services	48,660	52,574	73,352	76,980	64,210
Employee Benefits	1,029,432	1,125,627	1,182,311	1,198,989	1,379,201
Debt Service	625,670	603,770	571,857	697,697	1,094,122
Total Expenditures	<u>\$ 6,673,133</u>	<u>\$ 7,839,640</u>	<u>\$ 7,425,122</u>	<u>\$ 7,975,271</u>	<u>\$ 9,293,113</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 935,436</u>	<u>\$ 1,042,272</u>	<u>\$ 1,978,729</u>	<u>\$ 1,151,952</u>	<u>\$ 521,888</u>
Other Financing Sources (Uses):					
Operating Transfers In	17,428	104,999	38,386	-	36,146
Operating Transfers Out	(181,490)	(212,000)	(179,600)	(2,885,437)	(959,444)
Total Other Financing	<u>\$ (164,062)</u>	<u>\$ (107,001)</u>	<u>\$ (141,214)</u>	<u>\$ (2,885,437)</u>	<u>\$ (923,298)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 771,374</u>	<u>\$ 935,271</u>	<u>\$ 1,837,515</u>	<u>\$ (1,733,485)</u>	<u>\$ (401,410)</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	2,463,774	3,235,148	4,170,419	6,007,934	4,274,449
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 3,235,148</u>	<u>\$ 4,170,419</u>	<u>\$ 6,007,934</u>	<u>\$ 4,274,449</u>	<u>\$ 3,873,039</u>

Source: 2020-2024 Audited financial reports of the Town.

This Appendix is not itself audited.

Note: Combined General Fund is the Town's General Fund, General Outside Village Fund, and Highway Fund.

COMBINED GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:	2024			2025	2026
	Adopted Budget	Unaudited Actual	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 3,619,111	\$ 3,624,116	\$ 3,624,117	\$ 4,240,349	\$ 4,360,840
Real Property Tax Items	15,005	265,000	291,211	16,506	19,156
Non Property Tax Items	3,285,422	3,030,422	3,372,720	3,357,139	3,512,245
Departmental Income	514,185	523,307	670,356	590,185	517,785
Use of Money & Property	105,252	125,252	192,970	115,500	173,000
Licenses and Permits	151,000	151,000	190,327	177,500	177,500
Fines and Forfeitures	40,000	40,000	39,187	20,000	25,000
Sale of Property and Compensation for Loss	100,000 8,000		20,229	- 8,000	- 8,000
Miscellaneous	186,294	294,294	435,732	166,294	167,000
Interfund Revenues	36,146	-	-	24,891	108,356
Revenues from State Sources	183,479	881,427	978,152	200,907	204,207
Revenues from Federal Sources	395,802	-	-	400,000	400,000
Total Revenues	\$ 8,639,696	\$ 8,942,818	\$ 9,815,001	\$ 9,317,271	\$ 9,673,089
EXPENDITURES					
General Government Support	\$ 1,365,129	\$ 1,465,489	\$ 1,284,996	\$ 1,498,504	\$ 1,640,569
Public Safety	917,221	948,281	909,161	1,056,283	1,080,308
Health	350,856	350,856	350,678	363,464	373,622
Transportation	2,931,474	3,530,542	3,387,897	3,008,082	3,064,631
Economic Assistance and Opportunity	24,500	24,000	23,441	29,800	30,500
Culture and Recreation	791,263	875,103	799,407	782,000	823,616
Home and Community Services	122,725	110,025	64,210	101,900	119,795
Employee Benefits	1,644,381	1,566,291	1,379,201	1,906,131	2,115,150
Debt Service	1,094,132	1,094,132	1,094,122	1,075,421	1,010,607
Total Expenditures	\$ 9,241,681	\$ 9,964,719	\$ 9,293,113	\$ 9,821,585	\$ 10,258,798
Excess of Revenues Over (Under) Expenditures	\$ (601,985)	\$ (1,021,901)	\$ 521,888	\$ (504,314)	\$ (585,709)
Other Financing Sources (Uses):					
Operating Transfers In	-	36,146	36,146	-	-
Operating Transfers Out	(100,000)	(959,444)	(959,444)	(100,000)	(130,000)
Total Other Financing	\$ (100,000)	\$ (923,298)	\$ (923,298)	\$ (100,000)	\$ (130,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (701,985)	\$ (1,945,199)	\$ (401,410)	\$ (604,314)	\$ (715,709)
FUND BALANCE					
Fund Balance - Beginning of Year	701,985	1,945,199	4,274,449	604,314	715,709
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 3,873,039	\$ -	\$ -

Source: 2024 Annual Financial Report (unaudited) and the 2025 adopted budget (unaudited) of the Town.

This Appendix is not itself audited.

Note: Combined General Fund is the Town's General Fund, General Outside Village Fund, and Highway Fund.

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>GENERAL (OUTSIDE VILLAGE)</u>					
Fund Equity - Beginning of Year	\$ 1,429,324	\$ 2,028,258	\$ 2,738,742	\$ 3,383,086	\$ 2,267,781
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	2,613,835	3,090,523	2,930,548	3,262,184	3,154,737
Expenditures & Other Uses	2,014,901	2,380,039	2,286,204	4,377,489	2,881,770
Fund Equity - End of Year	\$ 2,028,258	\$ 2,738,742	\$ 3,383,086	\$ 2,267,781	\$ 2,540,748
<u>HIGHWAY-PART-TOWN</u>					
Fund Equity - Beginning of Year	\$ 271,562	\$ 264,945	\$ 262,648	\$ 984,062	\$ 722,479
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	2,922,668	3,539,005	3,827,186	3,181,590	3,824,018
Expenditures & Other Uses	2,929,285	3,541,302	3,105,772	3,443,173	4,042,797
Fund Equity - End of Year	\$ 264,945	\$ 262,648	\$ 984,062	\$ 722,479	\$ 503,700
<u>WATER FUND</u>					
Fund Equity - Beginning of Year	\$ 281,766	\$ 398,501	\$ 390,764	\$ 489,612	\$ 337,138
Prior Period Adjustments (net)	-	(3)	-	-	-
Revenues & Other Sources	794,075	740,060	813,724	902,568	848,612
Expenditures & Other Uses	677,340	747,794	714,876	1,055,042	781,810
Fund Equity - End of Year	\$ 398,501	\$ 390,764	\$ 489,612	\$ 337,138	\$ 403,940
<u>SEWER FUND</u>					
Fund Equity - Beginning of Year	\$ 21,009	\$ 23,015	\$ 24,342	\$ 26,469	\$ 28,771
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	95,822	101,126	101,722	101,064	102,566
Expenditures & Other Uses	93,816	99,799	99,595	98,762	100,306
Fund Equity - End of Year	\$ 23,015	\$ 24,342	\$ 26,469	\$ 28,771	\$ 31,031
<u>LIGHTING FUND</u>					
Fund Equity - Beginning of Year	\$ 18,043	\$ 24,278	\$ 24,588	\$ 40,128	\$ 53,738
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	31,043	31,026	31,040	31,339	31,360
Expenditures & Other Uses	24,808	30,716	15,500	17,729	20,022
Fund Equity - End of Year	\$ 24,278	\$ 24,588	\$ 40,128	\$ 53,738	\$ 65,076
<u>COMMUNITY DEVELOPMENT FUND</u>					
Fund Equity - Beginning of Year	\$ 11,322	\$ 47,004	\$ 4,803	\$ 35,922	\$ 4,815
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	1,064,205	972,694	1,045,377	955,119	1,153,610
Expenditures & Other Uses	1,028,523	1,014,895	1,014,258	986,226	1,146,712
Fund Equity - End of Year	\$ 47,004	\$ 4,803	\$ 35,922	\$ 4,815	\$ 11,713
<u>CAPITAL PROJECTS FUND</u>					
Fund Equity - Beginning of Year	\$ (5,264,879)	\$ (5,252,118)	\$ (5,061,574)	\$ (5,339,988)	\$ (11,130,498)
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	1,047,400	396,652	1,009,789	3,323,709	1,158,338
Expenditures & Other Uses	1,034,639	206,108	1,288,203	9,114,219	342,343
Fund Equity - End of Year	\$ (5,252,118)	\$ (5,061,574)	\$ (5,339,988)	\$ (11,130,498)	\$ (10,314,503)

Source: 2020-2024 Audited financial reports of the Town.
This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2026	\$ 270,000	\$ 115,056	\$ 385,056
2027	285,000	107,131	392,131
2028	150,000	98,838	248,838
2029	155,000	93,881	248,881
2030	165,000	88,578	253,578
2031	170,000	82,925	252,925
2032	175,000	77,103	252,103
2033	180,000	71,113	251,113
2034	185,000	64,838	249,838
2035	195,000	58,188	253,188
2036	200,000	51,275	251,275
2037	210,000	44,100	254,100
2038	215,000	36,663	251,663
2039	225,000	28,963	253,963
2040	230,000	21,000	251,000
2041	240,000	12,775	252,775
2042	245,000	4,288	249,288
TOTALS	\$ 3,495,000	\$ 1,056,713	\$ 4,551,713

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2017			2018		
	Van Ness Road Reconstruction			Van Ness Road Reconstruction		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 135,000	\$ 6,875	\$ 141,875	\$ 135,000	\$ 108,181	\$ 243,181
2027	140,000	3,500	143,500	145,000	103,631	248,631
2028	-	-	-	150,000	98,838	248,838
2029	-	-	-	155,000	93,881	248,881
2030	-	-	-	165,000	88,578	253,578
2031	-	-	-	170,000	82,925	252,925
2032	-	-	-	175,000	77,103	252,103
2033	-	-	-	180,000	71,113	251,113
2034	-	-	-	185,000	64,838	249,838
2035	-	-	-	195,000	58,188	253,188
2036	-	-	-	200,000	51,275	251,275
2037	-	-	-	210,000	44,100	254,100
2038	-	-	-	215,000	36,663	251,663
2039	-	-	-	225,000	28,963	253,963
2040	-	-	-	230,000	21,000	251,000
2041	-	-	-	240,000	12,775	252,775
2042	-	-	-	245,000	4,288	249,288
TOTALS	\$ 275,000	\$ 10,375	\$ 285,375	\$ 3,220,000	\$ 1,046,338	\$ 4,266,338

MATERIAL EVENT NOTICES

In accordance with the provisions 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") pursuant to the Securities Exchange Act of 1934, the Town has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) 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 or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Noteholders, if material
- (h) bond or note calls, if material, and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the Town
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined by the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect Noteholders, if material, and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

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

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

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

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

The Town reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the Town no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The Town acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Town’s obligations under its material event notices undertaking and any failure by the Town to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

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

An "Undertaking to Provide Notice of Material Events" as described above shall be provided to the purchaser(s) at closing.

**TOWN OF STILLWATER
SARATOGA COUNTY, NEW YORK**

AUDITED FINANCIAL REPORT

For the Year Ended December 31, 2024

Such Audited Financial Report and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

Cusack & Company, CPA's LLC, the Town's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Cusack & Company, CPA's LLC also has not performed any procedures relating to this Official Statement.

TOWN OF STILLWATER, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2024

TOWN OF STILLWATER, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

To the Supervisor and Members of the Town Board
Town of Stillwater, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of all fund types and account groups of the Town of Stillwater, New York (the Town) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Stillwater, New York's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of all fund types and account groups of the Town of Stillwater, New York, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Stillwater, New York and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the fund types and account groups and do not purport to, and do not present fairly, the financial position of the Town as of December 31, 2024, or the changes in its government-wide financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial

statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Stillwater, New York's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Stillwater, New York's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Stillwater, New York's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information on pages 26-29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2025, on our consideration of the Town of Stillwater, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Stillwater, New York's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Stillwater, New York's internal control over financial reporting and compliance.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
August 14, 2025

TOWN OF STILLWATER, NEW YORK
BALANCE SHEETS - ALL GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2024

Assets	Governmental Fund Types							Account Groups		
	General	General Outside Village	Highway	Water	Sewer	Lighting	Community Development	Capital Projects	Non-Current Governmental Assets	Non-Current Governmental Liabilities
Cash	\$ 909,147	\$ 1,464,095	\$ 544,115	\$ 328,474	\$ 17,641	\$ 66,701	\$ 17,050	\$ 101,175	\$ -	\$ -
Due from Other Governments	76,690	522,229	-	-	-	-	-	-	-	-
Prepaid Expenditures	59,451	34,911	65,785	2,849	-	-	-	-	-	-
Other Receivables	3,765	28,851	20,892	158,288	13,390	-	3,128	-	-	-
Lease Receivable	-	55,212	7,672	-	-	-	-	-	-	-
Inventory	-	-	36,581	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	18,917,436	-
Cash Restricted	44,594	552,384	-	-	-	-	-	-	-	-
Right of Use Asset	-	-	-	-	-	-	-	-	162,256	-
Provisions to be Made in Future Budgets	-	-	-	-	-	-	-	-	-	6,034,788
Total Assets	\$ 1,093,647	\$ 2,657,682	\$ 675,045	\$ 489,611	\$ 31,031	\$ 66,701	\$ 20,178	\$ 101,175	\$ 19,079,692	\$ 6,034,788
Liabilities and Fund Balance (Deficit)										
Liabilities:										
Accounts Payable	\$ 52,077	\$ 27,072	\$ 103,781	\$ 78,799	\$ -	\$ 1,625	\$ -	\$ 20,678	\$ -	\$ -
Accrued Liabilities	207,331	18,042	67,564	5,505	-	-	8,465	-	-	-
Due to Other Funds	5,949	358	-	1,366	-	-	-	-	-	-
Due to Retirement System	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	15,949	-	-	-	-	-	-	-	-
Compensated Absences	-	-	-	-	-	-	-	-	-	99,899
Landfill Closure	-	-	-	-	-	-	-	-	-	19,215
Lease Payable	-	-	-	-	-	-	-	-	-	162,256
Net Pension Liability	-	-	-	-	-	-	-	-	-	1,725,018
BANS and Bonds Payable	-	-	-	-	-	-	-	10,395,000	-	4,028,400
Total Liabilities	265,357	61,421	171,345	85,670	-	1,625	8,465	10,415,678	-	6,034,788
Deferred Inflows of Resources:										
Lease	-	55,212	-	-	-	-	-	-	-	-
Fund Balance (Deficit):										
Investment in Fixed Assets	-	-	-	-	-	-	-	-	19,079,692	-
Fund Balances (Deficit):										
Nonspendable	59,451	34,911	102,366	2,849	-	-	-	-	-	-
Restricted	44,594	552,384	-	-	-	-	-	-	-	-
Assigned	252,656	1,953,754	401,334	401,092	31,031	65,076	11,713	-	-	-
Unassigned (Deficit)	471,589	-	-	-	-	-	-	(10,314,503)	-	-
Total Fund Balances (Deficit)	828,290	2,541,049	503,700	403,941	31,031	65,076	11,713	(10,314,503)	19,079,692	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)										
	\$ 1,093,647	\$ 2,657,682	\$ 675,045	\$ 489,611	\$ 31,031	\$ 66,701	\$ 20,178	\$ 101,175	\$ 19,079,692	\$ 6,034,788

See accompanying notes and independent auditor's report.

TOWN OF STILLWATER, NEW YORK
STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Governmental Fund Types							
	<u>General</u>	<u>General Outside Village</u>	<u>Highway</u>	<u>Water</u>	<u>Sewer</u>	<u>Lighting</u>	<u>Community Development</u>	<u>Capital Projects</u>
Revenue								
Real property taxes	\$ 1,911,944	\$ -	\$ 1,712,173	\$ 175,284	\$ 41,116	\$ 31,215	\$ -	\$ -
Real property tax items	291,211	-	-	-	-	-	-	-
Non-property tax items	-	1,842,008	1,530,712	-	-	-	-	-
Departmental income	8,657	653,439	8,260	659,263	61,450	-	-	-
Use of money and property	37,441	129,300	26,229	123	-	144	566	2,275
Licenses and permits	3,674	186,653	-	-	-	-	-	-
Fines and forfeitures	39,187	-	-	-	-	-	-	-
Sale of property and compensation for loss	-	-	20,229	3,600	-	-	-	-
Miscellaneous local sources	34,272	307,191	94,269	10,343	-	-	16,923	36,620
State aid	546,006	-	432,146	-	-	-	-	-
Federal aid	-	-	-	-	-	-	1,136,121	-
Total revenue	<u>2,872,392</u>	<u>3,118,591</u>	<u>3,824,018</u>	<u>848,613</u>	<u>102,566</u>	<u>31,359</u>	<u>1,153,610</u>	<u>38,895</u>
Expenditures								
General governmental support	1,008,291	276,705	-	-	-	-	-	40,730
Public safety	532,233	376,928	-	-	-	-	-	75,854
Public health	349,151	1,527	-	-	-	-	-	-
Transportation	138,465	-	3,249,432	-	-	20,021	-	104,764
Economic assistance and opportunity	13,441	10,000	-	-	-	-	-	-
Culture and recreation	36,777	747,799	14,831	-	-	-	-	84,850
Home and community services	28,212	35,998	-	567,695	59,190	-	1,146,712	-
Employee benefits	418,996	181,671	778,534	38,831	-	-	-	-
Debt service (principal and interest)	393,635	700,487	-	175,284	41,116	-	-	-
Total expenditures	<u>2,919,201</u>	<u>2,331,115</u>	<u>4,042,797</u>	<u>781,810</u>	<u>100,306</u>	<u>20,021</u>	<u>1,146,712</u>	<u>306,198</u>
Other Changes								
BANs Redeemed	-	-	-	-	-	-	-	160,000
Operating transfers - in	-	36,146	-	-	-	-	-	959,444
Operating transfers - out	(409,090)	(550,354)	-	-	-	-	-	(36,146)
Total other changes	<u>(409,090)</u>	<u>(514,208)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,083,298</u>
Excess (deficiency) of revenue over expenditures	(455,899)	273,268	(218,779)	66,803	2,260	11,338	6,898	815,995
Fund balance (deficit) at beginning of year	<u>1,284,189</u>	<u>2,267,781</u>	<u>722,479</u>	<u>337,138</u>	<u>28,771</u>	<u>53,738</u>	<u>4,815</u>	<u>(11,130,498)</u>
Fund balance (deficit) at end of year	<u>\$ 828,290</u>	<u>\$ 2,541,049</u>	<u>\$ 503,700</u>	<u>\$ 403,941</u>	<u>\$ 31,031</u>	<u>\$ 65,076</u>	<u>\$ 11,713</u>	<u>\$ (10,314,503)</u>

See accompanying notes and independent auditor's report.

TOWN OF STILLWATER, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION AND CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Custodial</u>
Property Tax Collection for Other Governments	\$ 4,067,691
Total Revenue	<u>4,067,691</u>
Property Taxes Paid to County	3,002,326
Property Taxes Paid to Fire District	<u>1,065,365</u>
Total Expenses	<u>4,067,691</u>
Change in Net Position	-
Net Position, Beginning of Year	<u>-</u>
Net Position, End of Year	<u><u>\$ -</u></u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Stillwater, New York (the “Town”), which was established in 1788 in Saratoga County, is governed by its Town Charter, other general laws of the State of New York and various local laws. The Town Board, which is the governing body of the Town, consists of the Supervisor and four voting Council members, all elected. The Town Supervisor serves as the chief executive officer and chief fiscal officer. The Town provides the following basic services: public safety, health services, maintenance of Town roads, recreation, home and community service, economic assistance and other general services.

The Town of Stillwater, New York has prepared its fund types and account groups financial statements in accordance with accounting principles generally accepted in the United States of America as applied to government units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing GAAP for state and local governments through its pronouncements (Standards and Interpretation).

The Town does not comply with GASB Statement No. 34, which requires the Town to present the government-wide financial statements on a full accrual government-wide basis as well as the fund basis. The financial statements present only all fund types and account groups, and do not purport to, and do not present fairly the government-wide financial position or changes in financial position of the Town.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying funds and account groups financial statements follows.

A. Financial Reporting Entity

The financial reporting entity consists of (a) the primary government which is the Town of Stillwater, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 61.

The decision to include a potential component unit in the Town reporting entity is based on several criteria set forth in GASB 61 including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining the Town's reporting entity.

Excluded from the financial reporting entity:

Stillwater Central School District, Stillwater Public Library, the Village of Stillwater and City of Mechanicville Town of Stillwater Industrial Development Agency - These potential component units have separate elected and/or appointed boards and provide services to residents, generally within the geographic boundaries of the government. They are excluded from the reporting entity because the government does not have the ability to exercise influence or control over their daily operations, approve budgets or provide funding.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation - Fund Accounting

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Town.

GOVERNMENTAL FUND TYPES

Governmental funds are those in which most governmental functions of the Town are reported. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon determination of net income. The following are the Town's governmental fund types:

- General Fund - is the primary operating fund of the Town. It is used to account for all general financial resources except those to be accounted for in the General Outside Village General Fund.
- General Outside Village General Fund - is used to account for transactions which are required by statute to be a charge on the area of the Town outside the Village such as parks, recreation and cultural programs and building and planning activities.
- Highway Fund - established pursuant to Highway Law to account for revenues and expenditures related to highway repairs and improvements, bridges, machinery, snow removal and miscellaneous highway related items.
- Water Fund - to account for water district revenues and expenditures.
- Sewer Fund - to account for sewer district revenues and expenditures.
- Lighting Fund - to account for lighting district revenues and expenditures.
- Community Development Fund - to account for the use of federal monies provided by the United States Department of Housing and Urban Development to fund the Town's Section 8 Housing Assistance Program.
- Capital Projects Fund - The capital projects fund is used to account for financial resources used for the acquisition or construction of major capital expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation - Fund Accounting (Continued)

FIDUCIARY FUND TYPES

The Town has one fiduciary fund, a custodial account for transactions with other governments.

ACCOUNT GROUPS

Account groups are used to establish accounting controls and accountability for general fixed assets and general long-term debt. The two account groups are not “funds”. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Non-Current Governmental Assets Account Group - Used to account for land, buildings, improvements other than buildings and equipment and other long-term assets utilized for general government purposes.

Non-Current Governmental Liabilities Account Group - Used to account for all long-term debt except for short-term obligations. Also included are the estimated compensated absences, liabilities and other long-term obligations of the Town.

C. Basis of Accounting

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred if measurable, except that interest on long-term debt is not recognized as an expenditure until due.

In applying the susceptible-to-accrual concept to state and federal aid, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenues at the time of receipt.

The primary non-property tax item is sales tax which is recorded as revenue in the general outside village and the highway fund when it is received by Saratoga County and available for distribution to the Town. Other revenues are recorded when received in cash because they are generally not measurable until actually received.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgetary Data

General Budget Process - Prior to October 1 of each year, the Budget Officer submits to the Town Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. Prior to November 20, the budget is adopted by the Town Board. The Town Board must approve all modifications to the budget.

Budget Basis of Accounting - Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances at year end are reported as reservations of fund balances since the commitments do not constitute expenditures or liabilities.

F. Inventory

Inventory consists primarily of salt and fuel and is valued at cost.

G. General Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the non-current governmental assets account group. These fixed assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks and drainage have not been capitalized. Such assets normally are immovable and of value only to the Town. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets, nor has interest been capitalized.

H. Compensated Absences

Town employees are granted vacation and sick leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation leave at various rates subject to certain maximum limitations. The liability for accumulated vacation has been recorded in the applicable fund. The liability for accumulated sick time has been recorded in the general long-term debt account group.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fund Balance Reserves

The Town's fund balance reserves represent those portions of the fund balance not available for appropriation, or legally designated for a specific future use.

J. Property Taxes

Town real property taxes are levied together with Saratoga County property taxes annually no later than January 1 and become a lien on April 1. Taxes for County purposes are levied together with taxes for Town and special district purposes as a single bill.

The Town is responsible for collecting Town and County taxes; however, the Town is authorized to satisfy its entire tax roll from the first taxes collected. The balance and subsequent collections are remitted to the County and the County is responsible for the collection of delinquent taxes.

K. Postemployment Benefits

In addition to providing pension benefits, the Town also provides certain health care benefits for retired employees. Substantially all the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town.

Governmental Accounting Standards Board Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" ("GASB 75") requires the Town to recognize the cost of other postemployment benefits ("OPEB") in the financial statements in the periods in which the exchange occurs rather than in the periods when the benefits are paid. GASB 75 requires the services of an actuary to calculate current OPEB costs and to amortize prior service costs over a period not to exceed thirty years. The expense recognized under this policy would be significantly larger than current practice which recognizes expense on a pay-as-you-go basis.

The Town has evaluated the costs and benefits of adopting GASB 75 and determined that at this time the cost outweighs the benefit. Therefore, the Town has continued to recognize OPEB costs on a pay-as-you-go basis, which is not in accordance with generally accepted accounting principles. The amount that would be recorded in the non-current governmental liabilities account group had GASB 75 been adopted is not known.

OPEB costs on a pay-as-you-go basis were approximately \$365,597 in 2024 for 15 retirees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. New Accounting Pronouncement

GASB Statement No. 101

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. This Statement is effective for years beginning after December 15, 2023 and the Town adopted as of January 1, 2024. Management historically has already accounted for compensated absences in this manner and is disclosed in the Long Term Debt Account Group in the financial statements.

2. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

Deficit Fund Balance

The Capital Projects Fund had deficits totaling \$(10,314,503) at December 31, 2024. This deficit is caused by allowing contracts for projects funded with bond anticipation notes. The deficit will be eliminated when serial bonds are issued.

3. CASH AND INVESTMENTS

The Town's written investment policy was adopted by the Town Board and is governed by State statutes. Town monies must be deposited in FDIC insured commercial banks or trust companies designated by the Town Board. New York State statutes and guidelines authorize the Town to invest in obligations of the U.S. Government and its agencies, certificates of deposit, repurchase agreements and obligations of the State of New York.

Collateral is required for demand deposits and certificates of deposit at 100 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations issued, fully insured, or guaranteed by New York State, and obligations issued by any municipality or school district of New York State. Restrictions may apply to some of the above categories.

During 2024, cash and investments were either insured by federal depository insurance or collateralized by assets of the Town's custodial bank in the Town's name.

TOWN OF STILLWATER, NEW YORK
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2024

4. FIXED ASSETS

A summary of changes in fixed assets is as follows:

	Balance at January 1, <u>2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance at December 31, <u>2024</u>
Land	\$ 4,613,795	\$ -	\$ -	\$ 4,613,795
Buildings	6,699,731	520	-	6,700,251
Equipment	<u>7,154,928</u>	<u>1,139,685</u>	<u>(691,223)</u>	<u>7,603,390</u>
	<u>\$ 18,468,454</u>	<u>\$ 1,140,205</u>	<u>\$ (691,223)</u>	<u>\$ 18,917,436</u>

5. SHORT-TERM DEBT

Liabilities for bond anticipation notes (BANs) are generally accounted for in the capital projects fund. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The following is a summary of changes in BANs for the year ended December 31, 2024:

BANs Outstanding, January 1, 2024	\$ 10,555,000
BANs Issued	10,395,000
BANs Redeemed	<u>(10,555,000)</u>
BANs Outstanding, December 31, 2024	<u>\$ 10,395,000</u>

BANs outstanding at December 31, 2024 were as follows:

<u>Purpose</u>	<u>Investment Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Saratoga County Water Authority	4.5%	05/31/2024	\$ 5,090,000
EMS Public Safety Building	4.5%	10/12/2024	<u>5,305,000</u>
			<u>\$ 10,395,000</u>

TOWN OF STILLWATER, NEW YORK
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2024

6. LONG-TERM DEBT

The following is a summary of changes in long-term liabilities for the year ended December 31, 2024:

	Balance at January 1, <u>2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance at December 31, <u>2024</u>
Bonds Payable (A)	\$ 4,551,800	\$ -	\$ (523,400)	\$ 4,028,400
Lease Payable (Note 7)	63,337	98,919	-	162,256
Compensated Absences	93,312	6,587	-	99,899
Landfill Post-Closure Care Costs (B)	24,227	-	(5,012)	19,215
Net Pension Liability (Note 12)	<u>2,213,668</u>	<u>-</u>	<u>(488,650)</u>	<u>1,725,018</u>
	<u>\$ 6,946,344</u>	<u>\$ 105,506</u>	<u>\$ (1,017,062)</u>	<u>\$ 6,034,788</u>

A. Bonds Payable

Bonds payable consist of the following:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	Balance Outstanding December 31, <u>2024</u>
Public Improvements	05/07/10	05/07/25	4.47%	\$ 63,400
Public Improvements	07/15/10	07/15/25	3.125% - 4.0%	210,000
Van Ness	06/01/10	06/01/27	2.5%	405,000
Brown's Beach	06/20/18	06/15/42	3.0% - 3.5%	<u>3,350,000</u>
				<u>\$ 4,028,400</u>

6. LONG-TERM DEBT (CONTINUED)

A. Bonds Payable (Continued)

Future maturities of bonds payable and the related interest expense are as follows:

	<u>Principal</u>	<u>Interest</u>	
2025	\$ 533,400	\$ 133,847	
2026	270,000	115,056	
2027	285,000	107,131	
2028	150,000	98,838	
2029	155,000	93,881	
2030-2034	875,000	384,556	
2035-2038	<u>1,760,000</u>	<u>257,250</u>	
	<u>\$ 4,028,400</u>	<u>\$ 1,190,559</u>	

B. Landfill Post-Closure Care Costs

State and Federal laws and regulations require the Town to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Town of Stillwater ceased operations at the landfill and completed closure in 1997. Landfill post-closure care costs of \$19,215 reported at December 31, 2024 represent the remaining estimated cost to perform post-closure care. These estimated amounts are based on what it would cost to perform post-closure care as of December 31, 2024. Actual post-closure care costs may be higher due to inflation, changes in technology, or changes in regulations.

7. RIGHT-OF-USE ASSET AND LEASE PAYABLE

The Town has exercised a right to extend a lease for office space which is required to be capitalized as a result of implementing *GASB 87, Leases*. The lease has fixed monthly payments, increased annually based on the Consumer Price Index change, with maturity date in 2028.

7. RIGHT-OF-USE ASSET AND LEASE PAYABLE (CONTINUED)

As the rate implicit in the lease is not known, an incremental borrowing rate of prime at lease inception was used as the discount rate. The discount rate used is 7.75%.

Amounts recognized as right-of-use asset and lease payable are included in the Non-Current Governmental Asset and Non-Current Governmental Liability account groups as follows:

	<u>2024</u>
Right-of-Use Asset	<u>\$ 162,256</u>
Lease Payable	<u>\$ 162,256</u>

Rent Expense for leases was \$56,896 for the year ended December 31, 2024.

Future minimum lease payments as of December 31, 2024 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 46,828	\$ 10,944	\$ 57,772
2026	50,880	7,164	58,044
2027	54,967	3,077	58,044
2028	<u>9,581</u>	<u>93</u>	<u>9,674</u>
	<u>\$ 162,256</u>	<u>\$ 21,278</u>	<u>\$ 183,534</u>

8. DEFERRED INFLOWS OF RESOURCES

Lease

The Town (Lessor) has a monopole space lease (lease receivable) terminating in 2028. GASB Statement No. 87 requires the Town to record the present value of leases under these agreements with an offsetting deferred inflow of resources. As payments are received, they are charged to principal and interest reducing the lease receivable. The offsetting deferred inflows of resources is to be amortized in a systematic and rational manner over the duration of the lease. Due to the duration of the lease arrangement and the practical, efficient and expedient nature of doing so, management has determined that utilizing the same amortization as the underlying lease receivable is systematic and rational. For the year ended December 31, 2024, the Town has recorded \$55,212 as lease receivable and deferred inflows of resources in the General Outside Village Fund based on the agreement. Discount rate is 8.25% and is based on the estimated available borrowing rate for the Town at the lease commencement date.

8. DEFERRED INFLOWS OF RESOURCES (CONTINUED)

The future minimum payments obligated and expected to be received under the lease by the Town for the next four years for the lease agreements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ended December 31:			
2025	\$ 14,590	\$ 4,015	\$ 18,605
2026	16,227	2,750	18,977
2027	18,011	1,345	19,356
2028	<u>6,384</u>	<u>110</u>	<u>6,494</u>
Total Future Payments	<u>\$ 55,212</u>	<u>\$ 8,220</u>	<u>\$ 63,432</u>

9. FUND BALANCES

The Town has implemented GASB 54 “Fund Balance Reporting and Governmental Fund Type Definitions.”

GASB 54 defines five categories of fund balance as follows:

- **Nonspendable** fund balance includes amounts that cannot be spent because they are either not in spendable form or contractually required to be maintained intact. Nonspendable fund balances consist of prepaid expenditures and Highway Fund inventory at December 31, 2024.
- **Restricted** fund balance includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted fund balance consists of the following:

General Fund	
DWI Funds	<u>\$ 44,594</u>
Outside Village Fund	
Open Space	\$ 413,911
EMS Building	33,389
Parks	91,839
Traffic Mitigation	<u>13,245</u>
	<u>\$ 552,384</u>

- **Committed** fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Board. The Town had no committed fund balances at December 31, 2024.

9. FUND BALANCES (CONTINUED)

- **Assigned** fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include funds that are legally mandated to be accounted for separately as well as amounts that have been contractually obligated by the Town or designated by the Town for ensuing year’s budget. Assigned fund balance consists of the following:

General Fund

For Ensuing Years Budget	\$ 232,787
Encumbrance for Equipment	<u>19,869</u>
	<u>\$ 252,656</u>

- **Unassigned** fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the fund.

The Town Board determines whether restricted, committed, assigned or unassigned amounts are considered to be spent first when resources are available from multiple constraint levels. The default policy is that resources are spent first from the highest constraint level.

10. TAX ABATEMENT

The Town enters into Payment in Lieu of Taxes (“PILOTS”) agreements with some local businesses. PILOTS are often included as part of an Industrial Development Agency (“IDA”) agreement with a commercial or industrial development for the purpose of attracting or retaining business within their jurisdictions. PILOT agreements normally provide for payments of amounts lesser than would have been collected for real estate taxes for a number of years. PILOT revenue totaled \$273,203 in the General Fund. Abated property taxes amounted to \$0 under this program for the year ended December 31, 2024.

11. OPERATING TRANSFERS

During the course of normal operations, the Town records numerous transactions between funds including expenditures for the provisions of services as well as transfers between funds to finance various projects.

Interfund revenues and expenses arising from these transactions as of December 31, 2024 and for the year then ended were as follows:

	<u>Interfund Revenue</u>	<u>Interfund Expense</u>
General	\$ -	\$ 409,090
General Outside Village	36,146	550,354
Capital Projects	<u>959,444</u>	<u>36,146</u>
	<u>\$ 995,590</u>	<u>\$ 995,590</u>

12. PENSION PLAN

General Information

The Town participates in the New York State and Local Employees’ Retirement System (“ERS”) and New York State and Local Police and Fire Retirement System (“PFRS”). The Systems are cost sharing multiple-employer, public employee retirement systems. The Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Description and Benefits Provided

The Systems provide retirement benefits as well as death and disability benefits. The net position of the Systems is held in the New York State Common Retirement Fund, which was established to hold all net assets and record changes in plan net position allocated to the Systems. The Comptroller of the State of New York (the “Comptroller”) serves as sole trustee and administrative head of the Systems. System benefits are established under provisions of the New York State Retirement and Social Security Laws (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for ERS employees who joined the System after July 27, 1976 who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally must contribute at least 3% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the Systems’ fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100% of the contributions required as follows:

	<u>ERS</u>	<u>PFRS</u>
2024	\$ 242,750	\$ 51,627
2023	\$ 213,687	\$ 59,996
2022	\$ 213,746	\$ 59,997

Chapter 57 of the laws of 2010 of the State of New York allows local employers to amortize a portion (limitations established by fiscal year) of their retirement bill for 10 years for fiscal years ended March 31, 2012 and forward. These laws require participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts. The Town has not bonded or amortized any portion of their retirement obligations.

12. PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions

At December 31, 2024, the Town reported a liability of \$1,005,777 for ERS and \$719,241 for PFRS for its proportionate share of the net pension asset/liability. The net pension asset/liability was measured as of March 31, 2024, and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension assets/liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2024, the Town's proportion was .0068308% ERS and .0151648% PFRS.

At December 31, 2024, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Differences between expected and actual experience	\$ 545,548	\$ (27,425)
Changes in assumptions	651,560	-
Net difference between projected and actual earnings on pension plan investments	-	(686,556)
Changes in proportion and differences between employer contributions and proportionate share of contributions	162,798	(219,232)
Contributions subsequent to the measurement date	<u>262,108</u>	<u>-</u>
	<u>\$ 1,622,014</u>	<u>\$ (933,213)</u>

12. PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions (Continued)

The net amount of the employer’s balances of deferred outflows of resources related to pensions will be recognized in pension expense as follows:

December 31, 2025	\$	16,206
December 31, 2026		397,669
December 31, 2027		396,646
December 31, 2028		(136,805)
December 31, 2029		15,085
		\$ 688,801

ERS and PFRS Actuarial Assumptions

The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>	<u>PFRS</u>
Investment rate of return	5.9%	5.9%
Salary increase	4.4%	6.2%
Inflation rate	2.9%	2.9%
Cost of living adjustment	1.5%	1.5%

Annuitant mortality rates are based on April 1, 2015 -April 1, 2020 System’s experience with adjustments for mortality improvements based on MP-2021.

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - April 1, 2020.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

12. PENSION PLAN (CONTINUED)

ERS and PFRS Actuarial Assumptions (Continued)

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 for ERS and PFRS were as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.00%
International equity	6.65%
Private equity	7.25%
Real estate	4.60%
Opportunistic portfolio	5.25%
Real assets	5.79%
Credit	5.40%
Fixed Income	1.50%
Cash	.25%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for both ERS and PFRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

12. PENSION PLAN (CONTINUED)

Sensitivity of the Proportionate Share of the Net Pension Assets/Liability to the Discount Rate Assumption

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Town’s proportionate share of the net pension asset/liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Assumption</u>	<u>1% Increase</u>
ERS			
Employers’ proportionate share of the net pension asset (liability)	<u>\$ (3,162,267)</u>	<u>\$ (1,005,777)</u>	<u>\$ 795,339</u>
PFRS			
Employers’ proportionate share of the net pension asset (liability)	<u>\$ (1,681,034)</u>	<u>\$ (719,241)</u>	<u>\$ 75,341</u>

Pension Plan Fiduciary Net Position

The components of the net pension liability of the employer as of March 31, 2024 were as follows (in thousands):

	<u>ERS</u>	<u>PFRS</u>
Total pension liability	\$ (240,696,851)	\$ (46,137,717)
Plan fiduciary net position	<u>225,972,801</u>	<u>41,394,895</u>
Employers’ net pension liability	<u>\$ (14,724,050)</u>	<u>\$ (4,742,822)</u>
Ratio of fiduciary net position to the employers’ total pension liability	<u>93.88%</u>	<u>89.72%</u>

13. COMMITMENTS AND CONTINGENCIES

Litigation: The Town is a defendant in lawsuits arising in the normal course of business. In the opinion of the Town, after considering all relevant facts, the ultimate losses not covered by insurance resulting from such litigation are expected to be immaterial in relation to the financial statements taken as a whole.

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Self-Insurance: The Town participates in a self-insurance plan for workers' compensation under Local Law No. 1 and 2,1956, pursuant to Article 5 of the Workers' Compensation Law. The plan is open to any eligible municipality or public entity for participation. The County of Saratoga, New York is responsible for the administration of the plan and its reserves. The Town's contribution, \$31,198 for 2024, to the plan is levied together with taxes for the County and special district purposes as a single bill.

Grant Programs: The Town has entered into a housing assistance payment contract with the Department of Housing and Urban Development (HUD). Under the terms of this contract, the Town will receive varying amounts of monthly rental assistance payments based upon the size of the dwelling unit.

The Town has entered into an administration agreement with Joseph E. Mastrianni, Inc. (the "Corporation") under which the Corporation serves as full administrator of the Section 8 Housing Assistance Program. The Corporation has guaranteed that it will comply with all program regulations and will indemnify and hold harmless the Town from any liability to HUD for failure to comply with the program regulations.

Community Programming: The Town has entered into an agreement with the Stillwater Area Community Services Center, Inc through December 31, 2027. The purpose of this agreement is to continue and ensure the provision of funding of community programming and activities including but not limited to health, educational, civic, athletic, and human service programs, activities, and facilities to residents of the greater Town of Stillwater Area.

License Agreement: The Town has a license agreement expiring in 2024 with two vendors for Brown's Beach facilities. Future minimum payments to be received under the agreements approximate \$60,000 per year excluding escalation clauses.

Environmental Concerns: The Town is engaged in many activities (i.e., highway maintenance, salt and gasoline storage) in the normal course of operations that are potentially hazardous to the environment. Policies, procedures and safeguards have been implemented by the Town to assist in the protection of the environment. As of December 31, 2024, the Town is not aware of any significant environmental problems that should be disclosed in the financial statements.

Union Contracts: Police and highway Town employees are each represented by a collective bargaining agent. Those agents which represent them and the dates of expiration of their agreements are as follows:

<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
Civil Service Employees Association – DPW	December 31, 2025
Stillwater Town Organized Police	December 31, 2025

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through August 14, 2025, the date the financial statements were available to be issued. No such events or transactions were noted.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF STILLWATER, NEW YORK
SCHEDULE OF REVENUE AND EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue				
Real Property Taxes	\$ 1,911,943	\$ 1,911,943	\$ 1,911,944	\$ 1
Real Property Tax Items	265,000	265,000	291,211	26,211
Departmental Income	4,300	8,422	8,657	235
Use of Money and Property	3,000	3,000	37,441	34,441
Licenses and Permits	5,500	5,500	3,674	(1,826)
Fines and Forfeitures	40,000	40,000	39,187	(813)
Miscellaneous Local Sources	35,000	35,000	34,272	(728)
State Aid	<u>449,281</u>	<u>449,281</u>	<u>546,006</u>	<u>96,725</u>
Total Revenue	<u>2,714,024</u>	<u>2,718,146</u>	<u>2,872,392</u>	<u>154,246</u>
Expenditures				
General Government Support	1,058,099	1,169,599	1,008,291	161,308
Public Safety *	527,846	568,906	552,102	16,804
Public Health	349,151	349,151	349,151	-
Transportation	136,264	141,764	138,465	3,299
Economic Assistance and Opportunity	14,500	14,000	13,441	559
Culture and Recreation	30,800	36,840	36,777	63
Home and Community Services	24,725	29,025	28,212	813
Employee Benefits	508,280	457,140	418,996	38,144
Debt Service (Principal and Interest)	<u>393,635</u>	<u>393,635</u>	<u>393,635</u>	<u>-</u>
Total Expenditures	<u>3,0403,300</u>	<u>3,160,060</u>	<u>2,939,070</u>	<u>220,990</u>
Other Changes				
Operating Transfers – Out	<u>-</u>	<u>(409,090)</u>	<u>(409,090)</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ (329,276)</u>	<u>\$ (851,004)</u>	<u>\$ (475,768)</u>	<u>\$ 375,236</u>

* Actual amount includes encumbrance of \$19,869.

TOWN OF STILLWATER, NEW YORK
SCHEDULE OF REVENUE AND EXPENDITURES - BUDGET AND ACTUAL - GENERAL OUTSIDE VILLAGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue				
Nonproperty Tax Items	\$ 1,499,710	\$ 1,499,710	\$ 1,842,008	\$ 342,298
Departmental Income	509,885	509,885	653,439	143,554
Use of Money and Property	94,252	119,252	129,300	10,048
Licenses and Permits	145,500	145,500	186,653	41,153
Miscellaneous Local Sources	<u>109,294</u>	<u>217,294</u>	<u>307,191</u>	<u>89,897</u>
Total Revenue	<u>2,358,641</u>	<u>2,491,641</u>	<u>3,118,591</u>	<u>626,950</u>
Expenditures				
General Government Support	239,190	295,890	276,705	19,185
Public Safety	379,375	379,375	376,928	2,447
Public Health	1,705	1,705	1,527	178
Economic Assistance and Opportunity	10,000	10,000	10,000	-
Culture and Recreation	760,463	823,263	747,799	75,464
Home and Community Services	81,000	81,000	35,998	45,002
Employee Benefits	224,717	224,717	181,671	43,046
Debt Service (Principal and Interest)	<u>700,497</u>	<u>700,497</u>	<u>700,487</u>	<u>10</u>
Total Expenditures	<u>2,396,947</u>	<u>2,516,447</u>	<u>2,331,115</u>	<u>185,332</u>
Other Changes				
Operating Transfers - In	36,146	36,146	36,146	-
Operating Transfers - Out	<u>(100,000)</u>	<u>(550,354)</u>	<u>(550,354)</u>	<u>-</u>
	<u>(63,854)</u>	<u>(514,208)</u>	<u>(514,208)</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ (102,160)</u>	<u>\$ (539,014)</u>	<u>\$ 273,268</u>	<u>\$ 812,282</u>

TOWN OF STILLWATER, NEW YORK
SCHEDULE OF REVENUE AND EXPENDITURES - BUDGET AND ACTUAL - HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue				
Real Property Taxes	\$ 1,712,173	\$ 1,712,173	\$ 1,712,173	\$ -
Non-Property Tax Items	1,530,712	1,530,712	1,530,712	-
Departmental Income	5,000	5,000	8,260	3,260
Use of Money and Property	3,000	3,000	26,229	23,229
Sale of Property and Compensation for Loss	8,000	8,000	20,229	12,229
Miscellaneous Local Sources	42,000	42,000	94,269	52,269
State Aid	<u>130,000</u>	<u>432,146</u>	<u>432,146</u>	<u>-</u>
Total Revenue	<u>3,430,885</u>	<u>3,733,031</u>	<u>3,824,018</u>	<u>90,987</u>
Expenditures				
Transportation	2,863,050	3,388,778	3,249,432	139,346
Culture and Recreation	15,000	15,000	14,831	169
Employee Benefits	<u>913,384</u>	<u>884,434</u>	<u>778,534</u>	<u>105,900</u>
Total Expenditures	<u>3,791,434</u>	<u>4,288,212</u>	<u>4,042,797</u>	<u>245,415</u>
Excess of Revenue Over Expenditures	<u>\$ (360,549)</u>	<u>\$ (555,181)</u>	<u>\$ (218,779)</u>	<u>\$ 336,402</u>

TOWN OF STILLWATER, NEW YORK
SCHEDULE OF REVENUE AND EXPENDITURES - BUDGET AND ACTUAL - WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Adopted</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue				
Real Property Taxes	\$ 175,284	\$ 175,284	\$ 175,284	\$ -
Departmental Income	578,167	646,167	659,263	13,096
Use of Money and Property	-	-	123	123
Sale of Property and Compensation for Loss	54,800	54,800	3,600	(51,200)
Miscellaneous	-	-	10,343	10,343
Total Revenue	<u>808,251</u>	<u>876,251</u>	<u>848,613</u>	<u>(27,638)</u>
Expenditures				
Home and Community Services	581,452	652,602	567,695	84,907
Employee Benefits	51,515	48,365	38,831	9,534
Debt Service (Principal and Interest)	<u>175,284</u>	<u>175,284</u>	<u>175,284</u>	<u>-</u>
Total Expenditures	<u>808,251</u>	<u>876,251</u>	<u>781,810</u>	<u>94,441</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,803</u>	<u>\$ 66,803</u>

**ADDITIONAL REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

CUSACK & COMPANY
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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Supervisor and Members of the Town Board
Town of Stillwater, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of all fund types and account groups of the Town of Stillwater, New York (the Town), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Stillwater, New York’s basic financial statements, and have issued our report thereon dated August 14, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Stillwater, New York’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Stillwater, New York’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Stillwater, New York’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Stillwater, New York's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
August 14, 2025