

PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUES

BOND ANTICIPATION NOTES

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

The Notes will NOT be deemed designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.



\$10,367,455
TOWN OF ROTTERDAM
SCHENECTADY COUNTY, NEW YORK
GENERAL OBLIGATIONS

\$3,400,000 Bond Anticipation Notes, 2026 Series A (Renewals)
(the "Series A Notes")

Dated: May 28, 2026

Due: May 28, 2027

\$2,000,000 Bond Anticipation Notes, 2026 Series B (Renewals)
(the "Series B Notes")

Dated: May 28, 2026

Due: May 28, 2027

AND

\$4,967,455 Bond Anticipation Notes, 2026 Series C (Renewals)
(the "Series C Notes")

(collectively referred to herein as the "Notes")

Dated: May 28, 2026

Due: May 28, 2027

The Notes are general obligations of the Town of Rotterdam, Schenectady 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 "Nature of Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Series A and B Notes are to be issued with the option of prior redemption on or after September 28, 2026 upon 20 days' written notice.

The Series C Notes will not be subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes will be issued as book entry only registered notes or in registered certificated form in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. A single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate.

Alternatively, if the Notes are issued as registered non-certificated notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the Purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$7,455 with respect to the Series C Notes. If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. 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 respective approving legal opinions as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about May 28, 2026.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisor's Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on May 19, 2026 no later than 10:30 A.M. EDT. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. No bid will be received after the time for receiving bids specified above. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the respective Notices of Sales.

May 14, 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 ROTTERDAM SCHENECTADY COUNTY, NEW YORK

TOWN OFFICIALS

JOHN POLIMENI
Town Supervisor

RON SCHLAG
Deputy Town Supervisor

TOWN COUNCIL

MICHAEL DESANTIS
TERI GALLUCCI
PATTY MATELITZ

* * * * *

ALISON GRACE
Comptroller

MEGAN GRIFFIN
Town Clerk

DIANE J. MARTIN
Receiver of Taxes

DEBRA BUTLER
Town Assessor

JOHN MERTZ, ESQ.
Town Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel
New York, New York

No person has been authorized by the Town of Rotterdam 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 Rotterdam.

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PREPARED WITH THE ASSISTANCE OF:



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OFFICIAL STATEMENT
of the
TOWN OF ROTTERDAM
SCHENECTADY COUNTY, NEW YORK

Relating To

\$3,400,000 Bond Anticipation Notes, 2026 Series A (Renewals)
\$2,000,000 Bond Anticipation Notes, 2026 Series B (Renewals)
&
\$4,967,455 Bond Anticipation Notes, 2026 Series C (Renewals)

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Rotterdam, Schenectady County, New York (the “Town”, “County”, and “State”, respectively), in connection with the sale by the Town of \$3,400,000 Bond Anticipation Notes, 2026 Series A (Renewals) (referred to herein as the “Series A Notes”), \$2,000,000 Bond Anticipation Notes, 2026 Series B (Renewals) (referred to herein as the “Series B Notes”) and \$4,967,455 Bond Anticipation Notes, 2026 Series C (Renewals) (referred to herein as the “Series C Notes”) (collectively 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 tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

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.

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

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 of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). 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 limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See “TAX LEVY LIMITATION LAW” herein.

The Notes are dated May 28, 2026 and will mature on May 28, 2027, The Series A and B Notes are issued with the option of prior redemption on or after September 28, 2026 upon 20 days’ written notice. The Series C Notes will not be subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) at the option of the purchaser(s), as registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as the securities depository for the Notes. Under this option, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See “BOOK-ENTRY-ONLY SYSTEM” herein; or (ii) registered in the name of the purchaser(s) with principal and interest payable in Federal Funds at the office of the Town Clerk, in Rotterdam, New York.

Optional Redemption

The Series A and B Notes are subject to redemption on or after September 28, 2026 upon 20 days’ written notice. The Series C Notes will not be subject to redemption prior to maturity.

Purpose of Issue – Series A Notes

The Series A Notes are issued pursuant to the Constitution and statutes of New York State, including among others, the Town Law and the Local Finance Law, and bond resolutions adopted by the Town Board authorizing the issuance of serial bonds for the projects described below.

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Authorization Amount</u>	<u>Amount of BAN Outstanding</u>	<u>Principal Paydown</u>	<u>New Money</u>	<u>Proceeds of the Series A Notes</u>
9/14/2022	Water District No. 5 Improvements	34,000,000	3,400,000	-	-	3,400,000
	Total		\$ 3,400,000	\$ -	\$ -	\$ 3,400,000

On May 29, 2025 the Town issued \$3,400,000 bond anticipation notes as the initial borrowing for the aforementioned purpose. The proceeds of the Series A Notes will redeem and renew in full the outstanding \$3,400,000 bond anticipation notes that mature on May 29, 2026.

Purpose of Issue – Series B Notes

The Series B Notes are issued pursuant to the Constitution and statutes of New York State, including among others, the Town Law and the Local Finance Law, and bond resolutions adopted by the Town Board authorizing the issuance of serial bonds for the projects described below.

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Authorization Amount</u>	<u>Amount of BAN Outstanding</u>	<u>Principal Paydown</u>	<u>New Money</u>	<u>Proceeds of the Series B Notes</u>
11/19/2021 & 9/14/2022	Sewer District No. 2 Improvements	20,000,000	2,000,000	-	-	2,000,000
	Total		\$ 2,000,000	\$ -	\$ -	\$ 2,000,000

On May 29, 2025 the Town issued \$2,000,000 bond anticipation notes as the initial borrowing for the aforementioned purpose. The proceeds of the Series B Notes will redeem and renew in full the outstanding \$2,000,000 bond anticipation notes that mature on May 29, 2026.

Purposes of Issue – Series C Notes

The Series C Notes are issued pursuant to the Constitution and statutes of New York State, including among others, the Town Law and the Local Finance Law, and bond resolutions adopted by the Town Board authorizing the issuance of serial bonds for the projects described below.

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Authorization Amount</u>	<u>Amount of BAN Outstanding</u>	<u>Principal Paydown</u>	<u>New Money</u>	<u>Proceeds of the Series C Notes</u>
8/14/2024	Acquisition of land and construction of Police/Court building	28,500,000	4,000,000	-	-	4,000,000
4/23/2025	Water District No. 5/Sewer District No. 2/Sewer District No. 7 Equipment	967,455	967,455	-	-	967,455
	Total		\$ 4,967,455	\$ -	\$ -	\$ 4,967,455

On May 29, 2025 the Town issued \$4,967,455 bond anticipation notes as the initial borrowing for the aforementioned purpose. The proceeds of the Series C Notes will redeem and renew in full the outstanding \$4,967,455 bond anticipation notes that mature on May 29, 2026.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, 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 each series of the Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC, 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 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 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.

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 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 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

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 discontinued, the following provisions will apply:

The Notes will be issued in registered form registered in the name of the Purchaser in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$7,455 with respect to the Series C Notes.. Principal of and interest on the Notes will be payable at the Town. The Notes are not subject to redemption prior to their stated final maturity date.

THE TOWN

General Information

The Town, with a land area of approximately 37 square miles, is located in the central portion of Schenectady County adjacent to the City of Schenectady and about 8 miles northwest of the City of Albany. The population, according to the 2024 U.S. Census, is 30,981 (See “Population Trends” herein). The Town is bordered on the west by the Town of Princetown, on the south by Albany County, on the east by the City of Schenectady and on the north by the Town of Glenville.

The Town is primarily suburban residential in nature, but it includes some sizeable commercial and industrial properties. Residential development consists primarily of single-family homes, with many apartment complexes. Commercial activity is centered around several shopping centers, some of which include branches of nationally-known retail outlets. Industrial facilities include a significant portion of the turbine manufacturing plant of GE Energy, which also has part of its general offices, its computer department (the Schenectady Information Processing Center) and other research facilities located in other parts of Schenectady County. In aggregate, GE Energy employs about 3,500 people at these plants, offices and laboratories. Almost one-half (by valuation) of the operations of Schenectady International, Inc. are located in the Town, as well as the Rotterdam Industrial Park.

Whispering Pines Senior Living project is currently in progress within the Town, with phase one of an anticipated four phase project now complete, consisting of 85 single family cottages and 40 single family townhomes along with a new golf course clubhouse and a redesign of a 9-hole executive golf course. Phase two is expected to begin construction in mid-2026 which includes the construction of independent living apartments, assisted living apartments and memory care apartments. The four phase project will ultimately consists of 125 single-family homes (town homes or detached), 119 independent living units, 108 memory care units, and 144 assisted living units for a total of 496 living units. The project is expected to be accompanied by the addition of sewer and water infrastructure and roadways, as well as stormwater management features.

Additional residential projects underway or slated for construction this year include; Helderberg Meadows West, containing 124 condominium units, Solara Apartments, consisting of 248 units, Viscusi Apartments, consisting of 16 unites, Curry Road Apartments, consisting of 66 units, and Vista Square Apartments consisting of 208 units.

The Town also has commercial projects underway and planned to begin this year, including; Rotterdam Corporate Park with a 125,000 square foot warehouse and manufacturing plant, Thompson and Johnson Forklift Distribution adding 21,750 square feet, Mariaville Self Storage adding 135,000 square feet, Rotterdam Wellness, a multi-tenant adding 16,150 square feet of retail and office space, and Marcella Warehouse adding an additional 30,000 square foot commercial warehouse.

Source: Town officials.

Population Trends

<u>Year</u>	<u>Town of Rotterdam</u>	<u>Schenectady County</u>	<u>New York State</u>
1990	30,117	181,276	17,990,455
2000	32,995	200,635	18,976,457
2010	29,094	154,727	19,378,102
2020	29,094	158,061	20,201,249
2023	30,521	159,902	19,571,216
2024 (Estimate)	30,981	161,261	19,867,248

Source; U.S. Census Bureau.

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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, 2016-2020 and 2019-2023 American Community Survey 5-Year data.

	<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:						
Rotterdam	\$ 28,557	\$ 33,238	\$ 42,503	\$ 73,175	\$ 86,765	\$102,145
County of:						
Schenectady	27,500	33,379	43,516	70,712	86,124	103,499
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Note: 2020-2024 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 the County. The information set forth below with respect to the County is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County 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>
Town of Rotterdam	3.5%	7.0%	4.2%	3.1%	3.1%	3.4%	3.3%
Schenectady County	3.7%	7.9%	5.1%	3.5%	3.5%	3.7%	3.7%
New York State	3.9%	9.8%	7.1%	4.3%	4.0%	4.2%	4.3%

2025- 2026 Monthly Figures

	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
Town of Rotterdam	2.6%	2.9%	3.2%	3.5%	3.5%	N/A	3.3%	3.2%	3.7%	4.1%	3.7%	N/A
Schenectady County	3.0%	3.3%	3.8%	4.1%	4.0%	N/A	3.8%	3.7%	4.1%	4.5%	4.3%	N/A
New York State	3.5%	3.8%	4.6%	4.7%	4.7%	N/A	4.5%	4.4%	4.7%	5.2%	4.4%	N/A

Note: Unemployment rates for October 2025 are unavailable due to a government shutdown at the time. Unemployment rates for the month of April 2026 are unavailable as of the date of this Official Statement.

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

Larger Employers

The larger employers located in close proximity to the Town include the following:

<u>Name</u>	<u>Type of Product or Service</u>	<u>Number of Employees</u>
GE Vernova, GE Global Research	Research/Manufacturing	4,000
Ellis Medicine	Heath Care	3,000
Flour Marine Propulsion Corporation	Research Laboratory	3,000
Schenectady City School District	Education	2,000
New York State Agencies	State Government	1,600
Schenectady County	Local Government	1,446
Golub Corporation	HQ Grocery Stores	1,401
Union College	Education	1,200
Rivers Casino & Resort	Casino	950
MVP Health Plan	Health Insurance	900
City of Schenectady	Local Government	523
SI Group	Research/Manufacturing	404

Source: Town officials.

Form of Town Government

The Town Supervisor functions as the chief fiscal officer as provided in Section 2 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities, which are delegated to and carried out by the Town Comptroller. The Town Supervisor is also the Town's budget officer and must therefore prepare the annual tentative budget for submission to the Town Board. Budgetary control during the year is the responsibility of the Town Supervisor. Pursuant to Section 30 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specified types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record

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

Town finances are operated primarily through the General and Highway Funds. All real property taxes and most of the other Town revenues are credited to these funds. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has water, sewer, lighting, and drainage districts, which are accounted for within separate funds. The primary sources of income for these districts comes from special assessments levied against district properties at the same time real estate taxes are levied. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

Financial Organization

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Services

The Town provides the bulk of municipal services furnished to the residents thereof and for such purpose furnishes water and sewer facilities, builds and maintains Town highways and provides public safety through a police department. Fire protection is provided through separate entities, the various fire districts in the Town. Planning and the financing of Town courts are provided by the Town. Regulation of building construction along with the usual municipal services of recreational facilities and street lighting are all Town functions. Social services and health services, to the extent provided on a public basis, are essentially County responsibilities. Education is the responsibility of three independent school districts serving Town residents.

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Budgetary Procedure

The head of each administrative unit of the Town is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the budget officer on or before September. Estimates for each fire district situated within the Town must also be filed with the budget officer by October 20th. (the Town has no authority to amend the budget submitted by a fire district). After reviewing these estimates, the budget officer prepares a tentative budget which includes his recommendations. A budget message explaining the main features of the budget is also prepared at this time. The tentative budget is filed with the Town Clerk not later than the 30th of September. Subsequently, the Town Clerk presents the tentative budget to the Town Board at the regular or special hearing which, must be held on or before October 10th. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are not inconsistent with the provisions of the law. Following this review process, the tentative budget and such modifications, if any, as approved by the Board become the preliminary budget. A public hearing, a notice of which must be duly published in the Town's official newspaper, for the preliminary budget is required to be held no later than the 10th day of November. At such hearing, any person may express his opinion concerning the preliminary budget; however, there is no requirement or provision that the preliminary budget or any portion thereof be voted on by members of the public. After the public hearing, the Town Board may further change and revise the preliminary budget. The Town Board, by resolution, adopts the preliminary budget as submitted or amended no later than November 20th, at which time, the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year. Budgetary control during the year is the responsibility of the budget officer. However, any changes or modifications to the annual budget including the transfer of appropriations among line items must be approved by resolution of the Town Board.

Investment Policy

Pursuant to the statutes of the State of New York and its adopted Investment Policy, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (4) obligations of the State of New York; (5) with permission of the State Comptroller, in obligations issued by any municipality or school district or district corporation; (6) obligations of other public corporations whose specific enabling legislation authorizes such investments; (7) certificates at participation issued pursuant to section 109-b of the General Municipal Law; and (8) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. These statutes also require that the Town's investments, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law.

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

The Town maintains a list of financial institutions and dealers approved for investment purposes and establishes appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the Town conducts business must be credit worthy. Banks are required to provide their most recent Consolidated Report of Condition (Call Report) at the request of the Town. Security dealers not affiliated with a bank are required to be classified as reporting dealers affiliated with the New York and Federal Reserve Bank, as primary dealers. The Town Comptroller is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

The Town Comptroller is authorized to contract for the purpose of investments: (1) directly, including through a repurchase agreement, from an authorized trading partner, (2) by participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the governing board; and (3) by utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the Town, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Town by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, S10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Town, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Town a perfected interest in the securities.

Repurchase agreements are authorized subject to the following restrictions: (1) all repurchase agreements must be entered into subject to a Master Repurchase Agreement; (2) trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers; (3) obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America; (4) no substitution of securities will be allowed; (5) the custodian shall be a party other than the trading partner; and (6) a custodial bank must be a member bank of the Federal Reserve Bank or maintain accounts with member banks.

State Aid

The Town receives financial assistance from the State. In its General Fund budget for the 2026 fiscal year, approximately 7.17% 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. In view of the State's continuing budget problems, future State aid reductions are likely. 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.

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State Aid Revenues

The following table illustrates the percentage of total revenues of the Town for each of the below fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019	\$ 14,325,026	\$ 952,690	6.65%
2020	14,178,396	1,054,593	7.44
2021	15,352,523	1,148,352	7.48
2022	16,802,861	1,384,971	8.24
2023	17,877,667	866,372	4.85
2024 (Budgeted)	17,535,516	951,000	5.42
2025 (Budgeted)	18,078,769	1,201,000	6.64
2026 (Budgeted)	18,224,972	1,306,000	7.17

Source: Audited financial statements for the 2019 through 2023 fiscal years, and the adopted budgets of the Town for the 2024, 2025, and 2026 fiscal years. This table is not audited.

Employees

The Town currently employs 131 full-time and 11 part-time employees, including those employees who are represented by the following collective bargaining organizations:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
80	CSEA	December 31, 2027
43	Police Benevolent Association	December 31, 2025 ⁽¹⁾
2	Rotterdam Police Chiefs Association	December 31, 2030

⁽¹⁾ Currently under negotiations

Source: Town officials

Status and Financing of Employee Pension Benefits

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 State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. 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 & firefighters at 15% of non-overtime wages.
-

For both ERS & PFRS, Tier 6 provides for:

- Increase 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 payments to ERS and PFRS since the 2021 fiscal year have been as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>PFRS</u>
2021	\$ 613,702	\$ 1,110,604
2022	747,643	1,278,494
2023	389,923	1,224,745
2024	541,225	1,342,388
2025	680,627	1,618,284
2026 (Budgeted)	884,003	1,881,462

Source: Town officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The Town pre-pays this cost annually.

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 have any early retirement incentives outstanding.

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 System 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 2026) is shown below:

<u>Year</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	31.6
2027	17.6	36.5

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

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 is not amortizing or smoothing any pension payments nor does it intend 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

Healthcare Benefits. School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. Other Post-Employment Benefits ("OPEB") refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

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Summary of Changes from the Last Valuation. The Town contracted with Capital Region BOCES to calculate its OPEB liability under GASB 75 for the fiscal years ending December 31, 2023 and 2024.

The following outlines the changes to the Total OPEB Liability during the previous two fiscal years, by source.

	Balance beginning at:	<u>December 31, 2022</u>	<u>December 31, 2023</u>
		\$ 50,209,723	\$ 54,983,251
<u>Changes for the year:</u>			
Service cost		1,339,324	1,550,713
Interest		2,178,163	2,219,035
Change in benefit terms		-	-
Differences between expected and actual experience		889,280	809,988
Changes in assumptions		2,411,569	(2,456,578)
Benefit payments		<u>(2,044,808)</u>	<u>(2,137,138)</u>
Net Changes		<u>\$ 4,773,528</u>	<u>\$ (13,980)</u>
	Balance ending at:	<u>December 31, 2023</u>	<u>December 31, 2024</u>
		<u>\$ 54,983,251</u>	<u>\$ 54,969,271</u>

Note: The above table is not audited.

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the Town’s audited financial statements.

Under GASB 75, an actuarial valuation is required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The Town has reserved \$0 towards its OPEB liability. The Town funds this liability on a pay-as-you-go basis.

The Town’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Town’s finances and could force the Town to reduce services, raise taxes or both.

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 publication of the estoppel notices with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

Except for as shown under “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. Due to significant staff turnover in the Town comptroller position from 2020 through 2024, the last independent audit covers the fiscal year ending December 31, 2023 is available via the Electronic Municipal Market Access (“EMMA”) website and attached hereto as “APPENDIX – G”. The Annual Financial Report (unaudited) for the fiscal year ending December 31, 2024 is expected to be completed on or around August 31, 2026. The Audited Financial Statements for the fiscal year ending December 31, 2024 are expected to be completed on or around August 31, 2026. The Annual Financial Report (unaudited) for the fiscal year ending December 31, 2025 is expected to be completed on or around September 30, 2026. The Audited Financial Statements for the fiscal year ending December 31, 2025 are expected to be completed on or around December 31, 2026. The financial affairs of the Town are also potentially subject to annual audits by the State Comptroller.

The financial statements of the Town have been prepared in conformity with accounting principles prescribed by the New York State Office of the State Comptroller for complying with Article 3, Section 30 of General Municipal Law in which every municipal corporation is required to make an annual financial report, except as discussed in the Independent Auditor's Report. The most significant difference between this regulatory basis of accounting and generally accepted accounting principles ("GAAP") is that Government Accounting Standards Board ("GASB") Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" need not be implemented to meet the requirements of General Municipal Law, GASB 34 requires significant changes including:

- Government-Wide Reporting
- Focus on Major Funds
- Changes in Budgetary Reporting
- Full Accrual Accounting Including Depreciation
- Management's Discussion and Analysis
- Capitalization of Infrastructure Assets

Management has considered the costs and benefits of adopting GASB 34 and determined that auditing the financial statements utilizing another Comprehensive Basis of Accounting as opposed to GAAP makes fiscal sense for the Town.

Anticipated Unaudited Results for Fiscal Year Ending December 31, 2024

The Town expects to end the fiscal year ending December 31, 2024 with an unassigned fund balance of \$2,692,092

Summary anticipated unaudited information for the General Fund for the period ending December 31, 2024 is as follows:

Revenues:	\$ 19,009,263
Expenditures:	<u>19,283,561</u>
Excess (Deficit) Revenues Over Expenditures:	(274,298)
Total Fund Balance at December 31, 2023	<u>7,095,829</u>
Expected Total Fund Balance at December 31, 2024:	<u>\$ 6,821,531</u>

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

Anticipated Unaudited Results for Fiscal Year Ending December 31, 2025

The Town expects to end the fiscal year ending December 31, 2025 with an unassigned fund balance of \$5,537,976

Summary anticipated unaudited information for the General Fund for the period ending December 31, 2025 is as follows:

Revenues:	\$ 17,391,995
Expenditures:	<u>17,474,605</u>
Excess (Deficit) Revenues Over Expenditures:	(82,610)
Total Fund Balance at December 31, 2024	<u>7,938,063</u>
Expected Total Fund Balance at December 31, 2025:	<u>\$ 7,855,453</u>

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

New York State Comptroller Report 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 found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The Town was recently subject to an audit by the State Comptrollers Office, the audit covered the Town's 2024 activity, specific scope and results of the audit are not available as of the date of this Official Statement. A full report is expected to be available on the State Comptroller website in June 2026.

There are no additional recent State Comptroller's audits of the Town, nor any that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

The State Comptroller’s Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the past three years for the Town are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	Not Filed	-
2023	Not Filed	-
2022	Not Filed	-

Note: Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by reference. Due to significant staff turnover in the Town comptroller position which resulted in delayed annual financial reports for fiscal years ending 2020-2024, the Town does not have a stress designation since fiscal year 2019 in which it had a fiscal score of 3.3 with no designation.

Source: Website of the Office of the New York State Comptroller.

TAX INFORMATION

Taxable Valuations

<u>Assessment Rolls Year:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Fiscal Year Ending December 31 Tax Roll:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessed Valuation	\$ 2,887,436,913	\$ 2,907,147,298	\$ 2,910,185,743	\$ 2,952,599,583	\$ 2,951,664,714
New York State Equalization Rate	98.00%	95.00%	83.00%	72.00%	65.00%
Total Taxable Full Valuation	\$ 2,946,364,197	\$ 3,060,155,051	\$ 3,506,247,883	\$ 4,100,832,754	\$ 4,541,022,637

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending December 31:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
General Town					
Homestead	\$2.98	\$2.99	\$3.08	\$2.97	\$3.10
Non-Homestead	5.78	6.00	6.26	6.10	6.38
Highway					
Homestead	\$1.27	\$1.26	\$1.28	\$1.41	\$1.45
Non-Homestead	2.47	2.53	2.59	2.89	2.99

Tax Collection Procedure

Taxes and assessments are levied against properties on the first of January and may be paid without penalty through the month of January. Payments made after January 31 are assessed a penalty as follows: a 1.25% penalty is added in February, 2.50% in March and 3.75% for payments during April. After April, the tax roll is returned to the County and taxes plus penalties are payable to the County Treasurer. The Town retains the total amount of Town, highway and special district levies from the total collections and returns the balance plus uncollected items to the County, which assumes collection responsibility and holds annual tax sales. As of March 16, 2020 a \$2.00 second notice fee is added to unpaid bills.

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	\$ 13,305,240	\$ 13,089,632	\$ 13,850,637	\$ 14,023,109	\$ 14,652,160
Amount Uncollected ⁽¹⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

(1) See "Tax Collection Procedure" herein.

Largest Taxpayers – 2025 Assessment Roll for 2026 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
General Electric Company	Industrial	\$ 132,155,200
National Grid	Utility	71,683,693
Golub Corp.	Warehouse & Office	40,329,700
Schenectady International	Industrial	32,505,400
Rotterdam Ventures	Shopping Center	23,790,400
CSX Transportation, Inc.	Industrial	15,440,461
FM Ventures	Storage	15,041,800
Rotterdam Rail, LLC	Warehouse	11,440,000
Dominion Transmission Inc.	Utility	11,149,315
Time Warner	Utility	10,415,880

The ten taxpayers, listed above, have a total assessed of \$363,951,849 that represents 12.33% of the 2025 tax base of the Town.

As of the date of this Official Statement, The Town currently does not have any pending or outstanding tax certioraris that are known or believed could have a material impact on the finances of the Town.

Note: It is common practice for some larger companies in the Town to file tax grievances on an annual basis to reduce their assessment.

Source: Town tax rolls.

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 total property tax bill of a \$174,800 market value residential property located in the Town is approximately \$5,642 including County, School District, and Town general, highway and fire taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). 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. It was set to expire on June 15, 2020 unless extended; it has since been made permanent. 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 town may exceed the tax levy limitation for the coming fiscal year only if the governing body of such town first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law, 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 levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

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

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrates "three-year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the Town are uncertain at this time.

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.

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 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.

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.

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) 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 obligations 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	\$ 6,156,080	\$ 13,974,395	\$ 13,370,000	\$ 12,585,000	\$ 11,785,000
Bond Anticipation Notes	5,471,128	0	2,612,000	5,412,000	15,631,425
Tax/Revenue Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 11,627,208</u>	<u>\$ 13,974,395</u>	<u>\$ 15,982,000</u>	<u>\$ 17,997,000</u>	<u>\$ 27,416,425</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds and notes as of May 14, 2026:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2026-2049	\$ 11,585,000
<u>Bond Anticipation Notes</u>		
Various Town improvement projects	December 30, 2027	5,263,970
Water District No. 5 Improvements	May 29, 2026	3,400,000 ⁽¹⁾
Sewer District No. 2 Improvements	May 29, 2026	2,000,000 ⁽²⁾
Various projects	May 29, 2026	<u>4,967,455</u> ⁽³⁾
Total Indebtedness		<u>\$ 27,216,425</u>

- (1) To be redeemed and renewed in full with the proceeds of the Series A Notes.
- (2) To be redeemed and renewed in full with the proceeds of the Series B Notes.
- (3) To be redeemed and renewed in full with the proceeds of the Series C Notes.

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Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 14, 2026:

Five-Year Average Full Valuation of Taxable Real Property	\$	3,630,924,504
Debt Limit - 7% thereof		254,164,715

Inclusions:

Bonds.....	\$	11,585,000
Bond Anticipation Notes		<u>15,631,425</u>
Total Inclusions.....	\$	<u>27,216,425</u>

Exclusions:

Appropriations ⁽¹⁾	\$	620,000
Water Debt ⁽²⁾		<u>4,759,138</u>
Total Exclusions.....	\$	<u>5,379,138</u>

Total Net Indebtedness Subject to Debt Limit.....	\$	<u>21,837,287</u>
Net Debt-Contracting Margin.....	\$	<u>232,327,428</u>
Percent of Debt Contracting Power Exhausted.....		8.59%

%

(1) Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

(2) Water debt can be excluded pursuant to Section 124.10 of the Local Finance Law.

Bonded Debt Service

A schedule of Bonded Debt Service may be found attached hereto as “APPENDIX – B” of this Official Statement.

Cash Flow Borrowing

The Town historically does not issue revenue anticipation notes or tax anticipation notes, nor budget or deficiency notes, and does not reasonably expect to issue such notes in the foreseeable future.

Capital Projects

Other than the projects for which the Notes are being issued, the Town has approximately \$20,000,000 authorized debt for Wastewater Treatment Plant improvements and approximately \$34,000,000 authorized debt for Water Distribution improvements. The Town issued bond anticipation notes on May 29, 2025 in the amounts of \$2,000,000 and \$3,400,000 respectively as the first borrowings for the aforementioned projects. The Town anticipates securing funding through the New York State Environmental Facilities Corporation for long term financing of both projects.

In addition, On December 29, 2021 the Town approved a resolution authorizing the issuance of \$3,250,000 serial bonds to finance capital improvements to the Town’s municipal building. On December 18, 2025 the Town issued \$5,263,970 bond anticipation notes, a \$1,865,000 portion of which was for the capital improvement project.

As of the date of this Official Statement, the Town has no additional authorized but unissued debt

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Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Town. The estimated net outstanding indebtedness of such political subdivisions is as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Town Share</u>	<u>Gross Overlapping Indebtedness</u>
County of: Schenectady	12/31/2024	\$ 65,695,000	24.11%	\$ 15,839,065
School Districts: Schenectady	6/30/2025	163,694,432	2.50%	4,092,361
Schalmont	6/30/2025	13,970,000	72.79%	10,168,763
Rotterdam-Mohonasen	6/30/2025	49,834,842	91.24%	45,469,310
			Total:	\$ 75,569,498

⁽¹⁾ Outstanding bonds and bond anticipation notes are as of the close of the respective fiscal years, and are not adjusted to include subsequent bond or note sales, if any.

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 respective municipalities along with state building aid and state transportation aid for respective school districts is not currently available from source.

Debt Ratios

The following table sets forth certain ratios relating to the Town's net indebtedness as of May 14, 2026:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 21,837,287	\$ 715.48	0.48%
Net Indebtedness Plus Gross Overlapping Indebtedness ^(d)	97,406,785	3,191.47	2.15

- ^(a) The current estimated population of the Town is 30,521. (See "THE TOWN - Population" herein.)
- ^(b) The Town's full value of taxable real estate for 2026 is \$4,541,022,637. (See "TAX INFORMATION" herein.)
- ^(c) See "Debt Statement Summary" herein.
- ^(d) Estimated gross overlapping indebtedness is \$75,569,498. (See "Estimated Overlapping Indebtedness" herein.)

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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 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 crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “THE NOTES - Nature of Obligation” and “State Debt Moratorium Law” herein.

No Past Due Debt. No principal of or interest on Town indebtedness is past due.

MARKET AND RISK FACTORS

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

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

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

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

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

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

Cybersecurity. The Town, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Town will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

Federal Policy Risk. Federal policies on trade, immigration, and other topics can shift dramatically from one administration to another. From time to time, such shifts can result in reductions to the State's level of federal funding for a variety of social services, health care, public safety, transportation, public health, and other federally funded programs. There can be no prediction of future changes in federal policy or the potential impact on any related federal funding that the State may or may not receive in the future.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Town will enter into an Undertaking to Provide Notice of Material Events Certificate, a description of which, is attached hereto as "APPENDIX – C".

Historical Compliance

The Town failed to file its Audited Financial Statements for the fiscal year ending December 31, 2019, within the timeline stated in the Town's prior undertaking agreements. The Town's Audited Financial Statements for the fiscal year ending December 31, 2019 are dated as on November 4, 2020 and were filed to EMMA on April 14, 2021. The Town filed a failure to file and failure to provide notice of failure to provide annual financial information to EMMA on April 14, 2021.

The Town failed to file its Audited Financial Statements for the fiscal year ending December 31, 2020, within the timeline stated in the Town's prior undertaking agreements. The Town's Audited Financial Statements for the fiscal year ending December 31, 2020 are dated December 14, 2021 and were filed to EMMA on April 13, 2022. The Town filed a failure to file and failure to provide notice of failure to provide annual financial information to EMMA on April 13, 2022.

The Town failed to file its Audited Financial Statements for the fiscal year ending December 31, 2021, within the timeline stated in the Town's prior undertaking agreements. The Town's Audited Financial Statements for the fiscal year ending December 31, 2021 are dated September 21, 2023 and were filed to EMMA on October 12, 2023.

The Town failed to file its Audited Financial Statements for the fiscal year ending December 31, 2022, within the timeline stated in the Town's prior undertaking agreements. The Town's Audited Financial Statements for the fiscal year ending December 31, 2022 are dated September 23, 2024 and were filed to EMMA on December 20, 2024. The Town filed a failure to file and failure to provide notice of failure to provide annual financial information to EMMA on January 12, 2024.

The Town failed to file its Annual Financial Information and Operating Data for the fiscal year ending December 31, 2023, within the timeline stated in the Town's prior undertaking agreements. The Town's Annual Financial Information and Operating Data for the fiscal year ending December 31, 2023 are dated December 23, 2024 and were filed to EMMA on December 23, 2024. The Town filed a failure to file and failure to provide notice of failure to provide annual financial information to EMMA on July 12, 2024. The Town failed to file its Annual Financial Report (unaudited) for the fiscal year ending December 31, 2023, within the timeline stated in the Town's prior undertaking agreements. The Town's Annual Financial Report (unaudited) for the fiscal year ending December 31, 2023 and were filed to EMMA on April 24, 2025. The Town filed a failure to file and failure to provide notice of failure to provide annual financial information to EMMA on May 12, 2025.

The Town failed to file material event noticed for the incurrence of a financial obligations. On January 5, 2023, January 4, 2024 and January 3, 2025 the Town issued \$2,612,000, \$5,412,000 and \$5,333,970 bond anticipation notes, respectively for various town projects. The Town did not file a material event notices until May 12, 2025 for each obligation. The Town filed a failure to file a material event notice at the same time.

The Town has established procedures to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the MSRB established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 through EMMA.

TAX MATTERS

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

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The Town has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) or any other matters coming to the attention of Bond Counsel after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Accordingly, the opinion of Bond Counsel is not intended to and may not be relied upon in connection with any such actions, events or matters.

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

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

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been made in recent years that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The reform legislation is presently under consideration in Congress. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future 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 are subject to the approving legal opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver such opinions at the time of issuance of the Notes substantially in the forms set forth in "APPENDIX – D, E, and F" hereto.

LITIGATION

The Town is subject to a number of lawsuits in the ordinary conduct 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.

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.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (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. Subject to the approval of the Town and rating agency, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the Town, such as a rating action that may require the filing of a material event notification to EMMA and/or the provision of a supplement to the Final Official Statement.

The Town does not currently have an underlying rating on any of its outstanding general obligation serial bonds, nor an issuer credit rating with S&P Global Ratings or Moody's Investors Service.

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

MISCELLANEOUS

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the 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’s 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 holder of the Notes.

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 will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the Town as to which no representation can be made.

The 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.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Town, 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.

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 assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Town contact information is as follows: Alison Grace, Town Comptroller, 1100 Sunrise Blvd., Rotterdam, New York 12306 Rotterdam, telephone (518) 355-7575 x 357, email agrace@rotterdamny.org. The Town Supervisor is the Chief Fiscal Officer.

Additional copies of the Notices of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com.

TOWN OF ROTTERDAM

Dated: May 14, 2026

JOHN POLIMENI
Town Supervisor

GENERAL FUND
Balance Sheets

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u> Unaudited
<u>ASSETS</u>					
Cash & Cash Equivalents	\$ 5,574,792	\$ 3,581,495	\$ 3,097,214	\$ 5,876,938	\$ 296,761
Restricted Cash	1,393,371	1,121,455	1,150,057	1,140,359	1,173,216
Investments	-	-	-	-	4,920,129
Other Receivables	701,018	902,212	1,578,179	605,080	633,728
State and Federal Aid Receivable	873	-	-	1,412,774	-
Due from Other Funds	90,000	35,974	-	-	26,745
Due from Other Governments	1,042,411	1,134,344	1,251,492	1,045,629	1,163,774
Inventory	16,806	16,011	16,011	16,011	16,011
Prepaid Expenses	332,238	362,206	422,452	356,906	408,877
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 9,151,509</u>	<u>\$ 7,153,697</u>	<u>\$ 7,515,405</u>	<u>\$ 10,453,697</u>	<u>\$ 8,639,241</u>
 <u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 509,869	\$ 432,406	\$ 380,924	\$ 364,915	\$ 368,642
Accrued Liabilities	162,084	256,098	490,888	662,147	591,629
Due to Other Funds	-	-	614	-	-
Other Liabilities	-	-	-	-	-
Due to Other Governments	-	-	-	256,495	91,867
Deferred & Unearned Revenues	-	-	1,125,000	2,662,072	300,418
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>671,953</u>	<u>688,504</u>	<u>1,997,426</u>	<u>3,945,629</u>	<u>1,352,556</u>
 <u>FUND EQUITY</u>					
Nonspendable	\$ 349,044	\$ 378,217	\$ 438,463	\$ 372,917	\$ 424,888
Restricted	1,283,087	1,121,455	1,150,057	1,140,359	1,173,216
Assigned	2,690,610	1,847,958	54,109	643,428	900,000
Unassigned	4,156,815	3,117,563	3,875,350	4,351,364	4,788,581
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND EQUITY	<u>8,479,556</u>	<u>6,465,193</u>	<u>5,517,979</u>	<u>6,508,068</u>	<u>7,286,685</u>
 TOTAL LIABILITIES and FUND EQUITY	 <u>\$ 9,151,509</u>	 <u>\$ 7,153,697</u>	 <u>\$ 7,515,405</u>	 <u>\$ 10,453,697</u>	 <u>\$ 8,639,241</u>

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

GENERAL FUND
Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Real Property Taxes	\$ 6,604,599	\$ 6,496,785	\$ 7,181,780	\$ 8,823,349	\$ 8,856,363
Real Property Tax Items	836,008	822,355	838,685	906,434	905,806
Non Property Tax Items	4,370,877	4,354,590	4,456,834	4,468,790	4,542,675
Departmental Income	304,636	372,851	367,698	338,134	503,395
Intergovernmental Charges	217,728	217,273	198,093	210,461	217,230
Use of Money & Property	43,051	6,543	2,574	16,745	538,475
Licenses and Permits	58,461	48,569	48,729	61,195	82,640
Fines and Forfeitures	586,173	295,705	268,318	287,980	426,888
Sale of Property and Compensation for Loss	25,681	265,723	14,748	27,913	221,811
Miscellaneous	321,372	42,935	252,967	225,217	288,768
Interfund Revenues	-	25,000	25,000	25,000	25,000
Revenues from State Sources	952,690	1,228,038	1,148,352	1,384,971	866,372
Revenues from Federal Sources	3,750	2,029	548,745	26,672	402,244
Total Revenues	<u>\$ 14,325,026</u>	<u>\$ 14,178,396</u>	<u>\$ 15,352,523</u>	<u>\$ 16,802,861</u>	<u>\$ 17,877,667</u>
Other Sources:					
Interfund Transfers	-	-	-	-	358,295
Proceeds of Obligations	-	349,497	378,099	363,550	-
Total Revenues and Other Sources	<u>14,325,026</u>	<u>14,527,893</u>	<u>15,730,622</u>	<u>17,166,411</u>	<u>18,235,962</u>
EXPENDITURES					
General Government Support	\$ 2,231,445	\$ 2,545,197	\$ 3,086,054	\$ 2,994,817	\$ 2,935,421
Public Safety	6,195,010	6,386,885	6,754,710	6,651,977	7,316,979
Health	3,400	3,400	3,374	3,465	3,409
Transportation	318,632	224,121	229,881	433,773	271,735
Economic Assistance and Opportunity	363,024	986,148	143,332	149,933	211,563
Culture and Recreation	510,671	463,157	987,932	559,457	681,536
Home and Community Services	582,855	491,404	502,104	375,003	457,606
Employee Benefits	4,548,868	4,714,482	4,812,756	4,850,428	5,330,930
Debt Service	160,165	157,485	157,693	157,469	248,166
Total Expenditures	<u>\$ 14,914,070</u>	<u>\$ 15,972,279</u>	<u>\$ 16,677,836</u>	<u>\$ 16,176,322</u>	<u>\$ 17,457,345</u>
Other Uses:					
Interfund Transfers	301,329	569,977	-	-	-
Total Expenditures and Other Uses	<u>15,215,399</u>	<u>16,542,256</u>	<u>16,677,836</u>	<u>16,176,322</u>	<u>17,457,345</u>
Excess (Deficit) Revenues Over Expenditures	<u>\$ (890,373)</u>	<u>\$ (2,014,363)</u>	<u>\$ (947,214)</u>	<u>\$ 990,089</u>	<u>\$ 778,617</u>
FUND BALANCE					
Fund Balance - Beginning of Year	9,369,929	8,479,556	6,465,193	5,517,979	6,508,068
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 8,479,556</u>	<u>\$ 6,465,193</u>	<u>\$ 5,517,979</u>	<u>\$ 6,508,068</u>	<u>\$ 7,286,685</u>

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

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

Fiscal Years Ending December 31:	2023		2024		2025		2026	
	Adopted Budget	Audited Actual	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget
REVENUES								
Real Property Taxes	\$ 8,856,363	\$ 8,856,363	\$ 9,421,591	\$ 9,135,669	\$ 9,553,510			
Real Property Tax Items	880,066	905,806	890,000	1,055,000	1,007,800			
Non Property Tax Items	4,335,000	4,542,675	4,480,000	4,580,000	4,480,000			
Departmental Income	289,000	503,395	406,500	611,500	504,500			
Intergovernmental Charges	202,500	217,230	202,500	206,675	224,987			
Use of Money & Property	16,425	538,475	407,925	502,925	360,175			
Licenses and Permits	90,000	82,640	117,000	117,000	119,000			
Fines and Forfeitures	471,000	426,888	591,000	601,000	601,000			
Sale of Property and Compensation for Loss	28,000	221,811	28,000	28,000	28,000			
Miscellaneous	771,250	288,768	10,000	10,000	10,000			
Interfund Revenues	25,000	25,000	25,000	25,000	25,000			
Revenues from State Sources	1,191,000	866,372	951,000	1,201,000	1,306,000			
Revenues from Federal Sources	5,000	402,244	5,000	5,000	5,000			
Total Revenues	\$ 17,160,604	\$ 17,877,667	\$ 17,535,516	\$ 18,078,769	\$ 18,224,972			
Other Sources:								
Interfund Transfers	365,000	358,295	401,500	401,500	396,650			
Total Revenues and Other Sources	17,525,604	18,235,962	17,937,016	18,480,269	18,621,622			
EXPENDITURES								
General Government Support	\$ 3,423,343	\$ 2,935,421	\$ 3,377,183	\$ 3,574,159	\$ 3,331,740			
Public Safety	7,088,749	7,316,979	7,027,834	7,406,743	7,122,855			
Health	3,400	3,409	3,400	3,400	3,400			
Transportation	529,033	271,735	429,870	406,881	312,361			
Economic Assistance and Opportunity	368,650	211,563	314,760	258,361	256,220			
Culture and Recreation	738,540	681,536	613,530	674,511	678,565			
Home and Community Service	522,880	457,606	528,430	541,218	516,970			
Employee Benefits	5,096,840	5,330,930	6,042,530	6,507,369	7,011,435			
Debt Service	248,168	248,166	263,414	374,140	376,076			
Total Expenditures	\$ 18,019,603	\$ 17,457,345	\$ 18,600,951	\$ 19,746,782	\$ 19,609,622			
Other Uses:								
Interfund Transfers	-	1,811,654	-	-	-			
Total Expenditures and Other Uses	18,019,603	19,268,999	18,600,951	19,746,782	19,609,622			
Excess (Deficit) Revenues Over Expenditures	\$ (493,999)	\$ (1,033,037)	\$ (663,935)	\$ (1,266,513)	\$ (988,000)			
FUND BALANCE								
Fund Balance - Beginning of Year	493,999	6,508,068	663,935	1,266,513	988,000			
Prior Period Adjustments (net)	-	-	-	-	-			
Fund Balance - End of Year	\$ -	\$ 5,475,031	\$ -	\$ -	\$ -			

Source: Audited financial reports and Adopted Budgets of the Town.
This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2026	\$ 820,000	\$ 378,316.25	\$ 1,198,316.25
2027	855,000	356,882.50	1,211,882.50
2028	880,000	334,285.50	1,214,285.50
2029	890,000	310,595.25	1,200,595.25
2030	760,000	286,036.25	1,046,036.25
2031	780,000	262,710.25	1,042,710.25
2032	515,000	241,281.25	756,281.25
2033	390,000	224,543.75	614,543.75
2034	405,000	209,675.00	614,675.00
2035	420,000	194,306.25	614,306.25
2036	435,000	178,306.25	613,306.25
2037	455,000	161,706.25	616,706.25
2038	335,000	147,075.00	482,075.00
2039	350,000	134,537.50	484,537.50
2040	360,000	121,462.50	481,462.50
2041	375,000	107,987.50	482,987.50
2042	385,000	93,975.00	478,975.00
2043	400,000	79,562.50	479,562.50
2044	410,000	64,612.50	474,612.50
2045	430,000	49,162.50	479,162.50
2046	445,000	33,075.00	478,075.00
2047	460,000	16,350.00	476,350.00
2048	115,000	6,325.00	121,325.00
2049	115,000	3,162.50	118,162.50
TOTALS	\$ 11,785,000	\$ 3,995,932.25	\$ 15,780,932.25

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2021 \$1,360,000 Refunding of 2009 Bonds			2003 \$442,585 Water Drainage		
	Principal	Interest	Total	Principal	Interest	Total
	2026	\$ 150,000	\$ 9,525.00	\$ 159,525.00	\$ 15,000	\$ -
2027	160,000	7,275.00	167,275.00	15,000	-	15,000.00
2028	165,000	4,875.00	169,875.00	15,000	-	15,000.00
2029	160,000	2,400.00	162,400.00	15,000	-	15,000.00
2030	-	-	-	15,000	-	15,000.00
2031	-	-	-	15,000	-	15,000.00
2032	-	-	-	15,000	-	15,000.00
TOTALS	\$ 635,000	\$ 24,075.00	\$ 659,075.00	\$ 105,000	\$ -	\$ 105,000.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2019 \$2,410,500			2021 \$2,046,080		
	Waste Water Treatment Plant			2021B EFC SW5		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 60,000	\$ 55,718.75	\$ 115,718.75	\$ 200,000	\$ 11,172.50	\$ 211,172.50
2027	60,000	54,143.75	114,143.75	205,000	9,763.75	214,763.75
2028	65,000	52,568.75	117,568.75	205,000	8,041.75	213,041.75
2029	65,000	50,862.50	115,862.50	205,000	6,032.75	211,032.75
2030	70,000	49,156.25	119,156.25	210,000	3,780.00	213,780.00
2031	70,000	47,318.75	117,318.75	210,000	1,291.50	211,291.50
2032	70,000	45,481.25	115,481.25	-	-	-
2033	75,000	43,643.75	118,643.75	-	-	-
2034	75,000	41,675.00	116,675.00	-	-	-
2035	80,000	39,706.25	119,706.25	-	-	-
2036	80,000	37,606.25	117,606.25	-	-	-
2037	85,000	35,506.25	120,506.25	-	-	-
2038	85,000	33,275.00	118,275.00	-	-	-
2039	90,000	30,937.50	120,937.50	-	-	-
2040	90,000	28,462.50	118,462.50	-	-	-
2041	95,000	25,987.50	120,987.50	-	-	-
2042	95,000	23,375.00	118,375.00	-	-	-
2043	100,000	20,762.50	120,762.50	-	-	-
2044	100,000	18,012.50	118,012.50	-	-	-
2045	105,000	15,262.50	120,262.50	-	-	-
2046	110,000	12,375.00	122,375.00	-	-	-
2047	110,000	9,350.00	119,350.00	-	-	-
2048	115,000	6,325.00	121,325.00	-	-	-
2049	115,000	3,162.50	118,162.50	-	-	-
TOTALS	\$ 2,065,000	\$ 780,675.00	\$ 2,845,675.00	\$ 1,235,000	\$ 40,082.25	\$ 1,275,082.25

Fiscal Year Ending December 31st	2022 \$8,653,315		
	Public Improvement (Serial) Bonds		
	Principal	Interest	Total
2026	\$ 395,000	\$ 301,900.00	\$ 696,900.00
2027	415,000	285,700.00	700,700.00
2028	430,000	268,800.00	698,800.00
2029	445,000	251,300.00	696,300.00
2030	465,000	233,100.00	698,100.00
2031	485,000	214,100.00	699,100.00
2032	430,000	195,800.00	625,800.00
2033	315,000	180,900.00	495,900.00
2034	330,000	168,000.00	498,000.00
2035	340,000	154,600.00	494,600.00
2036	355,000	140,700.00	495,700.00
2037	370,000	126,200.00	496,200.00
2038	250,000	113,800.00	363,800.00
2039	260,000	103,600.00	363,600.00
2040	270,000	93,000.00	363,000.00
2041	280,000	82,000.00	362,000.00
2042	290,000	70,600.00	360,600.00
2043	300,000	58,800.00	358,800.00
2044	310,000	46,600.00	356,600.00
2045	325,000	33,900.00	358,900.00
2046	335,000	20,700.00	355,700.00
2047	350,000	7,000.00	357,000.00
TOTALS	\$ 7,745,000	\$ 3,151,100.00	\$ 10,896,100.00

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 ("MSRB") 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 Note holders, if material
- (h) 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 in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect Note holders, 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 SEC 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) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

With respect to events (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 Note within the meaning of the Rule. The Issuer 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 Note 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" to this effect shall be provided to the purchaser at closing.

FORM OF BOND COUNSEL’S OPINION – THE SERIES A NOTES

May 28, 2026

Town of Rotterdam
Schenectady County,
State of New York

Re: Town of Rotterdam, Schenectady County, New York
\$3,400,000 Bond Anticipation Notes, 2026 Series A (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$3,400,000 Bond Anticipation Notes, 2026 Series A (Renewals) (the “Obligation”), of the Town of Rotterdam, Schenectady County, New York (the “Obligor”), dated May 28, 2026, numbered ____, of the denomination of \$ _____, bearing interest at the rate of ____% per annum, payable at maturity, and maturing May 28, 2027, with the option of prior redemption on or after September 28, 2026 upon 20 days’ written notice.

We have examined:

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

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the individual federal alternative minimum tax. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

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

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

FORM OF BOND COUNSEL’S OPINION – THE SERIES B NOTES

May 28 2026

Town of Rotterdam
Schenectady County,
State of New York

Re: Town of Rotterdam, Schenectady County, New York
\$2,000,000 Bond Anticipation Notes, 2026 Series B (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$2,000,000 Bond Anticipation Notes, 2025 Series B (Renewals) (the “Obligation”), of the Town of Rotterdam, Schenectady County, New York (the “Obligor”), dated May 28, 2026, numbered ____, of the denomination of \$ _____, bearing interest at the rate of ____% per annum, payable at maturity, and maturing May 28, 2027, with the option of prior redemption on or after September 28, 2026 upon 20 days’ written notice.

We have examined:

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

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the individual federal alternative minimum tax. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

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

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

FORM OF BOND COUNSEL’S OPINION – THE SERIES C NOTES

May 28, 2026

Town of Rotterdam
Schenectady County,
State of New York

Re: Town of Rotterdam, Schenectady County, New York
\$4,967,455 Bond Anticipation Notes, 2026 Series C (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$4,967,455 Bond Anticipation Notes, 2026 Series C (Renewals) (the “Obligation”), of the Town of Rotterdam, Schenectady County, New York (the “Obligor”), dated May 28, 2026, numbered ____, of the denomination of \$ _____, bearing interest at the rate of ____% per annum, payable at maturity, and maturing May 28, 2027.

We have examined:

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

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the individual federal alternative minimum tax. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

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

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

TOWN OF ROTTERDAM

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING DECEMBER 31, 2023

Such Audited Financial Statements, including 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.

TOWN OF ROTTERDAM, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2023

TOWN OF ROTTERDAM, NEW YORK

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MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental and fiduciary fund types of the Town of Rotterdam, New York, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Rotterdam, 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 the governmental and fiduciary fund types of the Town of Rotterdam, New York, as of December 31, 2023, 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 Rotterdam, 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 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 Rotterdam, 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 Rotterdam, 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 Rotterdam, 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 31-34 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 March 29, 2026, on our consideration of the Town of Rotterdam, 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 Rotterdam, 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 Rotterdam, New York's internal control over financial reporting and compliance.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
March 29, 2026

TOWN OF ROTTERDAM, NEW YORK
 BALANCE SHEETS - ALL GOVERNMENTAL FUND TYPES
 DECEMBER 31, 2023

	Governmental Fund Types									2023	2022
	General	Highway	Water	Sewer	Drainage	Fire Protection	Lighting	Special Grant	Capital Projects	Total Governmental Funds (Memorandum Only)	Total Governmental Funds (Memorandum Only)
Assets											
Cash	\$ 296,761	\$ -	\$ -	\$ -	\$ 648	\$ -	\$ 780	\$ 87,924	\$ 5,568,943	\$ 5,955,056	\$ 18,812,758
Investments in US Treasuries	4,920,129	900,000	4,057,000	2,206,200	4,500	-	40,000	-	-	12,127,829	-
Due from Other Governments	1,163,774	390,209	77,112	577	-	-	-	-	-	1,631,672	1,143,292
Other Receivables	633,728	2,266	563,267	1,013,223	-	-	-	860	-	2,213,344	2,143,020
Due from Other Funds	26,745	-	275,370	-	-	-	-	-	-	302,115	765,444
Leases Receivable	-	-	656,646	-	-	-	-	-	-	656,646	1,911,953
Inventory	16,011	-	-	-	-	-	-	-	-	16,011	16,011
Prepaid Expenditures	408,877	41,683	12,719	7,624	-	-	-	-	-	470,903	403,667
Restricted Cash	1,173,216	677,712	1,578,289	207,344	-	-	-	-	-	3,636,561	3,503,249
Total Assets	\$ 8,639,241	\$ 2,011,870	\$ 7,220,403	\$ 3,434,968	\$ 5,148	\$ -	\$ 40,780	\$ 88,784	\$ 5,568,943	\$ 27,010,137	\$ 28,699,394
Liabilities											
Accounts Payable	\$ 368,642	\$ 540,618	\$ 175,497	\$ 139,419	\$ 297	\$ -	\$ 22,433	\$ -	\$ 661,412	\$ 1,908,318	\$ 1,647,535
Accrued Liabilities	591,629	45,022	22,132	157,577	-	-	-	86,877	-	903,237	1,012,296
Due to Other Governments	91,867	-	-	-	-	-	-	-	-	91,867	390,490
Due to Other Funds	-	41,573	-	16,956	-	-	-	-	243,586	302,115	1,911,953
Unearned revenue	300,418	-	-	-	-	-	-	-	1,200,000	1,500,418	2,537,072
BANs Payable	-	-	-	-	-	-	-	-	2,612,000	2,612,000	-
Total Liabilities	1,352,556	627,213	197,629	313,952	297	-	22,433	86,877	4,716,998	7,317,955	7,499,346
Deferred Inflows of Resources											
Unavailable receivables	-	-	663,012	76,452	-	-	-	-	-	739,464	993,535
Fund Equity											
Nonspendable	424,888	41,683	12,719	7,624	-	-	-	-	-	486,914	419,678
Restricted	1,173,216	677,712	1,578,289	207,344	-	-	-	-	-	3,636,561	3,503,249
Assigned	900,000	665,262	4,768,754	2,829,596	4,851	-	18,347	1,907	851,945	10,040,662	11,935,340
Unassigned	4,788,581	-	-	-	-	-	-	-	-	4,788,581	4,348,246
Total Fund Equity	7,286,685	1,384,657	6,359,762	3,044,564	4,851	-	18,347	1,907	851,945	18,952,718	20,206,513
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 8,639,241	\$ 2,011,870	\$ 7,220,403	\$ 3,434,968	\$ 5,148	\$ -	\$ 40,780	\$ 88,784	\$ 5,568,943	\$ 27,010,137	\$ 28,699,394

See accompanying notes and independent auditor's report.

TOWN OF ROTTERDAM, NEW YORK
STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Governmental Fund Types									2023 Total Governmental Funds (Memorandum Only)	2022 Total Governmental Funds (Memorandum Only)
	General	Highway	Water	Sewer	Drainage	Fire Protection	Lighting	Special Grant	Capital Projects		
Revenues											
Real Property Taxes	\$ 8,856,363	\$ 3,720,147	\$ 15,800	\$ 440,832	\$ 10,500	\$ -	\$ 180,000	\$ -	\$ -	\$ 13,223,642	\$ 13,172,802
Real Property Tax Items	905,806	338,957	-	-	-	-	-	-	-	1,244,763	1,209,546
Non-Property Tax Items	4,542,675	-	-	-	-	-	-	-	-	4,542,675	4,468,790
Departmental Income	503,395	-	1,932,376	2,075,571	-	-	-	-	-	4,511,342	5,201,305
Intergovernmental Charges	217,230	-	176,875	-	-	-	-	-	-	394,105	407,310
Use of Money and Property	538,475	130,859	513,549	109,158	190	-	3,014	96	-	1,295,341	312,929
Licenses and Permits	82,640	2,875	-	350	-	-	-	-	-	85,865	66,045
Fines and Forfeitures	426,888	-	-	-	-	-	-	-	-	426,888	287,980
Sale of Property and Compensation for Loss	221,811	1,901	-	566	-	-	-	-	-	224,278	107,573
Miscellaneous	288,768	9,555	9,399	16,673	200	-	2,000	251,702	147,063	725,360	881,818
Interfund Revenue	25,000	-	-	11,924	-	-	-	-	-	36,924	25,000
State Aid	866,372	390,209	-	-	-	-	-	-	636,504	1,893,085	2,117,853
Federal Aid	402,244	-	136,700	59,954	-	-	-	2,137,429	665,000	3,401,327	1,957,024
Total Revenues	17,877,667	4,594,503	2,784,699	2,715,028	10,890	-	185,014	2,389,227	1,448,567	32,005,595	30,215,975
Expenditures											
General Government Support	2,935,421	-	-	-	-	-	-	-	-	2,935,421	2,994,817
Public Safety	7,316,979	-	-	-	-	-	-	-	-	7,316,979	6,651,977
Public Health	3,409	-	-	-	-	-	-	-	-	3,409	3,465
Transportation	271,735	3,869,656	-	-	2,421	-	209,898	-	-	4,353,710	3,850,718
Economic Assistance and Opportunity	211,563	-	-	-	-	-	-	-	-	211,563	149,933
Culture and Recreation	681,536	-	-	-	-	-	-	-	-	681,536	559,457
Home and Community Services	457,606	-	1,223,996	1,378,579	-	-	-	2,396,731	-	5,456,912	5,249,735
Employee Benefits	5,330,930	1,106,818	306,105	217,058	-	-	-	-	-	6,960,911	6,440,065
Debt Service	248,166	182,913	334,443	443,635	-	-	-	-	-	1,209,157	1,236,599
Capital Expenditures	-	-	-	-	-	-	-	-	4,129,792	4,129,792	3,294,903
Total Expenditures	17,457,345	5,159,387	1,864,544	2,039,272	2,421	-	209,898	2,396,731	4,129,792	33,259,390	30,431,669
Other Changes											
BANs Redeemed	-	-	-	-	-	-	-	-	-	-	279,895
Bond Proceeds	-	-	-	-	-	-	-	-	-	-	8,653,315
Premium on Bond Proceeds	-	-	-	-	-	-	-	-	-	-	408,530
Operating Transfers In	358,295	-	-	-	-	-	-	-	-	358,295	363,550
Operating Transfers Out	-	(66,000)	(144,800)	(136,700)	(500)	(7,295)	(3,000)	-	-	(358,295)	(363,550)
Total Other Changes	358,295	(66,000)	(144,800)	(136,700)	(500)	(7,295)	(3,000)	-	-	-	9,341,740
Excess (Deficiency) of Revenue over Expenditures	778,617	(630,884)	775,355	539,056	7,969	(7,295)	(27,884)	(7,504)	(2,681,225)	(1,253,795)	9,126,046
Fund Balance (Deficit) at Beginning of Year	6,508,068	2,015,541	5,584,407	2,505,508	(3,118)	7,295	46,231	9,411	3,533,170	20,206,513	11,080,467
Fund Balance at End of Year	\$ 7,286,685	\$ 1,384,657	\$ 6,359,762	\$ 3,044,564	\$ 4,851	\$ -	\$ 18,347	\$ 1,907	\$ 851,945	\$ 18,952,718	\$ 20,206,513

See accompanying notes and independent auditor's report.

TOWN OF ROTTERDAM, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Revenues:	
Property Tax Collections for other Governments	<u>\$ 63,722,686</u>
Expenses:	
Schenectady County	18,917,638
Mohonasen Central School District	24,791,749
Schalmont Central School District	<u>20,013,299</u>
Total Expenses	<u>63,722,686</u>
Change in Net Position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u>\$ -</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Rotterdam, New York (the “Town”), 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 has prepared all governmental and fiduciary fund types 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 governmental and fiduciary fund types, 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 governmental funds financial statements follows.

A. Financial Reporting Entity

GASB Statement No. 61 defines the financial reporting entity for the Town to include all funds, account groups, agencies, boards, commissions, and authorities where the elected officials (the Supervisor and/or the Town Board, respectively) are financially accountable. The following terms are used to describe the components of a reporting entity:

- Primary Government

A legally separate state, general purpose local or special purpose government with a separately elected governing body. It must be fiscally independent of other primary governments.

- Component Unit

A legally separate organization for which the elected officials are financially accountable. Also, the primary government is able to impose its will on the component unit or there is a potential for the component unit to provide a financial benefit or incur a financial burden on the primary government. The Town has no component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

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 balance, revenues and expenditures which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following fund types and account groups are used.

Governmental Fund Types

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

- 1) General Fund - The general fund is the principal fund and includes all operations not required to be recorded in other funds.
- 2) Special Revenue Funds - Used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds are:

- Highway
- Water
- Sewer
- Drainage
- Fire Protection
- Lighting
- Special Grant

- 3) Capital Projects Fund - Used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds

Fiduciary funds account for assets held by the City as agent for other organizations.

Account Groups

Used to establish accounting control and accountability for general fixed assets and general long-term debt. The two account groups are not "funds." They are concerned with measurement of financial position and not results of operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Account Groups (Continued)

- The Non-Current Governmental Assets Account Group - used to account for land, buildings, improvements other than buildings and equipment utilized for general government purposes. The Town does not maintain subsidiary records to support the amounts recorded in the non-current governmental assets account group.
- The Non-Current Governmental Liabilities Account Group - used to account for all long-term obligations. The Town has opted not to report on the non-current governmental liabilities account group.

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus. Measurement focus is the determination of what should be measured.

Modified Accrual Basis - All Governmental Funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter, within 60 days, to be used to pay liabilities of the current period.

Material revenues that are accrued include state and federal aid and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made unless it is not anticipated to be received within one year.

Expenditures are recorded when the fund liability is incurred except that:

- 1) Principal and interest on indebtedness are recognized as an expenditure when due.
- 2) Compensated absences, such as vacation and sick leave which vest or accumulate, are charged as an expenditure when paid.
- 3) Inventory is valued at cost utilizing the first-in, first-out method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Property Taxes and Collections

Town real property taxes are levied together with Schenectady County property taxes annually no later than January 1, and become a lien on January 1. Taxes for County purposes are levied together with taxes for Town and special district purposes as a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the Town.

E. Budgetary Data

1) Budget Policies - The budget policies are as follows:

- a. No later than September 30, the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds, except for the Special Grant Fund.
- b. After public hearings are conducted to obtain taxpayer comments, but no later than November 20, the governing board adopts the budget.
- c. All modifications of the budget must be approved by the governing board. However, the comptroller is authorized to transfer certain budget amounts within the departments.

2) Encumbrances

Encumbrances are reservations of fund balance for outstanding purchase commitments. Expenditures for such commitments are recorded in the period in which the liability is incurred.

3) Budget Basis of Accounting

- a. Except as indicated below, budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior years.
- b. Budgetary controls for the Special Grant Fund are established in accordance with applicable grant agreements which covers a period other than the Town's fiscal year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Allowance for Uncollectible Receivables

An allowance for uncollectible receivables is maintained at a level which, in management's judgment, is adequate to absorb uncollectible amounts. The allowance for uncollectible receivables was \$0 at December 31, 2023.

G. Inventory

Inventory consists of gasoline and diesel fuel recorded at cost using the first-in, first-out basis.

H. Interfund Transactions

The operations of the Town include transactions between funds. These transactions may be temporary in nature such as with interfund borrowings. The Town typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfers of expenditure and revenue to provide financing or other services.

I. Departure from the Basis of Accounting

The Town does not maintain subsidiary records to support the amounts recorded in the general fixed assets account group for land, buildings and improvements. The correct carrying values of these fixed assets at December 31, 2023 is not known.

J. Deferred Outflows and Inflows of Resources

In addition to assets, a separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time in the government wide financial statements. In addition to liabilities, a separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time in the government wide financial statements.

K. Deferred Compensation Plan

Employees of the Town may elect to participate in the Town's Deferred Compensation Plan created in accordance with Internal Revenue Code §457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

Under the terms of the amended Plan agreement, these monies are not subject to the claims of the Town's general creditors after they are paid to the Plan's Trustee.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates. Significant estimates include compensated absences, postemployment benefits and pension liabilities.

M. Self-Insurance

The Town has retained a portion of the liability to cover losses under §207-C of the Workers' Compensation Law of police officers. Officers are entitled to their full pay when out on leave. The Town is required to cover any amount of losses not reimbursed by Workers' Compensation.

N. 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 and sick leave at various rates subject to certain maximum limitations. The liability for accumulated vacation and related benefits has been recorded in the respective governmental fund type in accordance with GASB 16. Payment of accumulated sick leave and related benefits is reflected in the non-current government liabilities account group since it is anticipated that none of the liability will be liquidated with expendable financial resources. However, management believes that sufficient resources will be made available for payment of accumulated sick leave and related benefits when such payments become due.

O. Postemployment Health Insurance Benefits

In addition to providing pension benefits, the Town provides certain health benefits for retired employees, their spouses and certain survivors. All of the Town's employees may become eligible for these benefits if they reach normal retirement age. Those and similar benefits for active employees are provided through payments to New York State Government Employees' Health Insurance Program. For 2023, the Town paid approximately \$2,022,403 for 185 retirees.

P. Total Governmental Funds Column

Total governmental funds columns in the financial statements are captioned *Memorandum Only* to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in accordance with accounting principles generally accepted in the United States of America, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. STEWARDSHIP, COMPLIANCE ACCOUNTABILITY

Expenditures exceeded appropriations as follows:

	<u>Over Budget</u>
General Fund	
Public Safety	\$ 224,891
Employee Benefits	\$ 234,090
Sewer Fund	
Home and Community Services	\$ 54,278

Expenditures exceeded appropriations as a result of expenditures incurred without budgetary approval.

3. CASH AND INVESTMENTS

The Town’s investment policies are governed by state statutes. The Town’s monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The comptroller is authorized to use demand accounts, certificates of deposit, obligations of the United States of America, New York State and local municipalities and school districts, certificates of participation and repurchase agreements with certain restrictions.

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 and obligations of any state and its municipalities and school districts.

During 2023, cash and investments were either insured by Federal Depository Insurance or collateralized by assets of the Town’s agent in the Town’s name.

Investment ins U.S. Treasuries consist of the following:

	<u>Maturity</u>	<u>Yield</u>	<u>Total</u>
U.S. Treasury Bills	4/2/2024	5.308%	\$ 6,651,210
U.S. Treasury Bills	2/6/2024	5.350%	5,429,551
U.S. Treasury Bills	1/16/2024	5.282%	<u>3,683,629</u>
			<u>\$ 15,764,390</u>

Financial Statement Presentation

Investment in U.S. Treasuries	\$ 12,127,829
Restricted Cash and Investments	<u>3,636,561</u>
	<u>\$ 15,764,390</u>

TOWN OF ROTTERDAM, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

4. RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments consists of the following:

General Fund

Parkland Reserve	\$ 178,388
Employee Benefit Reserve	139,897
Asset Forfeiture Reserve	51,759
Landfill Reserve	71,229
Repair Reserve	731,943
	<u>\$ 1,173,216</u>

Cash	\$ 636
Investment in U.S. Treasuries	1,172,580
	<u>\$ 1,173,216</u>

Highway Fund

Repair Reserve	<u>\$ 677,712</u>
Cash	\$ 52
Investment in U.S. Treasuries	677,660
	<u>\$ 677,712</u>

Water Fund

Repair Reserve	<u>\$ 1,578,289</u>
Cash	\$ 59
Investment in U.S. Treasuries	1,578,230
	<u>\$ 1,578,289</u>

Sewer Fund

Repair Reserve	<u>\$ 207,344</u>
Cash	\$ 44
Investment in U.S. Treasuries	207,300
	<u>\$ 207,344</u>

TOWN OF ROTTERDAM, NEW YORK
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2023

5. DUE FROM OTHER GOVERNMENTS AND OTHER RECEIVABLE

Due from other governments consist of the following:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Water Fund</u>
Sales Tax	\$ 395,845	\$ -	\$ -
Economic Development Tax	577,456	-	-
NYS-CHIPS	-	390,209	-
Schenectady County - Task Force	131,399	-	-
Fire District - Worker's Compensation	38,334	-	-
Other	20,740	-	237
Town of Guilderland	-	-	76,875
	<u>\$ 1,163,774</u>	<u>\$ 390,209</u>	<u>\$ 77,112</u>

Other receivables consist of the following:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Charter Franchise Fee	\$ 483,132	\$ -	\$ -	\$ -
Town Justices	59,091	-	-	-
PILOTs	67,422	-	-	-
Other	24,083	2,266	1,635	14,394
Water/Sewer Rents	-	-	561,632	998,829
	<u>\$ 633,728</u>	<u>\$ 2,266</u>	<u>\$ 563,267</u>	<u>\$ 1,013,223</u>

6. LEASES RECEIVABLE

Leases receivable consists of cell tower leases to mobile phone providers expiring at various dates through 2027.

The lease amount receivable and the related deferred inflow of resources are as follows:

	<u>Lease Receivable</u>	<u>Deferred Inflow of Resources</u>
2024	\$ 216,577	\$ 216,577
2025	163,621	163,621
2026	146,851	146,851
2027	104,599	104,599
2028	24,998	24,998
	<u>\$ 656,646</u>	<u>\$ 656,646</u>

7. BOND ANTICIPATION NOTES

Liabilities for bond anticipation notes (BANs) issued for capital projects that are one year in duration are accounted for in the Capital Projects Fund.

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 changes in the Town's BANs outstanding during the year were as follows:

BANs Outstanding January 1, 2023	\$ -
Repayments	-
New Debt	<u>2,612,000</u>
BANs Outstanding December 31, 2023	<u>\$ 2,612,000</u>

One BAN was outstanding at December 31, 2023 bearing interest at 3.88% and maturing January 4, 2024.

8. UNEARNED REVENUES AND DEFERRED INFLOWS OF RESOURCES

Unearned revenues consists of \$300,418 General Fund and \$1,200,000 Capital Projects Fund in unused American Rescue plan funds.

Deferred inflows of resources arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the deferred inflows of resources is reduced and revenue is recognized.

Deferred inflows consist of the following:

Water Fund - Water rents not available	\$ 6,366
- Cell tower rents not available	<u>656,646</u>
	<u>\$ 663,012</u>
 Sewer Fund - Sewer rents not available	 <u>\$ 76,452</u>

9. LONG-TERM INDEBTEDNESS (UNAUDITED)

The changes in the Town’s long-term indebtedness during the year are summarized as follows:

	January 1, <u>2023</u>	<u>Additions</u>	<u>Decreases</u>	December 31, <u>2023</u>
Landfill Post-closure				
Costs	\$ 59,373	\$ -	\$ 27,903	\$ 31,470
Bonds Payable	13,974,395	-	604,395	13,370,000
Compensated Absences	3,282,398	-	307,561	2,974,837
Postemployment				
Benefits	50,209,723	4,773,528	-	54,983,251
Net Pension Liability	<u>733,648</u>	<u>10,015,425</u>	<u>-</u>	<u>10,749,073</u>
Total	<u>\$ 68,259,537</u>	<u>\$ 14,788,953</u>	<u>\$ 939,859</u>	<u>\$ 82,108,631</u>

A. Claims and Judgments

There were several tax review cases pending against the Town for a reduction in the assessed value of property. The petitions were for taxes collected in 2005 through 2021. The Town believes that the likelihood of a reduction is remote and therefore no provision for loss has been recorded in the non-current governmental liabilities account group at December 31, 2023.

B. Landfill Post-closure Costs

The Town entered into an Order of Consent with the New York State Department of Environmental Conservation (DEC) on April 17, 1990 for the purpose of ensuring the proper maintenance and future closure of the Town’s landfill. The order includes specific requirements and deadlines for the Town to follow and meet or they could be subject to penalties. The status of compliance with the consent order is subject to review by the Department of Environmental Conservation. The Town has been served with a number of additional consent orders in 1996, 1997 and 1998.

The closure of the landfill was substantially completed in 1995. The remaining cost of the required maintenance, closure and post-closure monitoring costs of the landfill is estimated to be \$31,470 at December 31, 2023. The Town has recorded this estimate in the non-current governmental liabilities account group.

TOWN OF ROTTERDAM, NEW YORK
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2023

9. LONG-TERM INDEBTEDNESS (UNAUDITED) (CONTINUED)

C. Bonds and EFC Note

The following is a summary and description of the serial bonds outstanding at December 31, 2023:

	<u>Issue Date</u>	<u>Original Issue</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at December 31, 2023</u>
Water Drainage	11/05/03	\$ 442,585	11/05/32	0.00%	\$ 135,000
Water Tank/Drainage	10/15/09	\$ 2,900,000	10/15/29	4-1.5%	935,000
General Public				1.55% to	
Improvement	11/13/19	\$ 2,410,500	07/19/49	2.75%	2,185,000
Water District 5	11/01/21	\$ 2,046,080	08/01/31	.16 to 1.23%	1,635,000
General Improvements	06/15/22	\$ 8,563,315	06/15/47	4.0%	8,480,000
					<u>\$ 13,370,000</u>

The following is a summary of maturity of debt service requirements for general obligation bonds:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 785,000	\$ 417,296
2025	800,000	398,286
2026	820,000	378,316
2027	855,000	356,883
2028	880,000	334,286
2029-2033	3,335,000	1,322,963
2034-2038	2,050,000	891,982
2039-2043	1,870,000	548,829
2044-2048	1,860,000	183,964
2049	115,000	6,325
	<u>\$ 13,370,000</u>	<u>\$ 4,839,130</u>

D. Compensated Absences

Town employees are granted vacation, holiday, sick-leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation, holiday (police only), sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

9. LONG-TERM INDEBTEDNESS (UNAUDITED) (CONTINUED)

D. Compensated Absences (Continued)

Payment of accumulated and unused vacation, holiday, sick leave and compensatory absences recorded in the non-current governmental liabilities account group is dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation, holiday, sick leave and compensatory absences when such amounts become due.

The Town recognizes a liability for vacation, holiday and compensatory absences and additional salary-related payments as the benefits are earned by the employees, based on the rendering of past service and the probability that the employees will be compensated for the benefits through paid time off or some other means. This includes vacation, holiday and compensatory absences that were earned but not used during the current or prior periods and of which employees can receive compensation in a future period.

In addition, the Town recognizes a liability for vesting sick leave and additional salary-related payments as employees earn benefits and to the extent it is probable that the Town will compensate the employees for the benefits through cash payments, rather than be taken as absences due to illness or other contingencies for employees who, at the balance sheet date, currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

E. Postemployment Benefits

Plan Description

GASB Statement 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefits.

Funding Policy

The Town currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended December 31, 2023, \$2,022,403 was paid on behalf of 145 retirees.

Benefits Provided

The Town provides postemployment healthcare benefits for certain eligible retirees.

9. LONG-TERM INDEBTEDNESS (UNAUDITED) (CONTINUED)

E. Postemployment Benefits (Continued)

Employees Covered by Benefit Terms

As of December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	145
Active employees	<u>131</u>
Total participants covered by OPEB Plan	<u><u>276</u></u>

Total OPEB Liability

The Town’s total OPEB liability of \$54,983,251 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Discount Rate	4.31% (2.05% prior year)
Healthcare Cost Trend Rates	6.75% for 2023 and 6.50% in 2024, decreasing gradually to an ultimate rate of 4.14% in 2076
Salary Increases	Varies by years of service

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of December 31, 2021.

Mortality rates were based on the April 1, 2010 - March 31, 2015 New York State Employees Retirement System expense with adjustments for mortality improvements based in Society for Actuaries Scale MP-2020.

9. LONG-TERM INDEBTEDNESS (UNAUDITED) (CONTINUED)

E. Postemployment Benefits (Continued)

Changes in the Total OPEB Liability

OPEB Liability Beginning of Year	\$ 50,209,723
Changes for the Year:	
Service Cost	1,339,324
Interest	2,178,163
Difference Between Expected and Actual Experience	889,280
Assumption Changes and Differences	2,411,569
Benefit Payments	<u>(2,044,808)</u>
OPEB Liability End of Year	<u>\$ 54,983,251</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Town's total OPEB Liability calculated using a discount rate of 4.31%, as well as what the Town's total OPEB 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:

	Discount Rate		
	<u>1% Decrease</u>	<u>Baseline</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 47,756,582</u>	<u>\$ 54,983,251</u>	<u>\$ 64,022,936</u>

	Healthcare Cost		
	<u>1% Decrease</u>	<u>Baseline</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 66,232,529</u>	<u>\$ 54,983,251</u>	<u>\$ 46,277,517</u>

9. LONG-TERM INDEBTEDNESS (UNAUDITED) (CONTINUED)

E. Postemployment Benefits (Continued)

OPEB Expense

For the year ended December 31, 2023, the Town disclosed an OPEB expense as follows:

Service Cost	\$ 1,339,324
Interest	2,178,163
Difference Between Expected and Actual Experience	(480,236)
Changes of Assumptions or Other Inputs	<u>271,906</u>
 Net OPEB Expense	 <u>\$ 3,309,157</u>

At December 31, 2023, the Town disclosed deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual expense	\$ 2,078,494	\$ (1,882,340)
Change in assumptions and other inputs	<u>8,086,396</u>	<u>(12,642,424)</u>
	<u>\$ 10,164,890</u>	<u>\$ (14,524,764)</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense in future years as follows:

December 31, 2024	\$ 822,357
December 31, 2025	(1,558,552)
December 31, 2026	(2,192,292)
December 31, 2027	(2,374,486)
December 31, 2028 and thereafter	<u>943,099</u>
	<u>\$ (4,359,874)</u>

Covered payroll was \$8,210,349 for the year ended December 31, 2023.

10. 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.

10. PENSION PLAN (CONTINUED)

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 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>
March 31, 2024	\$ 541,225	\$ 1,342,388
March 31, 2023	\$ 389,923	\$ 1,224,745
March 31, 2022	\$ 747,643	\$ 1,278,494

Chapter 260 of the laws of 2014 of the State of New York allows local employers to bond or amortize a portion (limitations established by fiscal year) of their retirement bill up to 10 years for fiscal years ended March 31, 2005 through 2008. 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, 2013 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.

10. PENSION PLAN (CONTINUED)

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

At December 31, 2023, the Town reported a liability of \$3,655,023 for ERS and a liability of \$7,094,050 for PFRS for its proportionate share of the net pension asset/liability. The net pension asset/liability was measured as of March 31, 2023, and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of April 1, 2022. The Town's proportion of the net pension 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, 2023, the Town's proportion was .0170% percent ERS and .1287% PFRS.

At December 31, 2023, the Town disclosed deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,082,660	\$ (102,647)
Changes in assumptions	5,232,027	(19,618)
Net difference between projected and actual earnings on pension plan investments	12,541	(21,473)
Changes in proportion	205,764	(565,228)
Contributions subsequent to the measurement date	<u>1,412,710</u>	<u>-</u>
	<u>\$ 7,945,702</u>	<u>\$ (708,966)</u>

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

2024	\$ 2,552,848
2025	(452,809)
2026	2,786,549
2027	2,250,062
2028	<u>100,086</u>
	<u>\$ 7,236,736</u>

10. PENSION PLAN (CONTINUED)

ERS Actuarial Assumptions

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions.

	<u>ERS</u>	<u>PFRS</u>
Interest rate	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 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 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.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 were as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.30%
International equity	6.85%
Private equity	7.50%
Real estate	4.60%
Absolute return strategies	5.38%
Opportunistic portfolio	5.84%
Real assets	5.43%
Cash	0%

10. PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for 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.

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>
 <u>ERS</u>			
Town's proportionate share of the net pension asset (liability)	\$ (8,832,622)	\$ (3,655,023)	\$ 671,464
 <u>PFRS</u>			
Town's proportionate share of the net pension asset (liability)	\$ (14,787,879)	\$ (7,094,050)	\$ (723,097)

Pension Plan Fiduciary Net Position

The components of the net pension liability of the fiduciary as of March 31, 2023 was as follows (in thousands):

	<u>ERS</u>	<u>PFRS</u>
Fiduciary total pension liability	\$ (232,627,259)	\$ (43,835,333)
Fiduciary net position	<u>211,183,223</u>	<u>38,324,863</u>
Fiduciary net pension liability	<u>\$ (21,444,036)</u>	<u>\$ (5,510,470)</u>
 Ratio of fiduciary net position to the fiduciary total pension liability	 <u>90.78%</u>	 <u>87.43%</u>

11. FUND BALANCE

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

GASB 54 defines five categories of fund balances as follows:

1. **Nonspendable** fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Town’s nonspendable fund balance consists of inventories and prepaid expenses at December 31, 2023.
2. **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 includes the following:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Landfill Reserve	71,229	\$ -	\$ -	\$ -
Parkland Reserve	178,388	-	-	-
Employee Benefit Reserve	139,897	-	-	-
Assets Forfeiture Reserve	51,759	-	-	-
Repair Reserve	<u>731,943</u>	<u>677,712</u>	<u>1,578,289</u>	<u>207,344</u>
	<u>\$ 1,173,216</u>	<u>\$ 677,712</u>	<u>\$ 1,578,289</u>	<u>\$ 207,344</u>

3. **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, 2023.
4. **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 includes the following:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Ensuing Years Budget	\$ 900,000	\$ 365,900	\$ 311,707	\$ 146,191
Assigned for Special Revenue	-	<u>299,362</u>	<u>4,457,047</u>	<u>2,683,405</u>
Total	<u>\$ 900,000</u>	<u>\$ 665,262</u>	<u>\$ 4,768,754</u>	<u>\$ 2,829,596</u>

11. FUND BALANCE (CONTINUED)

5. **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 have been spent first when resources are available from multiple constraint levels. The default policy is that resources are spent first from the highest constraint level.

12. 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 amount lesser than would have been collected for real estate taxes for a number of years.

For the year ended December 31, 2023, the Town recognized \$1,181,639 in PILOT revenue under PILOT agreements. Abated property taxes amounted to approximately \$308,000 under this program.

13. INTERFUND BALANCES AND TRANSFERS

Interfund balances and transfers were as follows:

	<u>Due From</u>	<u>Due To</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 26,745	\$ -	\$ 358,295	\$ -
Highway	-	41,573	-	66,000
Water	275,370	-	-	144,800
Sewer	-	16,956	-	136,700
Drainage	-	-	-	500
Fire Protection	-	-	-	7,295
Lighting	-	-	-	3,000
Capital Projects	-	243,586	-	-
Total	<u>\$ 302,115</u>	<u>\$ 302,115</u>	<u>\$ 358,295</u>	<u>\$ 358,295</u>

Administrative changes to other funds by the general fund were \$351,000. The fire protection fund was closed to the general fund in 2023.

14. COMMITMENTS AND CONTINGENCIES

Litigation

Several claims against the Town are presently pending for various reasons including condemnation and personal injuries. Although the final outcome of these matters cannot be predicted, management of the Town, based on the advice of the Town's legal counsel, does not believe that the final settlement of these matters will have a material adverse effect on the financial condition of the Town.

Grant Programs

The Town participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantor or its representatives. The Town believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the Town's financial position or results of operations.

Environmental Concerns

The Town is engaged in many activities (*e.g.*, water and sewer service, refuse collection, gasoline storage), in the normal course of operations, that are potentially hazardous to the environment. As of December 31, 2023, the Town is not aware of any significant environmental problems that should be disclosed in the financial statements.

Water Sale Agreement

The Town signed a five-year agreement (with an additional five-year option) with the Town of Guilderland to sell water at an annual rate of \$3 per thousand gallons for the first 45 million gallons and \$2.75 per thousand gallons thereafter. Water sales began in June 2021 and totaled \$176,875 for the year ended December 31, 2023.

BAN Issuance

On January 4, 2024, a bond anticipation note for \$5,412,000 was issued for the sewer 7 extension. The note bears interest at 3.95% and matured January 3, 2025.

Bond Approval

On August 14, 2024 a bond issuance for \$28,500,000 was approved for the acquisition of land and construction of a police/court building.

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Union Contracts

Police and general city 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>Contact Expiration Date</u>
C.S.E.A., Local 1000	December 31, 2023
Rotterdam Patrolmen's Benevolent Association	December 31, 2023

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through March 29, 2026, the date the financial statements were available to be issued. No such events or transactions were identified.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ROTTERDAM, NEW YORK
BUDGETARY COMPARISON STATEMENT - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Real Property Taxes	\$ 8,856,363	\$ 8,856,363	\$ 8,856,363	\$ -
Real Property Tax Items	880,066	880,066	905,806	25,740
Non-Property Tax Items	4,335,000	4,335,000	4,542,675	207,675
Departmental Income	289,000	289,000	503,395	214,395
Intergovernmental Charges	202,500	202,500	217,230	14,730
Use of Money and Property	16,425	16,425	538,475	522,050
Licenses and Permits	90,000	90,000	82,640	(7,360)
Fines and Forfeitures	471,000	471,000	426,888	(44,112)
Sale of Property and Compensation for Loss	28,000	75,430	221,811	146,381
Miscellaneous	771,250	944,250	288,768	(655,482)
Interfund Revenue	25,000	25,000	25,000	-
State Aid	1,191,000	1,018,000	866,372	(151,628)
Federal Aid	5,000	5,000	402,244	397,244
Total Revenues	<u>17,160,604</u>	<u>17,208,034</u>	<u>17,877,667</u>	<u>669,633</u>
Expenditures				
General Government Support	3,423,343	3,451,184	2,935,421	515,763
Public Safety	7,089,749	7,092,088	7,316,979	(224,891)
Public Health	3,400	3,400	3,409	(9)
Transportation	529,033	731,939	271,735	460,204
Economic Assistance and Opportunity	368,650	368,650	211,563	157,087
Culture and Recreation	737,540	770,285	681,536	88,749
Home and Community Services	522,880	524,516	457,606	66,910
Employee Benefits	5,096,840	5,096,840	5,330,930	(234,090)
Debt Service	248,168	248,168	248,166	2
Total Expenditures	<u>18,019,603</u>	<u>18,287,070</u>	<u>17,457,345</u>	<u>829,725</u>
Other Changes				
Operating Transfers In	365,000	365,000	358,295	(6,705)
Total Other Changes	<u>365,000</u>	<u>365,000</u>	<u>358,295</u>	<u>(6,705)</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ (493,999)</u>	<u>\$ (714,036)</u>	<u>\$ 778,617</u>	<u>\$ 1,492,653</u>

TOWN OF ROTTERDAM, NEW YORK
BUDGETARY COMPARISON STATEMENT - HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Real Property Taxes	\$ 3,720,147	\$ 3,720,147	\$ 3,720,147	\$ -
Real Property Tax Items	315,254	315,254	338,957	23,703
Use of Money and Property	-	-	130,859	130,859
Licenses and Permits	3,000	3,000	2,875	(125)
Sale of Property and Compensation for Loss	11,500	11,500	1,901	(9,599)
Miscellaneous	-	-	9,555	9,555
State Aid	<u>296,823</u>	<u>296,523</u>	<u>390,209</u>	<u>93,686</u>
Total Revenues	<u>4,346,724</u>	<u>4,346,424</u>	<u>4,594,503</u>	<u>248,079</u>
Expenditures				
Transportation	3,295,230	3,893,414	3,869,656	23,758
Employee Benefits	1,208,579	1,208,579	1,106,818	101,761
Debt Service	<u>182,915</u>	<u>182,915</u>	<u>182,913</u>	<u>2</u>
Total Expenditures	<u>4,686,724</u>	<u>5,284,908</u>	<u>5,159,387</u>	<u>125,521</u>
Other Changes				
Operating Transfers Out	<u>(66,000)</u>	<u>(66,000)</u>	<u>(66,000)</u>	<u>-</u>
Total Other Changes	<u>(66,000)</u>	<u>(66,000)</u>	<u>(66,000)</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ (406,000)</u>	<u>\$ (1,004,484)</u>	<u>\$ (630,884)</u>	<u>\$ 373,600</u>

TOWN OF ROTTERDAM, NEW YORK
BUDGETARY COMPARISON STATEMENT - WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Real Property Taxes	\$ 15,800	\$ 15,800	\$ 15,800	\$ -
Departmental Income	1,750,015	1,750,015	1,932,376	182,361
Intergovernmental Charges	350,000	350,000	176,875	(173,125)
Use of Money and Property	250,000	250,000	513,549	263,549
Miscellaneous	3,000	3,000	9,399	6,399
Federal Aid	-	-	136,700	136,700
Total Revenues	<u>2,368,815</u>	<u>2,368,815</u>	<u>2,784,699</u>	<u>415,884</u>
Expenditures				
Home and Community Services	1,885,431	2,092,849	1,223,996	868,853
Employee Benefits	324,585	324,585	306,105	18,480
Debt Service	<u>334,444</u>	<u>334,444</u>	<u>334,443</u>	<u>1</u>
Total Expenditures	<u>2,544,460</u>	<u>2,751,878</u>	<u>1,864,544</u>	<u>887,334</u>
Other Changes				
Operating Transfers Out	<u>(144,800)</u>	<u>(144,800)</u>	<u>(144,800)</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ (320,445)</u>	<u>\$ (527,863)</u>	<u>\$ 775,355</u>	<u>\$ 1,303,218</u>

TOWN OF ROTTERDAM, NEW YORK
BUDGETARY COMPARISON STATEMENT - SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Real Property Taxes	\$ 440,818	\$ 440,818	\$ 440,832	\$ 14
Departmental Income	1,512,519	1,512,519	2,075,571	563,052
Use of Money and Property	1,500	1,500	109,158	107,658
Licenses and Permits	1,000	1,000	350	(650)
Sale of Property and Compensation for Loss	1,000	1,000	566	(434)
Miscellaneous	20,000	20,000	16,673	(3,327)
Interfund Revenue	4,000	4,000	11,924	7,924
Federal Aid	-	-	59,954	59,954
Total Revenues	<u>1,980,837</u>	<u>1,980,837</u>	<u>2,715,028</u>	<u>734,191</u>
Expenditures				
Home and Community Services	1,333,350	1,324,301	1,378,579	(54,278)
Employee Benefits	216,965	216,965	217,058	(93)
Debt Service	<u>443,639</u>	<u>443,639</u>	<u>443,635</u>	<u>4</u>
Total Expenditures	<u>1,993,954</u>	<u>1,984,905</u>	<u>2,039,272</u>	<u>(54,367)</u>
Other Changes				
Operating Transfers Out	<u>(136,700)</u>	<u>(136,700)</u>	<u>(136,700)</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ (149,817)</u>	<u>\$ (140,768)</u>	<u>\$ 539,056</u>	<u>\$ 679,824</u>

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

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CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

**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 Rotterdam, 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 the governmental and fiduciary fund types of the Town of Rotterdam, New York, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Rotterdam, New York's basic financial statements, and have issued our report thereon dated March 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Rotterdam, 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 Rotterdam, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Rotterdam, 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 Rotterdam, 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
March 29, 2026