

PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of WJ Marquardt PLLC, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, 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 accrual of interest on the Notes. (See "TAX MATTERS" herein.)

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

\$2,921,500
TOWN OF SKANEATELES
ONONDAGA COUNTY, NEW YORK

GENERAL OBLIGATIONS
CUSIP BASE #: 830541

\$2,921,500 Bond Anticipation Notes, 2026 (Renewals)
(referred to herein as the "Notes")

Dated: May 21, 2026

Due: May 21, 2027

The Notes are general obligations of the Town of Skaneateles, Onondaga 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 limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX LEVY LIMITATION LAW" and "THE NOTES – Nature of the Obligations" herein. The Notes are to be issued without the option of prior redemption.

At the option of the successful bidder, the Notes will be issued registered in the name of the purchaser in the denominations of \$5,000 or multiples thereof, except for one necessary odd denomination.

If the Notes are issued registered in the name of the purchaser, 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 at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Town.

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinions as to the validity of the Notes of WJ Marquardt, PLLC, of Skaneateles, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about May 21, 2026.

ELECTRONIC BIDS for the Notes may be submitted via Fiscal Advisors Auction Bid Submission System ("Fiscal Advisors Auction") on May 7, 2026 until 10:15 A.M., Prevailing Time, pursuant to the Notice of Sale for the Notes. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. 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 Notice of Sale for the Notes.

April 30, 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. FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE NOTICE OF CERTAIN ENUMERATED EVENTS AS DEFINED IN THE RULE WITH RESPECT TO THE NOTES, SEE "APPENDIX – C" HEREIN.

TOWN OF SKANEATELES

ONONDAGA COUNTY, NEW YORK

TOWN OFFICIALS

CHRIS LEGG
Supervisor

TOWN BOARD

BOB LOTKOWICTZ
SUSAN DOVE

MARK TUCKER
LORI MILNE

JULIE A. STENGER
Town Clerk

KERI FEY
Budget Officer

TIMOTHY DOBROVSKY
Superintendent of Highways

BRODY SMITH
Town Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

MARQUARDT
— BOND COUNSEL —

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Skaneateles, NY 13152
Bond Counsel

No person has been authorized by the Town 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.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
TOWN OF SKANEATELES
ONONDAGA COUNTY, NEW YORK

Relating To
\$2,921,500 Bond Anticipation Notes, 2026 (Renewals)

This Official Statement, which includes the cover page and all Appendices, has been prepared by the Town of Skaneateles, Onondaga County, New York (the "Town", "County", and "State", respectively) in connection with the sale by the Town of its \$2,921,500 Bond Anticipation Notes, 2026 (Renewals) (the "Notes").

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

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

THE NOTES

Nature of the Obligations

Each Note 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 CAP 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, ensuring the availability of the levy of property tax revenues to pay debt service. As the *Flushing National Bank* (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in *Flushing National Bank v. Municipal Assistance Corp.*, 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in *Quirk*, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

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

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

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

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 21, 2026 and will mature, without option of prior redemption, on May 21, 2027.

The Notes will be issued in registered form at the option of the purchaser either (i) registered in the name of the purchaser, in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination, as may be determined by the successful bidder; or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Town Law and the Local Finance Law and bond resolution adopted by the Town Board on October 16, 2023 authorizing the issuance of up to \$2,926,500 of serial bonds or any bond anticipation notes to finance the acquisition, construction, and equipping of a new water system, Skaneateles Water District No. 6.

On May 23, 2024 the Town issued \$700,000 bond anticipation notes as the initial borrowing for the aforementioned purpose.

On May 22, 2025 the Town issued \$2,926,500 bond anticipation notes, the proceeds of which fully redeemed and renewed the \$700,000 bond anticipation notes that matured on May 23, 2025 and provided \$2,226,500 in new money to fully exhaust the borrowing authorization against the aforementioned resolution. The proceeds of the Notes along with \$5,000 in available funds of the Town will fully redeem and renew in part the outstanding bond anticipation notes that mature on May 22, 2026.

BOOK-ENTRY-ONLY SYSTEM

If requested, the Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds and/or Notes. 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 bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC. One fully-registered note certificate will be issued for Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

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

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Bond or Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 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.

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts 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, bond and/or note certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS OR NOTES, (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR 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 BONDS OR 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. Principal of and interest on the Notes will be payable at the Town. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE TOWN

General Information

The Town of Skaneateles is located in upstate New York in Onondaga County. The Town covers a land area of approximately 42.7 square miles. The Town is situated on Skaneateles Lake, which is one of the Finger Lakes, and extends southerly from the Town for sixteen miles, averaging approximately one mile in width. The Lake is the source of the water supply for a portion of the Town and the City of Syracuse and is used extensively for boating and recreation. Other recreational facilities in the Town include the 30-acre Austin Park with ball fields, basketball and tennis courts, and picnic and play areas, and a community recreation center that provides two skating rinks, a four pool aquatic complex and fitness center. The Town also has several hundred acres of land for nature preserve activities.

Most of the Town is located within the Skaneateles Central School District with minor portions within adjacent districts.

The Town is home to a thriving residential and business community, and host to thousands of visitors and vacationers each year. Attractions include boat excursions, inns, restaurants and a spa, as well as boutique shopping and art galleries.

Employment opportunities are available in the area surrounding the Town, including the nearby metropolitan areas of the cities of Syracuse, Ithaca and Auburn.

The City of Syracuse is approximately 20 miles to the northeast and the City of Auburn is approximately 10 miles to the west. The main highways serving the Town are U.S. Route 20 (East-West) and N. Y. Routes 41 and 41A (North-South) and NY Route 321 (North-South). Air and rail transportation are primarily available in the Syracuse area.

Commercial banking services are provided to the community by KeyBank, N.A., M & T Bank, Community Bank, N.A.

Electric and gas services in the Town are provided by National Grid. Fire protection is provided by the Skaneateles Fire Department, Mottville Fire Department and Marcellus Fire Department. Police protection is afforded residents by Village, County and State agencies. Area residents find hospital care in nearby Syracuse and Auburn.

Source: Town officials.

Population Trends

<u>Year</u>	<u>Town of Skaneateles</u>	<u>Onondaga County</u>	<u>New York State</u>
1990	7,526	468,973	17,990,445
2000	7,323	458,336	18,976,457
2010	7,209	467,029	19,378,102
2020	7,112	473,516	20,201,249
2023 (Estimated)	7,122	476,516	20,201,249
2024 (Estimated)	7,092	469,812	19,867,248

Source: U.S. Census Bureau.

Major Employers

The Town enjoys a significant diversified economic base. Major employers located within the Town, and surrounding area, are as follows:

<u>Name</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
Baxter (Welch Allen)	Medical Devices	1,000
Skaneateles Central School District	Public Education	500
Sherwood Inn	Restaurant/Lodging	250
Mirbeau Inn & Spa	Restaurant/Lodging	180
Skaneateles Community Center	Recreation	120
Tops	Grocery Store	102

Source: Town officials.

Economic Development

The economy of the Town is very stable. There are a variety of retail, accommodation, food service, professional and technical companies within the Town. There are no major changes anticipated in the foreseeable future.

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 2020-2024 American Community Survey 5-Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
Town of:						
Skaneateles	\$ 47,154	\$ 57,615	\$ 74,811	\$ 88,640	\$ 105,000	\$ 157,552
County of:						
Onondaga	27,037	34,600	43,166	65,929	82,368	101,959
State of:						
New York	32,382	40,898	50,712	70,670	87,270	106,873

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

Unemployment Rate Statistics

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

	<u>Annual Averages</u>									
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>			
Onondaga County	3.8%	7.9%	4.9%	3.3%	3.3%	3.5%	N/A			
New York State	3.9%	9.8%	7.1%	4.3%	4.0%	4.2%	4.3%			
	<u>2025-26 Monthly Figures</u>									
	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>March</u>	<u>April</u>
Onondaga County	3.6%	3.9%	3.9%	N/A	3.6%	3.5%	4.0%	4.3%	N/A	N/A
New York State	4.6%	4.7%	4.7%	N/A	4.5%	4.4%	4.7%	5.2%	N/A	N/A

Note: Unemployment rates for October 2025 are unavailable due to a government shutdown at the time. Average Annual unemployment rates for the County as well as unemployment rates for the months of March and 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).

Form of Town Government

The provisions of General Municipal Law and the Town Law govern the Town. The Town is governed by a Town Board. There is a Town Supervisor who is elected to a term of two years and is eligible for re-election. The Supervisor is also a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected for four-year terms. Each term is staggered so that every two years the Supervisor and town councilmen run. There is no limitation as to the number of terms which may be served by members of the Town Board. The Supervisor and the Board members are elected at large.

The Town Board appoints all department heads and non-elected officials whose terms are fixed by Town Law. The Town clerk, Highway Superintendent, Tax Collector, and Justices (2) are elected.

Pursuant to the Local Finance Law, the Supervisor is the chief fiscal officer and appoints the budget officer of the Town. The Budget Officer is responsible for auditing and approving all payments and the proper recording of transactions. The Supervisor's duties include administration, direction and control of the following divisions: accounting, accounts payable, accounts receivable, audit and control and budgeting. In addition, the Town Supervisor executes all agreements upon approval of the Town Board.

Budgetary Procedures

The Supervisor prepares a preliminary budget each year, pursuant to the laws of the State of New York, and submits the tentative budget to the Town Board for possible amendments on or before September 30. The Town Board then holds a public hearing on the preliminary budget. Subsequent to the public hearing, revisions (if any) are made and the budget is then adopted by the Town Board as its final budget for the coming fiscal year no later than November 20th. The budget is not subject to referendum.

Investment Policy

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

The Town's investments policy is consistent with the above statutory limitations. The Town currently does not have an adopted investment policy.

State Aid

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

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

The State aid received by the Town since 2019, along with the unaudited amount for 2025 and the budgeted amount for 2026 is as shown below.

<u>Fiscal Year</u> <u>Ending December 31,</u>	<u>State Aid</u>
2019	\$377,259
2020	306,800
2021	540,344
2022	674,996
2023	327,000
2024	308,077
2025 (Unaudited)	401,685
2026 (Budgeted)	254,415

Employees

The Town currently employs approximately 20 full-time and 80 part-time employees. The Town has one collective bargaining agent, as noted below:

<u>Unit</u>	<u>Number Represented</u>	<u>Date of Contract Expiration</u>
Teamster Union Local 118	10	December 31, 2027

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”). The ERS is generally also known as the “Common Retirement Fund”. The ERS is a cost-sharing multiple public employer retirement system. 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 ERS 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 had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. 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 ERS.

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.

For ERS, 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 a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- 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 ERS, 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 contributions to ERS since 2020 along with budgeted and unaudited contributions for 2025 and budgeted contributions for 2026 are as follows:

<u>Year</u>	<u>ERS Contribution</u>
2020	\$ 144,697
2021	157,274
2022	159,245
2023	163,380
2024	192,196
2025 (Budgeted)	200,528
2025 (Unaudited)	223,891
2026 (Budgeted)	233,600

Source: Town officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The Town does not 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 rates (2021 to 2027) is shown below:

<u>Year</u>	<u>ERS</u>
2021	14.6%
2022	16.2
2023	11.6
2024	13.1
2025	15.2
2026	16.5
2027	17.6

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. For 2014 and 2015 the rate is 12.0% for ERS; the rates applicable to 2016 and thereafter are subject to adjustment. 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 ERS 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 ERS ("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 ERS administrative staff for further information on the latest actuarial valuations of the ERS.

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.

The Town has not contracted with a firm to complete its actuarial valuation of its OPEB liability in accordance with GASB 75 or GASB 45. There is no authority in current State law to establish a trust account or reserve fund for this liability. The benefit for partial funding of healthcare insurance by the Town was removed for all employees hired after January 1, 2020. The Town only has four employees who remain eligible for partial funding by the Town of their healthcare insurance. All other employees must fully self-fund their healthcare insurance in retirement. The Town has reserved \$0 towards its OPEB liability. The Town funds this liability on a pay-as-you-go basis.

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 Bonds are to be issued is the Town Law and the Local Finance Law.

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

The fiscal year of the Town is the calendar year.

Except for "STATUS OF INDEBTEDNESS - Estimated Overlapping Indebtedness", this Continuing Disclosure Statement does not include the financial data of any political subdivision having power to levy taxes within the Town.

Financial Statements

The Town retains a certified public accounting firm to assist with financial reporting through the year and a separate independent certified public accounting firm to perform an annual audit of the financial statements. The financial affairs of the Town are also subject to annual audits by the State Comptroller. The most recent audited financial report of the town is for fiscal year ending December 31, 2024 and has been filed to the MSRB EMMA website and attached hereto as "APPENDIX – C". The audited financial statements for fiscal year ending December 31, 2025 are expected to be complete in June 2026 and will be filed on EMMA promptly upon completion.

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

The Town issues its financial statements in accordance with GASB Statement No. 34. The GASB 34 statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The Town is in compliance with GASB 34.

Unaudited Results of Operations for Fiscal Year Ended 2025.

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

Revenues:	\$ 3,924,050
Expenditures:	4,319,021
Excess (Deficit) Revenues Over Expenditures:	<u>\$ (394,971)</u>
Total General Fund Balance December 31, 2024:	4,485,010
Total General Fund Balance December 31, 2025:	\$ 4,320,110

Note: These unaudited results are based upon certain current assumptions and estimates for fiscal year ended 2024 and the audited results may vary therefrom.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Town has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

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

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated 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 most recent four fiscal years for the Town are as follows:

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

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

Note: Reference to website implies no warranty of accuracy of information therein. Information for the 2021 fiscal year is not available as of the date of this Continuing Disclosure Statement.

TAX INFORMATION

Taxable Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessed Valuation	\$ 1,522,189,640	\$ 1,830,891,619	\$ 1,849,716,159	\$ 3,667,267,913 ⁽¹⁾	\$ 3,735,775,873
New York State Equalization Rate	75.00%	63.00%	58.00%	100.00%	92.60%
Total Taxable Full Valuation	\$ 2,029,586,187	\$ 2,906,177,173	\$ 3,189,165,791	\$ 3,667,267,913	\$ 4,034,315,198

Source: Town officials.

⁽¹⁾ Increase in assessments from previous year due to town wide revaluation

Tax Rate per \$1,000 (Assessed)

<u>Year of Town Tax Roll</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<u>Assessment Roll Year</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General	\$ 1.5515	\$ 1.5727	\$ 1.5209	\$ 1.5888	\$ 0.7584
Part Town	0.1422	0.1555	0.2092	0.1998	0.1194
Highway Town Wide	0.2451	0.2614	0.3141	0.2777	0.1210
Highway Part Town	0.3735	0.5160	0.3972	0.3659	0.2306
Total	<u>\$ 2.3123</u>	<u>\$ 2.5056</u>	<u>\$ 2.4414</u>	<u>\$ 2.4322</u>	<u>\$ 1.2294</u>

Tax Collection Procedure

Town and County taxes are due and payable to the Receiver of Taxes at the Town Hall beginning December 28, and can be paid without penalty to January 31st. For the month of February, a fee of 1% is added; March 1.5%. Unpaid taxes are returned to the County Chief Fiscal Officer on April 1st. The Town retains the total amount of Town, Highway and Special District Levies from the total collection and returns the balance plus the uncollected items to the County, which assumes responsibility and holds annual tax sales.

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 ⁽¹⁾	\$ 3,261,076	\$ 3,575,813	\$ 3,697,099	\$ 3,741,839	\$ 3,696,933
Amount Uncollected ⁽²⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

⁽¹⁾ Includes Town and Highway taxes.

⁽²⁾ The Town receives 100% of its tax levy from the County. See "Tax Collection Procedure."

Ten Largest Taxpayers of the Town – 2025 Assessment Roll (2026 Town Tax Roll)

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
LakeLawn Properties	Private	\$ 35,000,000
Sandy Beach NY LLC	Private	24,000,000
Congel Revocable Trust	Private	13,648,000
Wietsman	Private	10,534,000
Edward J. Brennan	Private	11,124,000
Jonathon L. Cohlan	Private	13,419,000
3074 W. Lake Rd LLC	Private	13,637,000
Froelich	Private	10,575,000
The Ann Bradley Revocable Trust	Private	11,370,000
Skaneateles Country Club, Inc.	Private Country Club	12,469,000

The largest taxpayers listed above have a total taxable valuation of \$155,776,000 which represents 4.17% of the Town's total taxable assessed valuation for its 2026 tax roll.

The Town is subject to a number of tax certiorari appeals on an annual basis, none of which are reasonably expected to have a significant impact on the finances of the Town.

Source: Town Tax Rolls.

Additional Tax Information

Real property subject to Town taxes is assessed by the Town.

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

The total assessed valuation of the Town consists of approximately: 68% residential properties, 6% commercial properties and 26% other, including utilities.

TAX LEVY LIMITATION LAW

Chapter 97 of the Laws of 2011 (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 to expire on June 15, 2020; recent legislation has made it 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 would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. 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 Law (June 24, 2011).

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.

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 its indebtedness (including the Notes), include the following provisions:

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, private corporation or private undertaking or give or loan its credit to or in aid of any foreign or public corporation. The Town may contract indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of the principal of any 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; no installment may be more than fifty per centum in excess of the smallest prior installment, unless substantially level or declining debt service is utilized. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its bonds.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real property 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 Town 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 within 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.

With the exception of the "Street Lighting" project and the "Town Hall Improvement" project, the Town previously published and completed this estoppel procedure for all of the projects identified as "Purpose of Issue" on pages 3 and 4 herein. However, the Town published estoppel notices in April of 2020 that met the requirements of the Estoppel Procedure for both the "Street Lighting" project and the "Town Hall Improvement" project. As a result of the COVID – 19 health crisis, Governor Cuomo has issued Executive Orders that have the effect of tolling legal time limitations from March 20, 2020 to June 6, 2020. As a result, the estoppel period for the Town's "Street Lighting" project and "Town Hall Improvement" project has not yet commenced. If the Executive Orders are not extended, the estoppel period will begin on June 7, 2020 and end twenty days thereafter. As of the date hereof, there is no way to determine whether such Executive Orders will be extended. Such estoppel periods will not have expired as of the proposed date of issuance of the Notes and Bonds (June 11, 2020). Compliance with the Estoppel Procedure is generally recommended by bond counsel but is not legally required. The Town's administration is not aware of any opposition to the Street Lighting project or the Town Hall Improvement project, and the Town's bond counsel will deliver its unqualified opinion with respect to the Notes. The information contained under this paragraph does not constitute operating data and annual financial information for purposes of the Town's Undertaking.

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 Years Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 926,794	\$ 746,694	\$ 563,594	\$ 390,594	\$ 211,594
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>700,000</u>	<u>2,926,500</u>
Total Debt Outstanding	<u>\$ 1,372,400</u>	<u>\$ 1,109,894</u>	<u>\$ 926,794</u>	<u>\$ 746,694</u>	<u>\$ 1,090,594</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town as of April 30, 2026.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2026-2028	\$ 43,594
<u>Bond Anticipation Notes</u>		
Water District Project	May 22, 2026	<u>2,926,500</u> ⁽¹⁾
	Total Indebtedness	<u>\$ 2,970,094</u>

⁽¹⁾ To be redeemed and renewed in part with proceeds of the Notes and \$5,000 available funds of the Town.

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin shown as of April 30, 2026:

Five-Year Average Full Valuation of Taxable Real Property	\$ 3,165,302,452
Debt Limit – 7% thereof.....	221,571,172

Inclusions:

Bonds	\$ 43,594	
Bond Anticipation Notes.....	<u>2,926,500</u>	
Total Inclusions.....		<u>\$ 2,970,094</u>

Exclusions:

Appropriations	\$ 20,000	
Sewer Debt ⁽¹⁾	2,926,500	
Water Debt ⁽²⁾	<u>0</u>	
Total Exclusions		<u>\$ 2,946,500</u>

Total Net Indebtedness Subject to Debt Limit	<u>\$ 23,594</u>
Net Debt-Contracting Margin.....	<u>221,547,578</u>
Percent of Debt Contracting Power Exhausted.....	0.01%

⁽¹⁾ Sewer Debt is excluded pursuant to Section 124.10 of the Local Finance Law.

⁽²⁾ Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Bonded Debt Service

A schedule of bonded debt service, including the principal of the Bonds, may be found in “APPENDIX – B” to this Official Statement.

Authorized but Unissued Debt

Other than for the capital improvement for which the Notes are to be issued, the Town has no authorized and unissued indebtedness at this time.

Capital Project Plans

The Town Board adopted a bond resolution on October 16, 2023 authorizing the issuance of up to \$2,926,500 of serial bonds and bond anticipation notes to finance the acquisition, construction, and equipping of a new water system known as Skaneateles Water District No. 6. Total project costs are expected to be estimated at \$7,350,000, the Town anticipates receiving grant proceeds in the amount of \$4.4 million from a joint grant program with New York State Department of Environmental Conservation and New York State Environmental Facilities Corporation, along with \$1.8 million from a community grant through the U.S. Environmental Protection Agency, to bridge the gap between total project costs and the amount financed through bond issuance. In May of 2024 the Town issued \$700,000 Bond Anticipation Notes, as the first borrowing to provide new money for this water system. The proceeds of the notes issued on May 22, 2025 fully redeemed and renewed the outstanding bond anticipation notes and provide \$2,226,500 in new money for the project. With the amended bond resolution, additional borrowings for this project are anticipated up to the full authorization amount and should cash flow needs require. The proceeds of the Notes along with available funds of the Town, will redeem and renew in part the outstanding bond anticipation notes. It is expected that the Town will issue bonds at the maturity of the Notes to permanently finance the aforementioned project.

The Town acquired Austin Park from the Village of Skaneateles in 2018. The two municipalities conducted the transfer to enable the Town to redevelop the park. Starting in 2019, the Town began a phased approach to complete a series of significant capital improvements in Austin Park. All improvements to date were funded from cash without bonding. The most recent phase, completed in 2025 was fully funded from cash in the amount of \$1,127,863. Future phases are anticipated but not yet planned.

Except as set forth above, the Town presently has no capital projects authorized and unissued.

Cash Flow Borrowing

The Town historically does not issue tax anticipation notes or revenue anticipation notes, and does not anticipate doing so in the foreseeable future.

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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, as of the respective fiscal years of the municipalities listed below, is as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>District Share</u>	<u>Applicable Gross Indebtedness</u>
County of:				
Onondaga	12/31/2024	\$ 746,268,360	5.80%	\$ 43,305,953
School District:				
Skaneateles CSD	12/31/2024	49,416,459	77.56%	38,327,406
Marcellus CSD	12/31/2024	37,105,678	4.71%	1,747,677
Jordan-Elbridge CSD	12/31/2024	10,350,000	6.11%	632,385
Moravia CSD	12/31/2024	37,203,000	0.50%	186,015
Village of:				
Skaneateles	5/31/2025	3,130,000	100.00%	3,130,000
			Total:	<u>\$ 87,329,436</u>

⁽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 April 30, 2026.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 23,594	\$ 3.33	0.00%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	87,353,030	12,317.12	2.17

^(a) The 2024 estimated population of the Town is 7,092. (See "THE TOWN – Population Trends" herein.)
^(b) The Town's full value of taxable real estate for the 2026 fiscal year is \$4,034,315,198. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
^(c) See "Debt Statement Summary" herein for calculation of Net Direct Indebtedness.
^(d) Estimated net overlapping indebtedness is \$87,329,436. (See "Estimated Overlapping Indebtedness" herein.)

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SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Bond and Note when duly issued and paid for will constitute a contract between the Town and the holder thereof. Under current law, provision is made for contract creditors of the Town to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Town upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the 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 Bonds and 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 Town of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such Town of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature 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 “Nature of Obligation” and “State Debt Moratorium Law” herein.

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

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

TAX MATTERS

In the opinion of WJ Marquardt PLLC, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, 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 accrual of interest on the Notes. The proposed form of opinion of Bond Counsel is set forth in "Appendix -D."

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 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. 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 is subject to the approving legal opinion of WJ Marquardt, PLLC, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – D".

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 Bonds and Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds and Notes or any proceedings or authority of the Town taken with respect to the authorization, issuance or sale of the Bonds and Notes or contesting the corporate existence or boundaries of the Town.

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 notices of certain enumerated events as described in Rule 15c2-12 with respect to the Notes, the form, substantially of which, is attached hereto as "APPENDIX – C".

Historical Compliance

Except as mentioned below, the Town is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12:

The Town failed to provide annual financial information, consisting of its Audited Financial Statements for fiscal year ending December 31, 2020, by the last business day of the succeeding fiscal year. The Town's Audited Financial Statements for the fiscal year ending December 31, 2020 is dated as of July 22, 2021 and was posted to the MSRB's EMMA System on June 30, 2022. A failure to file notice was filed on June 30, 2022. The Town failed to file Annual Financial Information and Operating Data for the fiscal year ended December 31, 2022 within the timeline stated in the Town's prior undertaking agreements a notice of failure to file was filed on July 10, 2023. The Town was required to file its 2022 audited financial statements within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but in any event, no later than the last business day of each such succeeding fiscal year. The Town's 2022 Audited Financial Statements were dated November 21, 2023 and were filed to EMMA on January 29, 2024. The Town filed a failure to file notice on January 29, 2024. . The Town was required to file its 2023 audited financial statements within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but in any event, no later than the last business day of each such succeeding fiscal year. The Town's 2023 Audited Financial Statements were dated August 1, 2024 and were filed to EMMA on May 1, 2025. The Town filed a failure to file notice on May 1, 2025. The Town was required to file its 2024 audited financial statements within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but in any event, no later than the last business day of each such succeeding fiscal year. The Town's 2024 Audited Financial Statements were dated September 15, 2025 and were filed to EMMA on April 15, 2026. The Town filed a failure to file notice on April 15, 2026.

RATINGS

The Notes are not rated. Subject to the approval of the Town, the purchaser of the Notes may choose to have a rating completed after the sale at the expense of the purchaser, including any fees to be incurred by the Town, as such rating action may result in a material event notification to be posted to EMMA and/or the provision of a supplement to the final Official Statement.

The Town does not currently have an outstanding long term issuer rating assigned by any rating agency.

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 Bonds may have an adverse effect on the market price of the Notes.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Town management's beliefs as well as assumptions made by, and information currently available to, the Town's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Town's files with the repositories. When used in Town documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

WJ Marquardt PLLC, Skaneateles, New York, Bond Counsel to the Town, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

Concurrently with the delivery of the Notes, the Town will furnish a certificate to the effect that as of the date of 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 a limitation as to information in the Official Statement obtained from sources other than the Town.

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

The Municipal Advisor 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. The Municipal Advisor 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 the Municipal Advisor assumes any liability or responsibility for errors or omissions on such website. Further, the Municipal Advisor 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. The Municipal Advisor 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: Chris Legg, Town Supervisor, 24 Jordan Street, Skaneateles, New York 13152, Phone: (315) 685-3473, Fax: (315) 685-5449, Email: clegg@townofskaneateles.com

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

TOWN OF SKANEATELES

Dated: April 30, 2026

CHRIS LEGG
Town Supervisor

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u> (Unaudited)
<u>ASSETS</u>					
Cash	\$ 984,582	\$ 1,382,436	\$ 2,275,620	\$ 2,683,999	\$ 278,619
Cash - Restricted	1,307,411	1,355,356	1,540,936	1,682,679	1,758,723
Investments	-	-	-	-	3,009,223
Other Receivables	324,738	278,195	273,047	219,542	287,084
Due from Other Funds	18,500	18,503	18,500	18,582	18,504
Due from State and Federal	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Due from Related Parties	-	-	-	-	-
Prepaid Expenses	11,088	20,999	21,581	32,270	10,626
TOTAL ASSETS	<u><u>\$ 2,646,319</u></u>	<u><u>\$ 3,055,489</u></u>	<u><u>\$ 4,129,684</u></u>	<u><u>\$ 4,637,072</u></u>	<u><u>\$ 5,362,779</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 646,461	\$ 157,558	\$ 40,135	\$ 29,741	\$ 29,741
Accrued Liabilities	-	424,981	420,753	381,296	212,757
Due to Other Governments	-	3	-	-	-
Due to State Retirement	-	-	-	-	18,818
Due to Other Funds	-	-	-	82	207,830
Overpayments	11,950	8,776	5,473	288	2,398
Unearned Revenues	81,319	81,389	22,719	90,119	22,719
TOTAL LIABILITIES	<u><u>739,730</u></u>	<u><u>672,707</u></u>	<u><u>489,080</u></u>	<u><u>501,526</u></u>	<u><u>494,263</u></u>
<u>FUND EQUITY</u>					
Nonspendable	\$ 11,088	\$ 20,999	\$ 21,581	\$ 32,270	\$ 10,626
Restricted	1,307,411	1,355,356	1,540,936	1,682,679	1,764,995
Assigned	325,000	200,000	200,000	186,500	1,600,000
Unassigned	263,090	806,427	1,878,087	2,234,097	1,492,895
TOTAL FUND EQUITY	<u><u>1,906,589</u></u>	<u><u>2,382,782</u></u>	<u><u>3,640,604</u></u>	<u><u>4,135,546</u></u>	<u><u>4,868,516</u></u>
TOTAL LIABILITIES and FUND EQUITY	<u><u>\$ 2,646,319</u></u>	<u><u>\$ 3,055,489</u></u>	<u><u>\$ 4,129,684</u></u>	<u><u>\$ 4,637,072</u></u>	<u><u>\$ 5,362,779</u></u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u> (Unaudited)
<u>REVENUES</u>					
Real Property Taxes	\$ 1,901,258	\$ 1,967,247	\$ 2,361,439	\$ 2,465,789	\$ 2,505,302
Real Property Tax Items	45,456	46,519	45,545	38,868	38,522
Non Property Tax Items	15	284	180	20	67,078
Departmental Income	155,132	191,276	244,540	315,087	322,369
Intergovernmental Charges	-	-	-	-	-
Use of Money & Property	5,849	4,578	10,601	141,283	255,144
Licenses and Permits	6,253	7,037	5,519	6,433	6,008
Fines and Forfeitures	12,623	17,810	15,776	15,113	13,060
Sale of Property and Compensation for Loss	34,325	56,728	458,648	31,760	36,297
Miscellaneous	4,315	20,202	69,840	16,469	108,437
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	477,259	540,344	674,996	291,860	374,033
Revenues from Federal Sources	-	241,486	241,486	-	-
Total Revenues	<u>\$ 2,642,485</u>	<u>\$ 3,093,511</u>	<u>\$ 4,128,570</u>	<u>\$ 3,322,682</u>	<u>\$ 3,726,250</u>
<u>EXPENDITURES</u>					
General Government Support	\$ 793,446	\$ 757,771	\$ 1,046,480	\$ 939,724	\$ 1,092,684
Education	-	-	-	-	-
Public Safety	129,565	185,666	145,752	179,905	185,952
Health	-	-	-	-	-
Transportation	201,100	302,288	176,024	150,472	94,579
Economic Assistance and Opportunity	23,398	24,110	26,789	25,747	28,665
Culture and Recreation	318,430	293,136	386,199	333,765	453,696
Home and Community Services	780,993	672,298	684,548	806,750	719,886
Employee Benefits	345,931	382,049	404,956	391,377	435,373
Debt Service	-	-	-	-	-
Total Expenditures	<u>\$ 2,592,863</u>	<u>\$ 2,617,318</u>	<u>\$ 2,870,748</u>	<u>\$ 2,827,740</u>	<u>\$ 3,010,835</u>
Excess of Revenues Over (Under) Expenditures	<u>49,622</u>	<u>476,193</u>	<u>1,257,822</u>	<u>494,942</u>	<u>715,415</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(45,500)	-	-	-	-
Other Budgetary Purposes	-	-	-	-	-
Total Other Financing	<u>(45,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>4,122</u>	<u>476,193</u>	<u>1,257,822</u>	<u>494,942</u>	<u>715,415</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	1,902,467	1,906,589	2,382,782	3,640,604	4,135,546
Prior Period Adjustments (net)	-	-	-	-	17,555
Fund Balance - End of Year	<u>\$ 1,906,589</u>	<u>\$ 2,382,782</u>	<u>\$ 3,640,604</u>	<u>\$ 4,135,546</u>	<u>\$ 4,868,516</u>

GENERAL FUND

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

Fiscal Years Ending December 31:

	2024		2025		2026	
	Adopted Budget	Unaudited Actual	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget
REVENUES						
Real Property Taxes	\$ 2,507,434	\$ 2,505,302	\$ 2,645,210	\$ 2,645,210	\$ 2,521,324	\$ 2,521,324
Real Property Tax Items	33,000	38,522	38,295	38,295	38,476	38,476
Non Property Tax Items	-	67,078	-	-	-	-
Departmental Income	380,945	322,369	417,545	417,545	521,695	521,695
Intergovernmental Charges	-	-	-	-	-	-
Use of Money & Property	5,000	255,144	15,000	15,000	90,000	90,000
Licenses and Permits	5,400	6,008	5,400	5,400	5,400	5,400
Fines and Forfeitures	15,000	13,060	15,000	15,000	10,000	10,000
Sale of Property and Compensation for Loss	30,000	36,297	24,000	24,000	26,000	26,000
Miscellaneous	1,500	108,437	1,500	1,500	1,500	1,500
Interfund Revenues	-	-	-	-	-	-
Revenues from State Sources	200,810	374,033	234,410	234,410	254,415	254,415
Revenues from Federal Sources	-	-	-	-	-	-
Total Revenues	\$ 3,179,089	\$ 3,726,250	\$ 3,396,360	\$ 3,396,360	\$ 3,468,810	\$ 3,468,810
EXPENDITURES						
General Government Support	\$ 1,186,698	\$ 1,092,684	\$ 3,049,873	\$ 3,049,873	\$ 1,248,146	\$ 1,248,146
Education	-	-	-	-	-	-
Public Safety	189,100	185,952	190,250	190,250	279,350	279,350
Health	-	-	-	-	-	-
Transportation	145,453	94,579	148,672	148,672	119,373	119,373
Economic Assistance and Opportunity	34,488	28,665	34,573	34,573	36,177	36,177
Culture and Recreation	613,950	453,696	642,026	642,026	630,874	630,874
Home and Community Services	768,800	719,886	755,296	755,296	775,800	775,800
Employee Benefits	543,300	435,373	459,870	459,870	498,050	498,050
Debt Service	-	-	-	-	-	-
Total Expenditures	\$ 3,481,789	\$ 3,010,835	\$ 5,280,560	\$ 5,280,560	\$ 3,587,770	\$ 3,587,770
Excess of Revenues Over (Under) Expenditures	(302,700)	715,415	(1,884,200)	(1,884,200)	(118,960)	(118,960)
Other Financing Sources (Uses):						
Operating Transfers In	102,700	-	284,200	284,200	118,960	118,960
Operating Transfers Out	-	-	-	-	-	-
Appropriated Fund Balance	200,000	-	1,600,000	1,600,000	-	-
Total Other Financing	302,700	-	1,884,200	1,884,200	118,960	118,960
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	715,415	-	-	-	-
FUND BALANCE						
Fund Balance - Beginning of Year	-	4,135,546	-	-	-	-
Prior Period Adjustments (net)	-	17,555	-	-	-	-
Fund Balance - End of Year	\$ -	\$ 4,868,516	\$ -	\$ -	\$ -	\$ -

Source: 2024 Annual financial reports (unaudited) and adopted budgets of the Town. This Appendix is not itself audited.

BONDED DEBT SERVICE

<u>Fiscal Year Ending May 31st</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 188,000	\$ 4,061	\$ 192,061
2027	20,000	379	20,379
<u>2028</u>	<u>3,594</u>	<u>58</u>	<u>3,652</u>
TOTALS	\$ 211,594	\$ 4,498	\$ 216,092

CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE NOTES

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 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 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 Note, 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 Note
- (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.

For the purposes of the event identified in paragraph (l) of this section, 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 governmental 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.

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

The Town has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the material event notices described above, if any, on or before the date specified.

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

May 21, 2026

Town of Skaneateles
24 Jordan Street
Skaneateles, New York 13152

Re: Town of Skaneateles, Onondaga County, New York
\$2,921,500 Bond Anticipation Notes, 2026 (Renewals)

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$2,921,500 Bond Anticipation Notes, 2026 (Renewals) (the "Notes"), of the Town of Skaneateles, Onondaga County, New York, State of New York (the "Town"). The Notes are being issued pursuant to the Constitution and laws of the State of New York, including the Town Law, Local Finance Law and Bond Resolution adopted by the Town Board on October 16, 2023, and a certificate of Determination dated the date hereof of the Town Supervisor relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the Town is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The Town Supervisor of the Town, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the Town will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the Town delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, 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 accrual of interest on the Notes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage and Use of Proceeds Certificate and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

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. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes 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 and Use of Proceeds 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 Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds 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 New York municipal corporations such as the Town. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

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

We have examined the Note, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

WJ MARQUARDT, PLLC

TOWN OF SKANEATELES
ONONDAGA COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

December 31, 2024

The 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 SKANEATELES

Skaneateles, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2024**



TOWN OF SKANEATELES

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INDEPENDENT AUDITORS' REPORT

Town Board
Town of Skaneateles
Skaneateles, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Skaneateles (the Town), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the "Matter Giving Rise to the Qualified Opinion" paragraph, the financial statements referred to below present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Skaneateles as of December 31, 2024, and the changes in financial position 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion

Management has not adopted Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," which is effective. 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." Accounting principles generally accepted in the United States of America require that all GASB Statements be adopted and implemented if they are material to the financial statements as a whole.

Emphasis of a Matter

During the year ended December 31, 2024, the Town implemented GASB Statement No. 101, “Compensated Absences,” which required a restatement of beginning net position to recognize compensated absences in accordance with the new standard. As discussed in Note 13 to the financial statements, net position has been restated as of December 31, 2023 to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. GAAP, 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’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.

Auditors’ 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 auditors’ 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 auditing standards generally accepted in the United States (GAAS) 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 GAAS 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’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'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 Management's Discussion and Analysis; Budgetary Comparison Schedules; Schedule of the Town's Contributions - NYSLRS Pension Plan; Schedule of the Town's Proportionate Share of Net Pension (Asset)/Liability; and the Notes to Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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 GAAS, 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 September 15, 2025 on our consideration of the Town'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 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 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's internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 15, 2025

TOWN OF SKANEATELES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Our discussion and analysis of the Town of Skaneateles' (the Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the Town's financial statements, which begin on page 5.

Using This Annual Report

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 5 and 6) provide information about the Town as a whole and present a longer-term view of the Town's finances. Governmental Fund financial statements start on page 7. For Governmental Activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Governmental Fund financial statements also report the Town's operations in greater detail than the Government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside the government. Following these statements are notes providing additional information that is essential to a full understanding of the data provided in the financial statements. In addition to the basic financial statements, the annual report contains budgetary comparison information for the General Funds and Major Special Revenue Funds.

Reporting the Town as a Whole

Our analysis of the Town as a whole begins on page 5 with the Government-wide statements. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer the question of whether the Town, as a whole, is better off or worse off, as a result of the year's activities.

These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the Town's net position and changes in it. One can think of the Town's net position (the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources) as one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

TOWN OF SKANEATELES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

In the Statement of Net Position and the Statement of Activities, the Town is separated into two kinds of activities:

- **Governmental Activities** - Most of the Town's services are reported in this category, including public safety, transportation, home and community services, culture and recreation, and general administration. Property taxes, fees for services, and state grants finance most of these activities.
- **Business-Type Activities** - The Town charges a fee to customers to help cover all or most of the cost of certain services it provides. The Town's water distribution and sanitary sewer operations are reported here.

Governmental Fund Financial Statements

Analysis of the Town's Major Funds begins on page 7. The Governmental Fund financial statements provide detailed information about the most significant funds, not on the Town as a whole. Some funds are required to be established by state law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants. The Town's two kind of funds, Governmental and Proprietary, use different accounting approaches.

Governmental Funds

Most of the Town's services are reported in the Governmental Funds, which focus on how money flows into and out of those funds, and the balances left at year end that are available for spending. These funds are reported using *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund financial statements provide a detailed short-term view of the Town's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between Governmental *Activities* (reported in the Government-wide statements) and Governmental *Funds* is explained in a reconciliation following the fund financial statements.

Proprietary Funds

When the Town charges customers for the services it provides - whether to outside customers or to other units of the Town - these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Town's Enterprise Funds (a component of Proprietary Funds) are the same as the Business-type Activities we report in the Government-wide statements, but provide more detail and additional information, such as cash flows, for Proprietary Funds.

TOWN OF SKANEATELES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

The Town as a Whole

The Town's *combined* net position for fiscal year ended December 31, 2024 increased 12.8%, in comparison to the prior year when net position increased by 15.1%. The largest portion of the Town's net position, or 45.2%, reflects its net investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, 15.3%, represents resources subject to external restrictions on how they may be used and is reported as restricted.

Our analysis below focuses on the net position (*Figure 1*), and changes in net position (*Figure 2*), of the Town's Governmental Activities.

***Figure 1
Net Position***

<i>Governmental Activities</i>	<i>2024</i>	<i>2023</i>	<i>Dollar Change</i>	<i>Percent Change</i>
<i>Current Assets</i>	\$ 7,549,669	\$ 5,690,560	\$ 1,859,109	32.7%
<i>Capital Assets, Net</i>	7,125,385	6,793,668	331,717	4.9%
<i>Other Noncurrent Assets</i>	2,305,624	2,199,680	105,944	4.8%
<i>Total Assets</i>	16,980,678	14,683,908	2,296,770	15.6%
<i>Total Deferred Outflows of Resources</i>	580,457	659,970	(79,513)	(12.0)%
<i>Current Liabilities</i>	1,365,017	707,268	657,749	93.0%
<i>Noncurrent Liabilities</i>	637,294	1,065,255	(427,961)	(40.2)%
<i>Total Liabilities</i>	2,002,311	1,772,523	229,788	13.0%
<i>Total Deferred Inflows of Resources</i>	246,031	39,991	206,040	515.2%
<i>Net Investment in Capital Assets</i>	6,767,328	6,267,082	500,246	8.0%
<i>Restricted</i>	2,432,679	2,321,553	111,126	4.8%
<i>Unrestricted</i>	6,112,786	4,942,729	1,170,057	23.7%
<i>Total Net Position</i>	\$ 15,312,793	\$ 13,531,364	\$ 1,781,429	13.2%

Significant changes from the prior year are as follows:

- Net position as of December 31, 2023 was restated to reflect a change in accounting principle for the implementation of GASB Statement No. 101, "Compensated Absences." See Note 13 for additional information.
- The increase in assets is primarily a result of an increase in cash balances in the current year due to a surplus of revenue over expenditures and an increase in additions to fixed assets in the current year.
- Total liabilities increased mainly due to the issuance of a new Bond Anticipation Note (BAN) and the implementation of GASB 101 for Compensated Absences, which is offset somewhat by regular principal payments reducing the long-term portion of bonds payable.

TOWN OF SKANEATELES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

- Deferred outflows of resources and deferred inflows of resources changed due to changes in actuarial assumptions related to the NYSLRS pension plan.
- Total net position increased due to excess revenues over expenses.

Figure 2 demonstrates the operations of the Town's activities.

**Figure 2
Changes in Net Position**

<i>Governmental Activities</i>	<i>2024</i>	<i>2023</i>	<i>Dollar Change</i>	<i>Percent Change</i>
REVENUES				
<i>Program Revenues:</i>				
<i>Charges for Services</i>	\$ 684,369	\$ 633,681	\$ 50,688	8.0%
<i>Operating Grants and Contributions</i>	413,825	291,860	121,965	41.8%
<i>Capital Grants and Contributions</i>	268,327	207,864	60,463	29.1%
<i>General Revenues:</i>				
<i>Property Taxes and Tax Items</i>	4,564,118	4,323,287	240,831	5.6%
<i>Franchise Taxes</i>	59,361	47,049	12,312	26.2%
<i>Use of Money and Property</i>	401,850	271,730	130,120	47.9%
<i>Sale of Property and Compensation for Loss</i>	67,615	47,857	19,758	41.3%
<i>Other General Revenues</i>	80,101	20,492	59,609	290.9%
Total Revenues	6,539,566	5,843,820	695,746	11.9%
PROGRAM EXPENSES				
<i>General Governmental Support</i>	1,146,947	881,429	265,518	30.1%
<i>Public Safety</i>	739,906	666,291	73,615	11.0%
<i>Transportation</i>	989,601	1,067,767	(78,166)	(7.3)%
<i>Economic Assistance and Opportunity</i>	39,864	35,899	3,965	11.0%
<i>Culture and Recreation</i>	528,410	408,341	120,069	29.4%
<i>Home and Community Services</i>	1,299,376	1,331,948	(32,572)	(2.4)%
<i>Interest on Long-Term Debt</i>	14,033	11,131	2,902	26.1%
Total Expenses	4,758,137	4,402,806	355,331	8.1%
Change in Net Position	\$ 1,781,429	\$ 1,441,014	\$ 340,415	23.6%

Significant changes from the prior year are as follows:

- Operating grants and contributions increased due to increases in State Aid during the year.
- The Town saw an increase in Other General Revenues as a result of receiving a new pathway grant during the year.
- Total expenses increased due to an overall increase in payroll expenses of \$57,903, coupled with increased contractual expenditures.

The prior period information presented in this MD&A for the fiscal year 2023 is not consistent with the information presented for 2023 due to the change in accounting principle associated with the Town's adoption of GASB Statement No. 101.

TOWN OF SKANEATELES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Business-Type Activities

Our analysis below focuses on the net position (*Figure 3*), and changes in net position (*Figure 4*), of the Town's Business-Type Activities.

*Figure 3
Business-Type Activities
Net Position at Year Ended*

<i>Condensed Statement of Net Position</i>	<i>Business-Type Activities</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2024</i>	<i>2023</i>		
<i>Current Assets</i>	\$ 251,976	\$ 305,083	\$ (53,107)	(17.4)%
<i>Noncurrent Assets</i>	31,493	54,453	(22,960)	(42.2)%
<i>Capital Assets, Net</i>	551,411	446,304	105,107	23.6%
<i>Total Assets</i>	834,880	805,840	29,040	3.6%
<i>Deferred Outflows of Resources</i>	48,628	58,560	(9,932)	(17.0)%
<i>Current Liabilities</i>	40,000	40,000	-	0.0%
<i>Noncurrent Liabilities</i>	78,551	123,198	(44,647)	(36.2)%
<i>Total Liabilities</i>	118,551	163,198	(44,647)	(27.4)%
<i>Deferred Inflows of Resources</i>	20,611	3,549	17,062	480.8%
<i>Net Investment in Capital Assets</i>	487,816	361,062	126,754	35.1%
<i>Restricted</i>	31,493	54,453	(22,960)	(42.2)%
<i>Unrestricted</i>	225,037	282,138	(57,101)	(20.2)%
<i>Total Net Position</i>	\$ 744,346	\$ 697,653	\$ 46,693	6.7%

*Figure 4
Business-Type Activities
Revenues, Expenses, and Changes in Net Position at Year Ended*

<i>Condensed Statement of Revenues, Expenses, and Changes in Net Position - Business-Type Activities</i>	<i>Business-Type Activities</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2024</i>	<i>2023</i>		
<i>Operating Revenues</i>	\$ 594,104	\$ 569,686	\$ 24,418	4.3%
<i>Nonoperating Revenues</i>	66,096	16,904	49,192	291.0%
<i>Total Revenues</i>	660,200	586,590	73,610	12.5%
<i>Operating Expenses</i>	610,818	477,245	133,573	28.0%
<i>Nonoperating Expenses</i>	2,689	677	2,012	297.2%
<i>Total Expenses</i>	613,507	477,922	135,585	28.4%
<i>Change in Net Position</i>	\$ 46,693	\$ 108,668	\$ (61,975)	(57.0)%

TOWN OF SKANEATELES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

- Total Business-type assets increased 5.9% and total liabilities decreased 16.0%.
- Total Business-type net position increased 6.7%, primarily due to an increase in Net Investment in Capital Assets.
- Total Business-type revenue compared to prior year increased 12.5%, while total expenses increased 28.4%.

The Town's Funds

Governmental Funds

Figure 5 shows changes in the fund balance for the Town's Major and aggregate Non-Major Governmental Funds. Total fund balances increased due to revenues and other financing sources in excess of expenditures, and other financing uses in the General and Highway Funds.

*Figure 5
Governmental Funds
Fund Balances at Year Ended*

<i>Governmental Funds</i>	<i>2024</i>	<i>2023</i>	<i>Dollar Change</i>	<i>Percent Change</i>
<i>General Fund - Town-Wide</i>	\$ 4,980,164	\$ 4,135,546	\$ 844,618	20.4%
<i>General Fund - Part-Town</i>	1,170,298	1,079,748	90,550	8.4%
<i>Capital Projects Fund</i>	(34,989)	-	(34,989)	(100.0)%
<i>Highway Fund - Town-Wide</i>	857,572	738,991	118,581	16.0%
<i>Highway Fund - Part-Town</i>	1,306,290	1,094,840	211,450	19.3%
<i>Fire Protection Fund</i>	300,800	236,028	64,772	27.4%
<i>Non-Major Governmental Funds</i>	142,249	106,558	35,691	33.5%
<i>Totals</i>	\$ 8,722,384	\$ 7,391,711	\$ 1,330,673	18.0%

General Town-Wide Fund Budgetary Highlights

Over the course of the year, the Town Board and management of the Town may revise the Town budget for transfers between functions, encumbrances from the prior fiscal year, and acceptance of grant awards. During 2024, minimal budget revisions were required.

The resources available for appropriation, not including interfund transfers, in the General Town-wide Fund were \$703,188 more than budgeted. Expenditures, not including interfund transfers, were \$444,130 favorable when compared to budget. This was based on initiatives by the Town to contain spending.

TOWN OF SKANEATELES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2024, the Town had invested in a broad range of capital assets totaling \$13,953,101 and \$915,689 in cost, offset by accumulated depreciation of \$6,827,716 and \$364,278 for Governmental Activities and Business-Type Activities, respectively. *Figure 6* shows the changes in the Town's capital assets.

*Figure 6
Capital Assets, Net of Depreciation*

<i>Governmental Activities</i>	<i>2024</i>	<i>2023</i>	<i>Dollar Change</i>	<i>Percent Change</i>
<i>Land</i>	\$ 1,938,265	\$ 1,938,265	\$ -	0%
<i>Construction-in-Progress</i>	713,024	442,284	270,740	61%
<i>Buildings and Improvements</i>	1,933,326	2,029,416	(96,090)	(4.7)%
<i>Machinery and Equipment</i>	782,131	962,110	(179,979)	(18.7)%
<i>Infrastructure</i>	1,758,639	1,421,593	337,046	23.7%
<i>Totals</i>	\$ 7,125,385	\$ 6,793,668	\$ 331,717	4.9%

<i>Business-Type Activities</i>	<i>2024</i>	<i>2023</i>	<i>Dollar Change</i>	<i>Percent Change</i>
<i>Construction-in-Progress</i>	\$ 160,141	\$ 21,426	\$ 138,715	647.4%
<i>Machinery and Equipment</i>	-	3,341	(3,341)	(100.0)%
<i>Infrastructure</i>	391,270	421,537	(30,267)	(7.2)%
<i>Totals</i>	\$ 551,411	\$ 446,304	\$ 105,107	23.6%

Depreciation expense during the year amounted to \$444,418 and \$33,608 for Governmental Activities and Business-Type Activities, respectively. The Town has not reported any infrastructure assets prior to the adoption of GASB Statement No. 34.

TOWN OF SKANEATELES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Debt

Figure 7 details changes in long-term liabilities for Governmental Activities and Business-Type Activities. Of the amounts below, \$327,000 was subject to the constitutional debt limit, representing 0.82% of the Town's statutory debt limit.

*Figure 7
Outstanding Long-Term Liabilities at Year Ended*

<i>Governmental Activities</i>	<i>2024</i>	<i>2023</i>	<i>Dollar Change</i>	<i>Percent Change</i>
<i>Serial Bonds</i>	\$ 358,057	\$ 526,586	\$ (168,529)	(32.0)%
<i>Bond Anticipation Notes</i>	700,000	-	700,000	100.0%
<i>Totals</i>	\$ 1,058,057	\$ 526,586	\$ 531,471	100.9%

<i>Business-Type Activities</i>	<i>2024</i>	<i>2023</i>	<i>Dollar Change</i>	<i>Percent Change</i>
<i>Serial Bonds</i>	\$ 63,594	\$ 83,594	\$ (20,000)	(23.9)%
<i>Totals</i>	\$ 63,594	\$ 83,594	\$ (20,000)	(23.9)%

More detailed information regarding the Town's long-term debt is presented in Note 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The following is a summary of currently known facts, decisions, or conditions expected to have a significant effect on the Town's future financial position.

- ❖ 2025 budget increased 1% from 2024, with increased estimated revenues of 28%.
- ❖ Water Tower Capital Project 2024-2026
 - BANS/BONDS
- ❖ Parks Capital Project -2025- Phase 1
- ❖ Truck Leasing Program 2025
 - 2 incoming vehicles- We are still waiting for the new trucks to be delivered
- ❖ Town Hall Building Updates
 - Phase 1-2024
 - Roof- Phase 2-2025

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about the report or need any additional financial information, contact the Town Supervisor at 24 Jordan Street, Skaneateles, NY 13152.

TOWN OF SKANEATELES

STATEMENT OF NET POSITION DECEMBER 31, 2024

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets			
Cash and Cash Equivalents - Unrestricted	\$ 7,089,568	\$ 196,904	\$ 7,286,472
Cash and Cash Equivalents - Restricted	127,055	-	127,055
Other Receivables	296,948	70,825	367,773
Prepaid Expenses	17,598	2,747	20,345
Internal Balances	18,500	(18,500)	-
Total Current Assets	7,549,669	251,976	7,801,645
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	2,305,624	31,493	2,337,117
Capital Assets, Non-Depreciable	2,651,289	160,141	2,811,430
Other Capital Assets, Net of Accumulated Depreciation	4,474,096	391,270	4,865,366
Total Noncurrent Assets	9,431,009	582,904	10,013,913
Total Assets	16,980,678	834,880	17,815,558
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	580,457	48,628	629,085
Total Deferred Outflows of Resources	580,457	48,628	629,085
LIABILITIES			
Current Liabilities			
Accounts Payable and Accrued Liabilities	430,511	20,000	450,511
Interest Payable	22,112	-	22,112
Other Liabilities	2,398	-	2,398
Current Portion of Long-Term Liabilities			
Bond Anticipation Note Payable	700,000	-	700,000
Bonds Payable	159,000	20,000	179,000
Compensated absences	50,996	-	50,996
Total Current Liabilities	1,365,017	40,000	1,405,017
Long-Term Liabilities			
Bonds Payable	199,057	43,594	242,651
Compensated Absences	20,974	-	20,974
Net Pension Liability - Proportionate Share	417,263	34,957	452,220
Total Long-Term Liabilities	637,294	78,551	715,845
Total Liabilities	2,002,311	118,551	2,120,862
DEFERRED INFLOWS OF RESOURCES			
Pensions	246,031	20,611	266,642
Total Deferred Inflows of Resources	246,031	20,611	266,642
NET POSITION			
Net Investment in Capital Assets	6,767,328	487,816	7,255,144
Restricted	2,432,679	31,493	2,464,172
Unrestricted	6,112,786	225,037	6,337,823
Total Net Position	\$ 15,312,793	\$ 744,346	\$ 16,057,139

See Notes to Financial Statements

TOWN OF SKANEATELES

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Revenues			Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total Primary Government
PRIMARY GOVERNMENT						
Governmental Activities						
General Governmental Support	\$ 1,146,947	\$ 413,010	\$ 75,073	\$ (498,527)	\$ -	\$ (498,527)
Public Safety	739,906	6,008	-	(733,898)	-	(733,898)
Transportation	989,601	201,613	193,254	(594,734)	-	(594,734)
Economic Assistance and Opportunity Culture and Recreation	39,864	-	-	(39,864)	-	(39,864)
Home and Community Services	528,410	815	-	(421,504)	-	(421,504)
Interest on Long-Term Debt	1,299,376	210,320	-	(1,089,056)	-	(1,089,056)
Total Governmental Activities	4,758,137	413,825	268,327	(3,391,616)	-	(3,391,616)
Business-Type Activities						
Municipal Water Fund	602,503	577,966	-	-	(24,537)	(24,537)
Municipal Sewer Fund	11,004	16,138	-	-	5,134	5,134
Total Business-Type Activities	613,507	594,104	-	-	(19,403)	(19,403)
Total Primary Government	\$ 5,371,644	\$ 1,278,473	\$ 413,825	\$ (3,391,616)	(19,403)	(3,411,019)
GENERAL REVENUES						
Real Property Taxes				4,458,518	-	4,458,518
Real Property Tax Items				105,600	-	105,600
Franchise Taxes				59,361	-	59,361
Use of Money and Property				401,850	9,811	411,661
Sale of Property and Compensation for Loss				67,615	-	67,615
Miscellaneous Local Sources				136,386	-	136,386
Transfers - Internal Activities				(56,285)	56,285	-
Total General Revenues				5,173,045	66,096	5,239,141
Change in Net Position				1,781,429	46,693	1,828,122
Net Position - Beginning of Year, as previously reported				13,599,101	697,653	14,296,754
Change in Accounting Principles - Compensated Abscenses				(67,737)	-	(67,737)
Net Position - Beginning of Year, as restated				13,531,364	697,653	14,229,017
Net Position - End of Year				\$ 15,312,793	\$ 744,346	\$ 16,057,139

See Notes to Financial Statements

TOWN OF SKANEATELES

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2024

ASSETS	Major Funds										Total Governmental Funds
	General Town-Wide Fund	General Part-Town Fund	Capital Projects Fund	Special Revenue Funds			Fire Protection Fund	Non-Major Governmental Funds	Total Governmental Funds		
				Highway Town-Wide Fund	Highway Part-Town Fund	Highway Part-Town Fund					
Assets											
Cash and Cash Equivalents - Unrestricted	\$ 3,371,333	\$ 1,150,267	\$ 665,011	\$ 282,672	\$ 1,303,047	\$ 173,749	\$ 143,489	\$ 7,089,568			\$ 7,089,568
Cash and Cash Equivalents - Restricted	1,765,166	-	-	540,458	-	127,055	-	2,432,679			2,432,679
Other Receivables	250,359	13,761	-	32,634	1,434	-	(1,240)	296,948			296,948
Prepaid Expenses	10,626	3,355	-	1,808	1,809	-	-	17,598			17,598
Due From Other Funds	18,504	-	-	-	-	155	-	18,659			18,659
Total Assets	\$ 5,415,988	\$ 1,167,383	\$ 665,011	\$ 857,572	\$ 1,306,290	\$ 300,959	\$ 142,249	\$ 9,855,452			\$ 9,855,452
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts Payable	\$ 38,320	-	-	-	-	-	-	-	-	-	\$ 38,320
Accrued Liabilities	395,106	(2,915)	-	-	-	-	-	392,191			392,191
Due to Other Funds	-	-	-	-	-	159	-	159			159
Bond Anticipation Notes Payable	-	-	700,000	-	-	-	-	700,000			700,000
Overpayments	2,398	-	-	-	-	-	-	2,398			2,398
Total Liabilities	435,824	(2,915)	700,000	-	-	159	-	1,133,068			1,133,068
FUND BALANCES											
Nonspendable	10,626	3,355	-	1,808	1,809	-	-	17,598			17,598
Restricted	1,765,166	-	-	540,458	-	127,055	-	2,432,679			2,432,679
Assigned	1,600,000	61,724	-	315,306	1,304,481	173,745	142,249	3,597,505			3,597,505
Unassigned	1,604,372	1,105,219	(34,989)	-	-	-	-	2,674,602			2,674,602
Total Fund Balances	4,980,164	1,170,298	(34,989)	857,572	1,306,290	300,800	142,249	8,722,384			8,722,384
Total Liabilities and Fund Balances	\$ 5,415,988	\$ 1,167,383	\$ 665,011	\$ 857,572	\$ 1,306,290	\$ 300,959	\$ 142,249	\$ 9,855,452			\$ 9,855,452

See Notes to Financial Statements

TOWN OF SKANEATELES

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2024

Total Governmental Fund Balances **\$ 8,722,384**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	\$ 13,953,101	
Accumulated Depreciation	<u>(6,827,716)</u>	7,125,385

The Town's proportion of the net pension liability is not reported in the funds.

Net Pension Liability - Proportionate Share	(417,263)
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Deferred outflows of resources represent a consumption of net position that applies to future periods and, therefore, is not reported in the Governmental Funds. Deferred inflows of resources represent an acquisition of net position that applies to future periods and, therefore, is not reported in the Governmental Funds.

Deferred Inflows of Resources - Pensions	\$ (246,031)	
Deferred Outflows of Resources - Pensions	<u>580,457</u>	334,426

Certain accrued expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in Governmental Funds.

Accrued Interest Payable	\$ (22,112)	
Compensated Absences	<u>(71,970)</u>	(94,082)

Long-term bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	<u>(358,057)</u>
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Net Position of Governmental Activities **\$ 15,312,793**

See Notes to Financial Statements

TOWN OF SKANEATELES

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

	Major Funds							Total Governmental Funds
	General Town-Wide Fund	General Part-Town Fund	Capital Projects Fund	Highway Town-Wide Fund	Highway Part-Town Fund	Fire Protection Fund	Non-Major Governmental Funds	
REVENUES								
Real Property Taxes	\$ 2,505,302	\$ 234,103	\$ -	\$ 517,758	\$ 440,191	\$ 724,684	\$ 36,480	\$ 4,458,518
Real Property Tax Items	38,522	-	-	-	-	-	-	38,522
Nonproperty Tax Items	67,078	59,361	-	-	-	-	-	126,439
Departmental Income	322,369	19,200	-	-	-	-	-	341,569
Intergovernmental Charges	-	-	-	201,613	-	-	-	201,613
Use of Money and Property	255,321	38,212	20,547	42,080	45,875	15,597	4,765	422,397
Licenses and Permits	6,008	121,681	-	-	-	-	-	127,689
Fines and Forfeitures	13,060	-	-	-	-	-	-	13,060
Sale of Property and Compensation for Loss	41,482	-	-	23,870	3,187	-	-	68,539
Miscellaneous Local Sources	108,437	448	-	-	337	-	7,055	116,277
State Sources	488,898	-	-	-	193,254	-	-	682,152
Total Revenues	3,846,477	473,005	20,547	785,321	682,844	740,281	48,300	6,596,775
EXPENDITURES								
General Governmental Support	1,078,763	17,563	-	-	-	-	-	1,096,326
Public Safety	185,034	-	-	-	-	506,369	-	691,403
Transportation	94,579	-	-	578,814	378,584	-	10,100	1,062,077
Economic Assistance and Opportunity	28,665	-	-	-	-	-	-	28,665
Culture and Recreation	453,696	-	-	-	-	-	-	453,696
Home and Community Services	726,676	279,327	-	-	-	-	2,509	1,008,512
Employee Benefits	434,446	85,565	-	87,926	92,810	-	-	700,747
Debt Service:								
Principal	-	-	-	-	-	153,000	-	153,000
Interest	-	-	-	-	-	16,140	-	16,140
Total Expenditures	3,001,859	382,455	-	666,740	471,394	675,509	12,609	5,210,566
Excess of Revenues (Expenditures)	844,618	90,550	20,547	118,581	211,450	64,772	35,691	1,386,209
OTHER FINANCING SOURCES (USES)								
Interfund Transfers (Out)	-	-	(56,285)	-	-	-	-	(56,285)
Premium on Obligations	-	-	749	-	-	-	-	749
Total Other Financing Sources (Uses)	-	-	(55,536)	-	-	-	-	(55,536)
Net Changes in Fund Balances	844,618	90,550	(34,989)	118,581	211,450	64,772	35,691	1,330,673
Fund Balances, Beginning of Year	4,135,546	1,079,748	-	738,991	1,094,840	236,028	106,558	7,391,711
Fund Balances, End of Year	\$ 4,980,164	\$ 1,170,298	\$ (34,989)	\$ 857,572	\$ 1,306,290	\$ 300,800	\$ 142,249	\$ 8,722,384

See Notes to Financial Statements

TOWN OF SKANEATELES

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Total Governmental Funds **\$ 1,330,673**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the change in capital assets.

Capital Outlay	\$ 777,059	
Net Book Value of Disposed Assets	(924)	
Depreciation Expense	<u>(444,418)</u>	331,717

Debt-related proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Repayment of Debt		153,000
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Changes in the Town's proportionate share of net pension (asset)/liability have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the Town's Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions do not affect current financial resources and are also not reported in the Governmental Funds.

	(43,234)
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Changes in certain liabilities reflected in the Statement of Activities do not affect current financial resources and, therefore, are not reflected in the Governmental Funds.

Amortization of Bond Premium	(15,529)
Compensated Absences	10,631
Accrued Interest Payable	<u>14,171</u>

Change in Net Position of Governmental Activities **\$ 1,781,429**

See Notes to Financial Statements

TOWN OF SKANEATELES

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2024

	Business-Type Activities		
	Enterprise Funds		
	Municipal Water Fund	Municipal Sewer Fund	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 123,270	\$ 73,634	\$ 196,904
Other Receivables	69,431	1,394	70,825
Prepaid Expenses	2,747	-	2,747
Total Current Assets	195,448	75,028	270,476
Noncurrent Assets			
Restricted Cash and Cash Equivalents	25,592	5,901	31,493
Capital Assets, Net	551,411	-	551,411
Total Noncurrent Assets	577,003	5,901	582,904
Total Assets	772,451	80,929	853,380
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	48,628	-	48,628
Total Deferred Outflows of Resources	48,628	-	48,628
LIABILITIES			
Current Liabilities			
Accounts Payable	20,000	-	20,000
Due to Other Funds	18,500	-	18,500
Bonds Payable, Current Portion	20,000	-	20,000
Total Current Liabilities	58,500	-	58,500
Noncurrent Liabilities			
Bonds Payable	43,594	-	43,594
Net Pension Liability - Proportionate Share	34,957	-	34,957
Total Noncurrent Liabilities	78,551	-	78,551
Total Liabilities	137,051	-	137,051
DEFERRED INFLOWS OF RESOURCES			
Pensions	20,611	-	20,611
Total Deferred Inflows of Resources	20,611	-	20,611
NET POSITION			
Net Investment in Capital Assets	487,816	-	487,816
Restricted	25,592	5,901	31,493
Unrestricted	150,009	75,028	225,037
Total Net Position	\$ 663,417	\$ 80,929	\$ 744,346

See Notes to Financial Statements

TOWN OF SKANEATELES

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities		
	Enterprise Funds		
	Municipal Water Fund	Municipal Sewer Fund	Total
OPERATING REVENUES			
Charges for Services - Home and Community Services	\$ 577,966	\$ 16,138	\$ 594,104
Interfund Transfers In	56,285	-	56,285
Total Operating Revenues	634,251	16,138	650,389
OPERATING EXPENSES			
Operations and Maintenance	499,449	11,004	510,453
Employee Benefits	66,757	-	66,757
Depreciation	33,608	-	33,608
Total Operating Expenses	599,814	11,004	610,818
Income (Loss) From Operations	34,437	5,134	39,571
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	7,182	2,629	9,811
Interest Expense	(2,689)	-	(2,689)
Total Nonoperating Revenues (Expenses)	4,493	2,629	7,122
Net Income (Loss)	38,930	7,763	46,693
Total Net Position, Beginning of Year	624,487	73,166	697,653
Total Net Position, End of Year	\$ 663,417	\$ 80,929	\$ 744,346

See Notes to Financial Statements

TOWN OF SKANEATELES

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities		
	Enterprise Funds		
	Municipal Water Fund	Municipal Sewer Fund	Total
Cash Flows From Operating Activities			
Cash Received From Providing Services	\$ 634,251	\$ 16,138	\$ 650,389
Cash Payments - Employees	(203,199)	-	(203,199)
Cash Payments - Contractors	(367,642)	(10,940)	(378,582)
Net Cash Provided (Used) by Operating Activities	63,410	5,198	68,608
Cash Flows From Capital and Related Financing Activities			
Principal Payments on Outstanding Debt	(20,000)	-	(20,000)
Interest Payments on Outstanding Debt	(2,689)	-	(2,689)
Net Cash Provided (Used) by Capital and Related Financing Activities	(22,689)	-	(22,689)
Cash Flows From Investing Activities			
Purchase of Capital Assets	(138,715)	-	(138,715)
Interest Income Received	7,182	2,629	9,811
Net Cash Provided (Used) by Investing Activities	(131,533)	2,629	(128,904)
Net Change in Cash and Cash Equivalents	(90,812)	7,827	(82,985)
Cash and Cash Equivalents - Beginning of Year	239,674	71,708	311,382
Cash and Cash Equivalents - End of Year	\$ 148,862	\$ 79,535	\$ 228,397
Reconciliation of Income From Operations to Net Cash Provided by Operating Activities			
Income (Loss) From Operations	\$ 34,437	\$ 5,134	\$ 39,571
Depreciation and Amortization	33,608	-	33,608
(Increase) Decrease in Accounts Receivable	(8,011)	64	(7,947)
(Increase) Decrease in Prepaid Expenses	1,029	-	1,029
Increase (Decrease) in Pension Obligations	2,347	-	2,347
Net Cash Provided (Used) by Operating Activities	\$ 63,410	\$ 5,198	\$ 68,608

See Notes to Financial Statements

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 1 **Summary of Significant Accounting Policies**

The basic financial statements of the Town of Skaneateles (the Town) have been prepared in conformity with generally accepted accounting principles (U.S. GAAP) as applied to government units, except for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Financial Reporting Entity

The Town, which was founded in 1830, is governed by its charter, Town Law, other general municipal laws of New York State, and various local ordinances. The Town Board is the legislative body responsible for overall operations. The Town Supervisor serves as chief executive officer.

The following basic services are provided: public safety, highways and streets, water, sanitation, health, culture and recreation, public improvements, planning and zoning, and general administration.

All Governmental Activities and functions performed for the Town are its direct responsibility. The basic financial statements include all funds of the primary government, which is the Town, organizations for which the primary government is financially accountable, and other organizational entities determined to be included in the Town's reporting entity in accordance with GASB Statement No. 14, "The Financial Reporting Entity," as amended.

Basic Financial Statements

The Town's basic financial statements include both Government-wide (reporting the Town as a whole) and Governmental Fund financial statements (reporting the Town's Major Funds). Both the Government-wide and Governmental Fund financial statements categorize primary activities as either Governmental or Business-type. The Town's general governmental support, public safety, transportation, culture and recreation, and home and community services are classified as Governmental Activities, while services relating to the water distribution system and sanitary sewer system are classified as Business-type activities.

Government-Wide Financial Statements

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government (Governmental). Government-wide financial statements do not include the activities reported in the Fiduciary Funds. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the Governmental and Business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Government-Wide Financial Statements - Continued

In the Government-wide Statement of Net Position, both the Governmental and Business-type Activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets, restricted, and unrestricted. The Town first utilizes restricted resources to finance qualifying activities.

The Statement of Activities reports both the gross and net cost for each of the Town's functions or programs. Gross expenses are direct expenses, including depreciation, that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. These expenses are offset by program revenues - charges paid by the recipients of the goods or services offered by the programs, grants, and contributions - that are restricted to meeting the program or capital requirements of a particular program. Indirect expenses, particularly employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Revenues which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the Town.

Governmental Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The Town records its transactions in the funds described as follows.

Governmental Funds

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities, are accounted for through Governmental Funds. The measurement focus of the Governmental Funds is based upon determination of financial position and changes in financial position under the modified accrual basis of accounting. The following are the Town's Governmental Funds.

Major Funds

- General Funds - Principal operating funds which include all operations not required to be recorded in other funds. There are two general funds; one accounting for activity affecting the entire Town (General Town-Wide), and a second which accounts for activity outside the Village of Skaneateles (General Part-Town).

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Governmental Funds - Continued

Major Funds - Continued

- Capital Projects Fund - Accounts for capital improvements to the Town of Skaneateles for infrastructure, transportation, and recreational purposes financed primarily by proceeds of obligations, state and federal grants, and transfers from other funds.
- Special Revenue Funds
Account for proceeds of specific revenue sources legally restricted to expenditures for specified purposes. The following Special Revenue Funds are reported as Major Funds:
 - Highway Funds - Established pursuant to Highway Law §141 and used to account for revenues and expenditures for highway purposes. There are two highway funds; one accounting for highway activities affecting the entire Town (Highway Town-Wide), and a second which accounts for activity outside the Village of Skaneateles (Highway Part-Town).
 - Fire Protection Fund - Used to account for operational maintenance of the joint Fire District with the Village of Skaneateles.

Non-Major Funds

- Special Revenue Funds
Account for proceeds of specific revenue sources legally restricted to expenditures for specified purposes. The following Special Revenue Funds are reported as Non-Major Funds:
 - Street Lighting Fund - Used to account for operational maintenance of the Street Lighting Districts.
 - Drainage Fund - Used to account for operational maintenance of the Drainage Districts.
 - Cemetery Fund - Account for all other trust arrangements under which principal and income benefits individuals, private organizations, or other governments.

Proprietary Funds

Account for activities similar to those often found in the private sector. The costs of providing goods or services to the general public are financed or recovered primarily through user fees. The measurement focus is upon determination of operating income, changes in net assets, financial position, and cash flows. The following Proprietary Funds are utilized:

- Enterprise Funds
 - Municipal Water and Sewer Funds - Account for the operational maintenance of the Water and Sewer Districts.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

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 basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, such as expenditures or expenses.

Accrual Basis

The Government-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual Basis

The Governmental Fund financial statements are prepared 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 to be used to pay liabilities of the current period. Material revenues that are accrued include real property taxes, State and federal aid, sales tax, and certain user charges. The Town considers property tax receivables collected within 90 days after year-end to be available and recognizes them as revenues of the current year. All other revenues that are deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and State grants are accrued when the expenditure is made.

Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when the asset is received. Exceptions to this general rule are 1) principal and interest on indebtedness are not recognized as an expenditure until due, and 2) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Property Taxes

Onondaga County real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected during the period January 2 to no later than November 30. 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 for their levies annually from the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the Town. Unpaid property taxes are turned over to the County for enforcement. Any such taxes remaining unpaid at year end are re-levied as County taxes in the subsequent year.

Property tax revenues are recognized as revenues in the year they are levied and collected. Property taxes not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources.

Cash and Cash Equivalents

For financial statement purposes, all highly liquid investments having maturities of three months or less are considered cash equivalents.

Receivables

Property tax receivables are stated net of the estimated allowance for uncollectible amounts. Amounts due from State and federal governments represent amounts owed to the Town to reimburse it for expenditures incurred pursuant to State and federal programs. Other receivables represent amounts owed to the Town, which include assessments. No provision has been made for uncollectible accounts for amounts due from the state and federal governments and other receivables, as it is believed that such amounts would be immaterial.

Insurance and Risk Management

The Town maintains insurance coverage for most risks including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired, or a liability has been incurred and the amount of loss can be reasonably estimated.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 1 Summary of Significant Accounting Policies - Continued

Compensated Absences

A compensated absence is leave for which employees may receive one or more (a) cash payments when the leave is used for time off; (b) other cash payments, such as payment for unused leave upon termination of employment; or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. The payment or settlement could occur during employment or upon termination of employment. Examples of compensated absences include vacation leave, sick leave, and other paid time off. The rate at which different leave types are earned, the maximum amount of those leave types allowed to be accumulated, and the eligibility to earn the leave types are generally specified in negotiated labor contracts or are outlined in individual employment contracts. Consistent with GASB Statement No. 101, "Compensated Absences," a liability is recognized when the leave is attributed to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability for compensated absences is measured using pay rates in effect as of the financial statement date and includes salary-related payments, where applicable.

Capital Assets

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets. Capital assets purchased or acquired with an original cost of at least \$100 and having a useful life of greater than two years are capitalized. The estimated useful lives for capital assets are as follows:

Buildings and Improvements	10 - 39 Years
Infrastructure	4 - 15 Years
Machinery and Equipment	3 - 15 Years
Other Capital Assets	3 - 7 Years

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources related to pensions in the Statement of Net Position. The types of deferred outflows of resources related to pensions are described in Note 5.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions which are described in Note 5.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Revenues

Substantially all Governmental Fund revenues are accrued. In applying GASB Statement No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Proprietary Fund's principal ongoing operations. The principal operating revenues of the Proprietary Funds are charged to customers for sales and services. Operating expenses for Proprietary Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Equity Classifications

Equity Classifications - Government-Wide Financial Statements/Proprietary Fund Financial Statements

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of net resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Equity Classifications - Government-Wide Financial Statements/Proprietary Fund Financial Statements - Continued

- Unrestricted - Consists of all other net resources that do not meet the definition of "restricted" or "net investment in capital assets."

Equity Classifications - Governmental Fund Financial Statements

The Town follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Statement No. 54 changed the terminology and classification of fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users with more consistent and understandable information about a fund's net resources.

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowment principal.
- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the Town's legally adopted reserves are reported here.
- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year and requires the same level of formal action to remove said constraint.
- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned - Represents the residual classification of the government's General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The Town Board has not adopted any resolutions to commit fund balance. Currently fund balances are assigned by the Budget Officer for encumbrances and the Board, by resolution, approves fund balance appropriations for next year's budget. The Town applies expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

New Accounting Standard

The Town adopted and implemented the following current Statements of the GASB effective for the year ended December 31, 2024:

- GASB Statement No. 101, “Compensated Absences.”

Future Changes in Accounting Standards

The GASB has issued the following additional standards:

- GASB Statement No. 102, “Certain Risk Disclosures,” effective for the year ending December 31, 2025.
- GASB Statement No. 103, “Financial Reporting Model Improvements,” effective for the year ending December 31, 2026.
- GASB Statement No. 104, “Disclosures of Certain Capital Assets,” effective for the year ending December 31, 2026.

The Town will evaluate the impact future pronouncements may have on its financial statements and will implement as applicable and when material.

Standards Not Adopted

As noted in the Independent Auditors’ Report, the Town has not adopted GASB Statement No. 75. 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.”

***Note 2* Cash and Investments**

The Town’s investment policies are governed by State statutes. In addition, the Town has its own written investment policy. The Town’s monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Town Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit at 105% of all deposits not covered by the FDIC. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town’s investment policies, as discussed previously in these notes.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 2 Cash and Investments - Continued

GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Town's name.

The Town's aggregate bank balances of \$10,378,334 are either insured or collateralized with securities held by the pledging financial institution in the Town's name. Restricted cash and cash equivalents totaled \$2,464,172. Of this amount, \$1,940,801 was restricted for capital purposes, \$485,606 was restricted for tax stabilization, and \$37,765 was restricted for other purposes.

Note 3 Other Receivables

Other receivables for the year ended December 31, 2024 consisted of:

General Town-Wide Fund

Mortgage Tax	\$ 237,599
Clerk Fees	11,966
Other Receivables	794

General Part-Town Fund

Clerk Fees	13,137
Other Receivables	624

Highway Town-Wide Fund

Intergovernmental Charge	32,634
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Highway Part-Town Fund

Other Receivables	1,434
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Cemetery Fund

Other Receivables	<u>(1,240)</u>
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Total Governmental Funds

\$ 296,948

Enterprise Water Fund

Water Rents Receivable	\$ 69,431
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Enterprise Sewer Fund

Other Receivables	1,787
Sewer Rents Receivable	<u>(393)</u>

Total Proprietary Funds

\$ 70,825

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 4 Capital Assets

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

<u>Governmental Activities</u>	<u>Balance at December 31, 2023</u>	<u>Additions</u>	<u>Disposals/Re- classifications</u>	<u>Balance at December 31, 2024</u>
Non-Depreciable Capital Assets				
Land	\$ 1,938,265	\$ -	\$ -	\$ 1,938,265
Construction in Progress	442,284	270,740	-	713,024
Total Non-Depreciable Capital Assets	2,380,549	270,740	-	2,651,289
Depreciable Capital Assets				
Buildings and Improvements	4,556,781	-	-	4,556,781
Machinery and Equipment	2,864,072	313,065	(237,070)	2,940,067
Infrastructure	3,611,710	193,254	-	3,804,964
Total Depreciable Capital Assets	11,032,563	506,319	(237,070)	11,301,812
Total Historical Cost	13,413,112	777,059	(237,070)	13,953,101
Less: Accumulated Depreciation				
Buildings and Improvements	(2,527,365)	(96,090)	-	(2,623,455)
Machinery and Equipment	(1,901,962)	(154,896)	(101,078)	(2,157,936)
Infrastructure	(2,190,117)	(193,432)	337,224	(2,046,325)
Total Accumulated Depreciation	(6,619,444)	(444,418)	236,146	(6,827,716)
Governmental Activities Capital Assets, Net	\$ 6,793,668	\$ 332,641	\$ (924)	\$ 7,125,385
Business-Type Activities				
Nondepreciable Capital Assets				
Construction in Progress	\$ 21,426	\$ 138,715	\$ -	\$ 160,141
Depreciable Capital Assets				
Machinery and Equipment	73,369	-	-	73,369
Infrastructure	682,179	-	-	682,179
Total Depreciable Capital Assets	755,548	-	-	755,548
Total Historical Cost	776,974	138,715	-	915,689
Less: Accumulated Depreciation				
Machinery and Equipment	(70,028)	(3,341)	-	(73,369)
Infrastructure	(260,642)	(30,267)	-	(290,909)
Total Accumulated Depreciation	(330,670)	(33,608)	-	(364,278)
Business-Type Activities Capital Assets, Net	\$ 446,304	\$ 105,107	\$ -	\$ 551,411

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 4 Capital Assets - Continued

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Governmental Support	\$ 94,979
Public Safety	90,662
Transportation	185,384
Home and Community Services	<u>73,393</u>
Depreciation Expense	<u>\$ 444,418</u>
Business-Type Activities	
Municipal Water	<u>\$ 33,608</u>
Depreciation Expense	<u>\$ 33,608</u>

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System)

Plan Descriptions and Benefits Provided

Employees' Retirement System (ERS)

The Town participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of New York State serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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 Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued

Plan Descriptions and Benefits Provided - Continued

Employees' Retirement System (ERS) - Continued

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Summary of Significant Accounting Policies

The System's financial statements from which the System's fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the System's annual reports.

Contributions

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
ERS	\$ 199,096	\$ 166,006	\$ 147,647

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

At December 31, 2024, the Town reported the following liability for its proportionate share of the net pension (asset)/liability for the System. The net pension (asset)/liability was measured as of March 31, 2024. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The Town's proportionate share of the net pension (asset)/liability was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from a report provided to the Town by the ERS System.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued

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

	<u>ERS</u>
Actuarial Valuation Date	April 1, 2023
Net Pension (Asset)/Liability	\$ 14,724,050,185
Town's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	452,220
Town's Share of the Plan's Total Net Pension (Asset)/Liability	0.0030713%

For the year ended December 31, 2024, the Town recognized pension expense of \$235,464 for ERS in the financial statements. At December 31, 2024, the Town's reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	<u>ERS</u>
Deferred Outflows of Resources	
Differences Between Expected and Actual Experience	\$ 145,660
Changes of Assumptions	170,974
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-
Changes in Proportion and Differences Between the Town's Contributions and Proportionate Share of Contributions	113,355
Town's Contributions Subsequent to the Measurement Date	<u>199,096</u>
Total Deferred Outflows of Resources	<u>\$ 629,085</u>
Deferred Inflows of Resources	
Differences Between Expected and Actual Experience	\$ 12,331
Changes of Assumptions	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	220,907
Changes in Proportion and Differences Between the Town's Contributions and Proportionate Share of Contributions	<u>33,404</u>
Total Deferred Inflows of Resources	<u>\$ 266,642</u>

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued

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

Town contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension (asset)/liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>ERS</u>
2025	\$ (50,208)
2026	117,269
2027	142,129
2028	(45,843)
Thereafter	-

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>
Measurement Date	March 31, 2024
Actuarial Valuation Date	April 1, 2023
Investment Rate of Return	5.9%
Salary Increases	4.4%
Cost of Living Adjustments	1.5%
Inflation Rate	2.9%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued

Actuarial Assumptions - Continued

The long-term 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 each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below.

Measurement Date	<u>NYSLRS</u> March 31, 2024
Asset Type	
Domestic Equities	4.0%
International Equities	6.7%
Private Equities	7.3%
Real Estate	4.6%
Opportunistic Portfolio/ARC Portfolio	5.3%
Credit	5.4%
Real Assets	5.8%
Fixed Income	1.5%
Cash	0.3%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. 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 contributions from employers will be made at statutorily required rates, actuarially. Based on 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.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued

Discount Rate - Continued

The following presents the Town's proportionate share of the net pension (asset)/liability calculated using the discount rate, 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 higher than the current rate.

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Town's Proportionate Share of the Net Pension (Asset)/Liability	\$ 1,421,827	\$ 452,220	\$ (357,602)

Pension Plan Fiduciary Net Position

The components of the current-year net pension (asset)/liability of the employers as of the respective valuation dates were as follows:

	Dollars in Thousands
	ERS
Measurement Date	March 31, 2024
Employers' Total Pension Liability	\$ 240,696,851
Plan Net Position	(225,972,801)
Employers' Net Pension (Asset)/Liability	\$ 14,724,050
Ratio of Plan Net Position to the Employers' Total Pension Liability	93.9%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of December 31, 2024 represent the projected employer contribution for the period of April 1, 2024 through December 31, 2024 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. There were no accrued retirement contributions as of December 31, 2024.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued

Current Year Activity

Changes in the net pension (asset)/liability and deferred outflows and inflows of resources for the year ended December 31, 2024 resulted in the following effect on net position.

ERS	Beginning Balance	Change	Ending Balance
Net Pension Liability	\$ 731,334	\$ (279,114)	\$ 452,220
Deferred Outflows of Resources	(718,530)	89,445	(629,085)
Deferred Inflows of Resources	43,540	223,102	266,642
Total	\$ 56,344	\$ 33,433	\$ 89,777

Note 6 Interfund Balances

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources; primarily to provide services. The Governmental Funds' financial statements generally reflect such transactions as transfers whereas the Proprietary Fund records such transactions as nonoperating revenues or expenses.

Interfund transactions for the year ended December 31, 2024 were as follows:

	Interfund Receivables	Interfund Payables	Interfund Transfers In	Interfund Transfers Out
Governmental Funds				
General Town-Wide Fund	\$ 18,504	\$ -	\$ -	\$ -
Capital Projects Fund	-	-	-	56,285
Fire Protection Fund	155	159	-	-
Total Governmental Funds	18,659	159	-	56,285
Enterprise Funds				
Municipal Water Fund	-	18,500	56,285	-
Total Enterprise Funds	-	18,500	56,285	-
Total	\$ 18,659	\$ 18,659	\$ 56,285	\$ 56,285

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 7 Short-Term Debt

Bond Anticipation Notes (BANs)

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of the bonds. Such notes may be classified as long-term debt when (1) the intention is to refinance the debt on a long-term basis; and (2) the intention can be substantiated through a post balance sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. The Town issues BANs to finance capital improvements. BAN activity for the year is summarized below:

	Interest Rate	Maturity Date	Beginning Balance	Issued	Redeemed	Ending Balance
2024 BAN - Construction	4.25%	05/23/2025	\$ -	\$ 700,000	\$ -	\$ 700,000
			\$ -	\$ 700,000	\$ -	\$ 700,000

Interest expense on short-term debt during the year was comprised of:

Amortization of Premium	\$ (749)
Interest Accrued in Current Year	18,095
Total	\$ 17,346

Note 8 Long-Term Debt and Other Long-Term Obligations

At December 31, 2024, the total outstanding indebtedness of the Town aggregated \$390,594. Of this amount, \$327,000 is subject to the constitutional debt limit and represented 0.82% of the Town’s debt limit.

Serial Bonds and Notes

The Town borrows money in order to acquire land or equipment or to construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the Government-wide financial statements. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Compensated Absences

Represents the value of accumulated hours earned that will be used or paid out to employees.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 8 Long-Term Debt and Other Long-Term Obligations - Continued

Debt Maturity Schedule

The following is a summary of bonds outstanding at December 31, 2024 with corresponding maturity schedules:

<u>Description of Issue</u>	<u>Original Year of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Year of Final Maturity</u>	<u>Balance December 31, 2024</u>
2020 Joint Public Improvement Debt	2020	\$ 918,000	2-4%	2026	\$ 327,000
2014 UV Disinfection	2014	300,000	3.22%	2028	63,594
Total Serial Bonds					<u>\$ 390,594</u>

The following is a summary of maturing debt service requirements for general obligation bonds and notes:

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2025	\$ 159,000	\$ 9,900	\$ 20,000	\$ 2,045	\$ 190,945
2026	168,000	3,360	20,000	1,402	192,762
2027	-	-	20,000	759	20,759
2028	-	-	3,594	116	3,710
Totals	<u>\$ 327,000</u>	<u>\$ 13,260</u>	<u>\$ 63,594</u>	<u>\$ 4,322</u>	<u>\$ 408,176</u>

Interest paid on certain serial bonds varies from year to year, in accordance with the interest rates specified in the bond agreements. Interest paid and expensed in Governmental Activities is as follows:

Interest Paid (Expenditure)	\$ 16,140
Less: Interest Accrued in Prior Year	(7,941)
Less: Amortization of Premium	(15,529)
Interest Accrued in Current Year	4,017
Total	<u>\$ (3,313)</u>

Interest paid and interest expensed in Business-Type Activities was \$2,689.

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 8 Long-Term Debt and Other Long-Term Obligations - Continued

Changes in Indebtedness

The following is a summary of changes in the Town's indebtedness for the year ended December 31, 2024.

	<u>December 31, 2023</u>	<u>New Issues/ Additions</u>	<u>Maturities/ Payments</u>	<u>Balance December 31, 2024</u>	<u>Amount Due Within One Year</u>
Governmental Activities					
Serial Bonds	\$ 480,000	\$ -	\$ (153,000)	\$ 327,000	\$ 159,000
Premium on Obligation	46,586	-	(15,529)	31,057	15,529
Compensated Absences	115,534	7,432	-	122,966	50,996
Total Governmental Activities	<u>642,120</u>	<u>7,432</u>	<u>(168,529)</u>	<u>481,023</u>	<u>225,525</u>
Business-Type Activities					
Serial Bonds	83,594	-	(20,000)	63,594	20,000
Total	<u>\$ 725,714</u>	<u>\$ 7,432</u>	<u>\$ (188,529)</u>	<u>\$ 544,617</u>	<u>\$ 245,525</u>

Changes to compensated absences are shown net, as it is impractical to calculate additions and deletions.

Note 9 Fund Balance Detail

At December 31, 2024, nonspendable, restricted, and assigned fund balance in the Governmental Funds was as follows:

	<u>General Town-Wide Fund</u>	<u>General Part- Town Fund</u>	<u>Capital Projects Fund</u>	<u>Highway Town-Wide Fund</u>	<u>Highway Part- Town Fund</u>	<u>Fire Protection Fund</u>	<u>Non-Major Governmental Funds</u>
Nonspendable							
Prepaid Expenses	\$ 10,626	\$ 3,355	\$ -	\$ 1,808	\$ 1,809	\$ -	\$ -
Total Nonspendable Fund Balance	<u>\$ 10,626</u>	<u>\$ 3,355</u>	<u>\$ -</u>	<u>\$ 1,808</u>	<u>\$ 1,809</u>	<u>\$ -</u>	<u>\$ -</u>
Restricted							
Capital Reserve	\$ 1,400,343	\$ -	\$ -	\$ 540,458	\$ -	\$ -	\$ -
Tax Stabilization Reserve	358,551	-	-	-	-	127,055	-
Miscellaneous Reserve	6,272	-	-	-	-	-	-
Total Restricted Fund Balance	<u>\$ 1,765,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 540,458</u>	<u>\$ -</u>	<u>\$ 127,055</u>	<u>\$ -</u>
Assigned							
Assigned for Next Year's Budget	\$ 1,600,000	\$ 61,724	\$ -	\$ -	\$ -	\$ -	\$ -
Remaining Fund Balance	-	-	-	315,306	1,304,481	173,745	142,249
Total Assigned Fund Balance	<u>\$ 1,600,000</u>	<u>\$ 61,724</u>	<u>\$ -</u>	<u>\$ 315,306</u>	<u>\$ 1,304,481</u>	<u>\$ 173,745</u>	<u>\$ 142,249</u>
Total Unassigned Fund Balance	<u>\$ 1,604,372</u>	<u>\$ 1,105,219</u>	<u>\$ (34,989)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Fund Balances	<u>\$ 4,980,164</u>	<u>\$ 1,170,298</u>	<u>\$ (34,989)</u>	<u>\$ 857,572</u>	<u>\$ 1,306,290</u>	<u>\$ 300,800</u>	<u>\$ 142,249</u>

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 10 Contingencies

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

Note 11 Tax Abatements

For the year ended December 31, 2024, the Town was subject to property tax abatements negotiated by the Onondaga County Industrial Development Agency (OCIDA) and Town of Skaneateles, New York (the Town).

OCIDA enters into PILOT agreements with businesses within Onondaga County under New York State General Municipal Law (GML) §858. Economic development agreements entered into by OCIDA can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which OCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements generally stipulate a percentage reduction of property taxes, but sometimes stipulate a dollar value reduction in lieu of a percentage reduction.

The Town enters into property tax abatement agreements with local businesses under Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth. Under the Act, localities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Town.

Information relevant to disclosure of the program for the year ended December 31, 2024 is as follows:

	<u>Taxable Assessed</u>	<u>Combined Tax Rates</u>	<u>Tax Value</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
Onondaga County					
Industrial Development Agency					
Tessy Plastics	\$ 6,061,000	0.10651%	\$ 6,455	\$ 13,288	\$ (6,833)
Welch Allyn (Plant)	10,558,150	0.10651%	17,687	25,008	(7,321)
Abundant Solar Power	1,576,027	0.10651%	2,640	226	2,414
Total PILOT Agreements	<u>\$ 18,195,177</u>		<u>\$ 26,782</u>	<u>\$ 38,522</u>	<u>\$ (11,740)</u>

TOWN OF SKANEATELES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 12 **Subsequent Event**

On May 22, 2025, the Town issued Bond Anticipation Notes totaling \$2,926,500 at an interest rate of 4.25% to finance the acquisition, construction, or equipping of a new water system.

Note 13 **Restatement**

During the year, the Town implemented GASB Statement No. 101, “Compensated Absences,” resulting in a change in accounting principle. In accordance with GASB No. 100, beginning net position has been restated for a change in accounting principle.

The following is a summary of the changes in net position and compensated absences as of December 31, 2023:

	Net Position (Deficit)	Compensated Absences
Balance as Previously Reported	\$ 13,599,101	\$ -
Compensated Absences Adjustment	(67,737)	67,737
Restated Balance, June 30, 2024	\$ 13,531,364	\$ 67,737

Note 14 **Stewardship**

The Capital Projects Fund reported a deficit fund balance of \$34,989 at December 31, 2024. This deficit will be eliminated when short-term Bond Anticipation Notes are converted to long-term financing.

TOWN OF SKANEATELES

BUDGETARY COMPARISON SCHEDULE - GENERAL TOWN-WIDE FUND NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Real Property Taxes	\$ 2,507,434	\$ 2,471,634	\$ 2,505,302	\$ 33,668
Real Property Tax Items	33,000	33,000	38,522	5,522
Nonproperty Tax Items	-	-	67,078	67,078
Departmental Income	380,945	380,945	322,369	(58,576)
Use of Money and Property	5,000	5,000	255,321	250,321
Licenses and Permits	5,400	5,400	6,008	608
Fines and Forfeitures	15,000	15,000	13,060	(1,940)
Sale of Property and Compensation for Loss	30,000	30,000	41,482	11,482
Miscellaneous Local Sources	1,500	1,500	108,437	106,937
State Sources	200,810	200,810	488,898	288,088
Total Revenues	3,179,089	3,143,289	3,846,477	703,188
EXPENDITURES				
General Governmental Support	1,186,698	1,185,198	1,078,763	106,435
Public Safety	189,100	189,100	185,034	4,066
Transportation	145,453	145,453	94,579	50,874
Economic Assistance and Opportunity	34,488	34,488	28,665	5,823
Culture and Recreation	613,950	603,950	453,696	150,254
Home and Community Services	768,800	748,800	726,676	22,124
Employee Benefits	543,300	539,000	434,446	104,554
Total Expenditures	3,481,789	3,445,989	3,001,859	444,130
Excess of Revenue (Expenditures)	(302,700)	(302,700)	844,618	1,147,318
OTHER FINANCING SOURCES (USES)				
Interfund Transfers In	102,700	102,700	-	(102,700)
Total Other Financing Sources	102,700	102,700	-	(102,700)
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other Financing (Uses)	(200,000)	(200,000)	844,618	\$ 1,044,618
Appropriated Fund Balances	200,000	200,000		
Net Change in Fund Balance	\$ -	\$ -	844,618	
Fund Balance, Beginning of Year			4,135,546	
Fund Balance, End of Year			\$ 4,980,164	

See Notes to Required Supplementary Information

TOWN OF SKANEATELES

BUDGETARY COMPARISON SCHEDULE - GENERAL PART-TOWN FUND NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Real Property Taxes	\$ 231,763	\$ 234,103	\$ 234,103	\$ -
Nonproperty Tax Items	-	-	59,361	59,361
Departmental Income	10,200	10,200	19,200	9,000
Use of Money and Property	500	500	38,212	37,712
Licenses and Permits	100,300	100,300	121,681	21,381
Miscellaneous Local Sources	-	-	448	448
Total Revenues	342,763	345,103	473,005	127,902
EXPENDITURES				
Current				
General Governmental Support	14,850	17,571	17,563	8
Home and Community Services	272,127	279,328	279,327	1
Employee Benefits	85,786	88,067	85,565	2,502
Total Expenditures	372,763	384,966	382,455	2,511
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other Financing (Uses)	(30,000)	(39,863)	90,550	\$ 130,413
Appropriated Fund Balances	30,000	39,863		
Net Change in Fund Balance	\$ -	\$ -	90,550	
Fund Balance, Beginning of Year			1,079,748	
Fund Balance, End of Year			\$ 1,170,298	

See Notes to Required Supplementary Information

TOWN OF SKANEATELES

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2024

	Major Funds							
	Highway Town-Wide Fund			Highway Part-Town Fund				
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES								
Real Property Taxes	\$ 517,758	\$ 507,758	\$ 517,758	\$ 10,000	\$ 440,144	\$ 440,144	\$ 440,191	\$ 47
Intergovernmental Charges	164,000	164,000	201,613	37,613	-	-	-	-
Use of Money and Property	30,500	30,500	42,080	11,580	1,000	1,000	45,875	44,875
Sale of Property and Compensation for Loss	-	-	23,870	23,870	-	-	3,187	3,187
Miscellaneous Local Sources	-	-	-	-	-	-	337	337
State Sources	-	-	-	-	207,881	207,881	193,254	(14,627)
Total Revenues	712,258	702,258	785,321	83,063	649,025	649,025	682,844	33,819
EXPENDITURES								
Transportation	606,000	596,000	578,814	17,186	537,881	537,881	378,584	159,297
Employee Benefits	119,000	119,000	87,926	31,074	111,144	111,144	92,810	18,334
Debt Service (Principal and Interest)	92,258	92,258	-	-	-	-	-	-
Total Expenditures	817,258	807,258	666,740	48,260	649,025	649,025	471,394	177,631
Excess of Revenues (Expenditures)	(105,000)	(105,000)	118,581	131,323	-	-	211,450	211,450
OTHER FINANCING SOURCES (Uses)								
Interfund Transfers In	105,000	105,000	-	(105,000)	-	-	-	-
Total Other Financing Sources (Uses)	105,000	105,000	-	(105,000)	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)	-	-	118,581	\$ 26,323	-	-	211,450	\$ 211,450
Net Change in Fund Balance	-	-	118,581	-	-	-	211,450	-
Fund Balance, Beginning of Year	-	-	738,991	-	-	-	1,094,840	-
Fund Balance, End of Year	-	-	\$ 857,572	-	-	-	\$ 1,306,290	-

See Notes to Required Supplementary Information

TOWN OF SKANEATELES

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2024

	Major Funds			
	Fire Protection Fund			
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Real Property Taxes	\$ 1,081,709	\$ 1,081,709	\$ 724,684	\$ (357,025)
Use of Money and Property	-	-	15,597	15,597
Total Revenues	1,081,709	1,081,709	740,281	(341,428)
EXPENDITURES				
Public Safety	799,809	799,809	506,369	293,440
Debt Service (Principal and Interest)	281,900	281,900	169,140	112,760
Total Expenditures	1,081,709	1,081,709	675,509	406,200
Excess of Revenues (Expenditures)	-	-	64,772	64,772
Net Change in Fund Balance	\$ -	\$ -	64,772	
Fund Balance, Beginning of Year			236,028	
Fund Balance, End of Year			\$ 300,800	

See Notes to Required Supplementary Information

TOWN OF SKANEATELES

SCHEDULE OF THE TOWN'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 199,096	\$ 166,006	\$ 147,647	\$ 192,452	\$ 155,986	\$ 143,478	\$ 144,526	\$ 152,339	\$ 147,721	\$ 160,065
Contributions in Relation to the Contractually Required Contribution	(199,096)	(166,006)	(147,647)	(192,452)	(155,986)	(143,478)	(144,526)	(152,339)	(147,721)	(160,065)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	*
Town's Covered Payroll for Year Ended December 31,	\$ 1,313,891	\$ 1,275,619	\$ 1,183,491	\$ 1,080,517	\$ 1,063,312	\$ 997,817	\$ 1,000,179	\$ 1,017,424	*	*
Contributions as a Percentage of Covered Payroll	15.2%	13.0%	12.5%	17.8%	14.7%	14.4%	14.5%	15%	*	*

* Information is not available for these periods.

See Notes to Required Supplementary Information

TOWN OF SKANEATELES

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLAN

FOR THE YEARS ENDED DECEMBER 31,

	2024	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net Pension (Asset)/Liability	0.0030713%	0.0034104%	0.0032671%	0.0027077%	0.0030354%	0.0028960%	0.0030739%
Town's Proportionate Share of the Net Pension (Asset)/Liability	\$ 452,220	\$ 731,334	\$ (267,073)	\$ 2,696	\$ 803,800	\$ 205,160	\$ 99,207
Town's Covered Payroll	1,320,823	1,312,504	1,268,242	1,166,541	1,063,312	1,000,179	1,017,424
Town's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	34.2%	55.7%	(21.1%)	0.2%	75.6%	20.5%	9.8%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.9%	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%
The following is a Summary of Changes in Assumptions:							
Inflation	2.90%	2.90%	2.70%	2.70%	2.50%	2.50%	2.50%
Salary Increases	4.40%	4.30%	4.40%	4.40%	4.20%	4.20%	3.80%
Cost of Living Adjustments	1.50%	1.50%	1.40%	1.40%	1.30%	1.30%	1.30%
Investment Rate of Return	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%
Discount Rate	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%
Society of Actuaries' Mortality Scale	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014

This Schedule will show ten years of information when available.

See Notes to Required Supplementary Information

TOWN OF SKANEATELES

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2024

***Note 1* Budget Basis of Accounting**

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America (U.S. GAAP). Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered a disbursement in the financial plan or expenditure in U.S. GAAP - based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year end, thereby ensuring that appropriations are not exceeded.

***Note 2* Budget Policies**

The budget policies are as follows:

- Annual operating budgets are maintained for the following Governmental Fund Types:
 - General Funds
 - Special Revenue Funds (Highway Funds and Special District Funds)
- No later than September 30, the Town Clerk submits a tentative budget to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.
- Annual budgets adopted represent the legal limit on expenditures for that period. At the end of each year unexpended, unencumbered appropriations lapse. Encumbered appropriations do not lapse and are carried forward.
- Expenditures may not legally exceed appropriations at the fund level.
- All modifications of the budget must be approved by the governing board.
- The Town Board may increase the appropriations budget during the fiscal year where additional revenues or expenditures not included in the original adopted budget are identified.

***Note 3* Reconciliation of the General Fund Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the General Fund's excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis, as there were no encumbrances recorded at December 31, 2024.



**INDEPENDENT AUDITORS' 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***

Town Board
Town of Skaneateles
Skaneateles, 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 activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Skaneateles (the Town), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated September 15, 2025. Our opinion on the governmental activities was qualified because the Town did not adopt Government Accounting Standards Board Statement No. 75.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of Town'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 Town'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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 15, 2025