

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 3, 2026

NEW ISSUE

BOND RATING: Moody's Ratings "Aa3"

SERIAL BONDS

See "RATINGS" herein

In the opinion of Bond, Schoeneck & King, PLLC, Syracuse, New York, Bond Counsel, assuming continuing compliance by the County with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Bonds is not an "item of tax preference" for purposes of the alternative minimum tax imposed by the Code on individuals; however, interest on the Bonds that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision therein (including The City of New York). See "TAX MATTERS" herein for discussion of certain Federal taxes applicable to corporate owners of the Bonds.

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



\$4,000,000

COUNTY OF JEFFERSON, NEW YORK

GENERAL OBLIGATIONS

\$4,000,000 Public Improvement (Serial) Bonds, 2026

(Referred to herein as the "Bonds")

Dated: June 25, 2026

Due: June 1, 2027-2046

MATURITIES**

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP†</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
2027	\$ 70,000				2037	\$ 200,000 *			
2028	140,000				2038	210,000 *			
2029	145,000				2039	220,000 *			
2030	155,000				2040	230,000 *			
2031	160,000				2041	235,000 *			
2032	165,000				2042	245,000 *			
2033	170,000				2043	255,000 *			
2034	180,000				2044	270,000 *			
2035	185,000 *				2045	280,000 *			
2036	195,000 *				2046	290,000 *			

* The Bonds maturing in the years 2035 through 2046 are subject to redemption prior to maturity as described herein under the heading "THE BONDS - Optional Redemption."

** Principal amounts are subject to change pursuant to the accompanying Notice of Private Competitive Bond Sale in order to achieve substantially level or declining annual debt service.

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

The Bonds are general obligations of the County of Jefferson, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Bonds will be dated the date of their delivery. Principal on the Bonds will be payable on June 1 in each of the years 2027 to 2046, both inclusive. The Bonds are subject to redemption prior to maturity as described herein under the heading "THE BONDS - Optional Redemption". Interest on the Bonds will be payable on June 1, 2027 and semi-annually thereafter on December 1 and June 1 until maturity. The record date for the Bonds will be the fifteenth day of the calendar month preceding such interest payment. Interest on the Bonds will be calculated on a 30-day month and 360-day year basis.

Proposals for the Bonds shall be for not less than \$4,000,000 and accrued interest, if any, on the total principal amount of the Bonds. A good faith deposit will NOT be required.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which, if so elected by the purchaser, will act as securities depository for the Bonds.

If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be payable in lawful money of the United States of America (Federal Funds) by the County 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 Bonds. 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 County 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. The Bonds may not be converted into coupon bonds or be registered to bearer. (See “BOOK-ENTRY-ONLY SYSTEM” herein).

If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. Paying agent fees, if any, in such case are to be paid by the purchaser. Principal of and interest on the Bonds will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder.

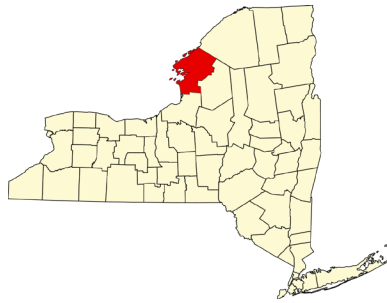
The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Bond, Schoeneck & King, PLLC, Syracuse, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or as may be agreed upon with the purchaser, on or about June 25, 2026.

ELECTRONIC BIDS for the Bonds must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on June 10, 2026 until 11:15 A.M., Eastern Time, pursuant to the Notice of Private Competitive Bond Sale. 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 County, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Private Competitive Bond Sale.

June __, 2026

THE COUNTY 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, AS MORE FULLY DESCRIBED IN THE NOTICE OF PRIVATE COMPETITIVE BOND SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE COUNTY WILL COVENANT IN AN UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE AS DEFINED IN THE RULE WITH RESPECT TO THE BONDS. SEE “APPENDIX-C, CONTINUING DISCLOSURE UNDERTAKING” HEREIN.

COUNTY of JEFFERSON, NEW YORK



COUNTY LEGISLATORS

WILLIAM W. JOHNSON
Chairman of the Board

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CHRISTOPHER S. BOULIO
FRANCES A. CALARCO
ROBERT W. CANTWELL III
ANTHONY J. DOLDO
ROBERT D. FERRIS
KAREN J. FREEMAN
COREY Y. GRANT

PATRICK R. JAREO
WILLIAM W. JOHNSON
DANIEL R. MCBRIDE
MICHAEL MONTIGELLI
JAMES A. NABYWANIEC
STEEL E. POTTER
PHILIP N. REED, SR.

RYAN PICHE
County Administrator
Clerk of the Board of Legislators

DYLAN M. SOPER
Deputy County Administrator
Deputy Clerk of the Board of Legislators

BRIAN S. PECK
County Treasurer

GIZELLE J. MEEKS
County Clerk

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No person has been authorized by the County of Jefferson 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 Bonds 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 County of Jefferson.

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OFFICIAL STATEMENT
of the
COUNTY OF JEFFERSON, NEW YORK
Relating To
\$4,000,000 Public Improvement (Serial) Bonds, 2026

This Official Statement, which includes the cover page, has been prepared by the County of Jefferson, New York (the “County”, and “State”, respectively) in connection with the sale by the County of \$4,000,000 principal amount of Public Improvement (Serial) Bonds, 2026 (the “Bonds”).

The factors affecting the County’s financial condition and the Bonds are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the County tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

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

THE BONDS

Description of the Bonds

The Bonds are general obligations of the County, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds 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 County is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See “NATURE OF OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

The Bonds will be dated their date of their delivery. Principal on the Bonds will be payable on June 1 in each of the years 2027 to 2046, both inclusive. The Bonds are subject to redemption prior to maturity as described herein under the heading “THE BONDS - Optional Redemption for the Bonds”. Interest on the Bonds will be payable on June 1, 2027 and semi-annually thereafter on December 1 and June 1 until maturity. The record date for the Bonds will be the fifteenth day of the calendar month preceding such interest payment. Interest will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be payable in lawful money of the United States of America (Federal Funds) by the County 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 Bonds. The Bonds may not be converted into coupon bonds or be registered to bearer (See “BOOK-ENTRY-ONLY SYSTEM” herein). If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. Paying agent fees, if any, in such case are to be paid by the purchaser. Principal of and interest on the Bonds will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder.

Purpose of Issue

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the County Law, the Local Finance Law, and a bond resolution adopted by the County Board of Legislators on April 7, 2026 authorizing the issuance of not to exceed \$5,000,000 bonds to finance the cost of the reconstruction and improvement of the County Department of Social Services Building at a maximum estimated cost of \$5,000,000.

The proceeds of the Bonds will provide \$4,000,000 in original financing for the aforementioned purpose.

Optional Redemption

The Bonds maturing on or before June 1, 2034 shall not be subject to redemption prior to maturity. The Bonds maturing on or after June 1, 2035 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed), at the option of the County on June 1, 2034 or on any date thereafter at par (100%), plus accrued interest to the date of redemption.

If less than all of the bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the county by lot in any customary manner of selection as determined by the County Treasurer. Notice of such call for redemption shall be given by providing notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

NATURE OF OBLIGATION

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

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

The Bonds will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the County has power and statutory authorization to levy ad valorem taxes on all real property within the County subject to such taxation by the County, 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 County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the County’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LIMITATION LAW” herein.

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company.

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

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

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE COUNTY 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 Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the principal corporate trust office of the bank or trust company located and authorized to do business in the State to be named as fiscal agent by the County upon termination of the book-entry-only system. Interest on the Bonds will remain payable on June 1, 2027 and semi-annually thereafter on December 1 and June 1 in each year to maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determination Certificate of the County Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the fifteenth day of the calendar month preceding an interest payment date and such interest payment date.

THE COUNTY

General Information

Jefferson County (the “County”) is located in the northwestern portion of New York State (the “State”) and is bounded by Lake Ontario to the west, the St. Lawrence River and St. Lawrence County to the north, Lewis County to the east and Oswego County to the south. The County has a land area of approximately 1,269 square miles and is the tenth largest County in New York State. The County seat is located in the center of the County in the City of Watertown. The City of Syracuse lies 60 miles to the south and Canada is on its Northern and Western borders. The County is serviced by Interstate Route 81, which provides direct access to Canada via the Thousand Islands Bridge, along with a good network of State, County and local roads.

After the 2010 Census an Urbanized Area was designated in the County. This contiguous area includes the Village of Dexter in the western portion of the County, the greater Watertown area, part of the Town of LeRay including on-base Fort Drum housing, and the Villages of Carthage and West Carthage in the eastern portion of the County.

The County is home to the US Army’s 10th Mountain Division stationed at Fort Drum. Fort Drum remains a pillar of the County and surrounding areas. Jobs supported by Fort Drum-related spending affect 20 different industries and occupations. The top three categories are educational services, healthcare and social services, and construction. (See also “Fort Drum” herein.)

In addition to Fort Drum, the local economy is largely comprised of federal, State, and local government entities, agriculture, dairy farming and food processing; an industrial base producing machinery, transportation equipment, and paper products; and a summer tourism bolstered by Lake Ontario, the St. Lawrence River, and the famed Thousand Islands Region.

The Watertown International Airport is continuing to upgrade commercial airline facilities and runways. The airport opened a new 25,000 sq. ft. terminal in Fall 2025. The County is planning to expand upon the new terminal investment by converting the old terminal into a restaurant (\$2.3M), as well as the paving of the airport parking lot (\$610,000), which will allow the County to consider parking revenue options in future years. American Airlines continues daily non-stop commercial flights to Philadelphia International Airport. There were 23,146 passenger boardings (enplanements) at the airport in 2024, compared to 21,434 enplanements in 2023.

Source: County officials.

Fort Drum

Fort Drum is the largest employer in the region with 13,320 active-duty military, 15,147 transient/rotational military and 3,698 civilians (including contractors) working on or near the installation. Fort Drum provides support to over 22,736 dependents (family members) as well as 32,896 retirees and dependent family members of retirees and 3,259 surviving spouses. Annually, Fort Drum offers training and base operations support to more than 26,500 Reserve and National Guard members as well as personnel from other federal, state, and local agencies. Fort Drum, a Department of the Army designated Regional Collective Training Center, provides full spectrum training and base operations support to all the service branches, 11 states, and parts of Canada.

Fort Drum’s economic impact for Federal Fiscal Year (“FFY”) 2025 was approximately \$2.2 billion, an increase of 14% from FFY 2024. Total military, Civilian, contractor, and retiree/survivor payroll for FFY 2025 was \$1,935,963,204.

Source: Fort Drum’s 2025 Economic Impact Statement.

Population Trends

Since 1970, the County has had a population trend as indicated below:

<u>Census Year</u>	<u>Population</u>
1970.....	88,508
1980.....	88,151
1990.....	110,943
2000.....	111,738
2010.....	116,219
2020.....	116,721
2025 (estimated).....	111,540

Note: Fluctuations in population can partially be attributed to the number of personnel stationed at Fort Drum.

Source: U.S. Census Bureau, Population Division; Annual Estimates of the Resident Population.

Building Permits

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Permits	310	552	628	631	695	758

Source: Jefferson County Code Department (covers 27 of 42 municipalities).

Selected Wealth and Income Indicators

Per capita income statistics are available for the 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>
County of:						
Jefferson	\$ 21,823	\$ 28,120	\$ 36,025	\$ 51,834	\$ 66,711	\$ 81,387
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2019-2023 American Community Survey data.

Unemployment Rate Statistics

The information set forth below with respect to the County is included for informational purposes only.

	<u>Annual Average</u>						
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Jefferson County	5.3%	8.4%	5.1%	4.1%	4.1%	4.4%	4.5%
New York State	3.9%	9.8%	7.1%	4.3%	4.0%	4.2%	4.3%

	<u>2025-26 Monthly Figures</u>											
	<u>2025</u>						<u>2026</u>					
	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Jefferson County	3.7%	4.2%	4.3%	4.0%	N/A	4.4%	4.7%	5.8%	6.4%	5.7%	4.8%	N/A
New York State	4.1%	4.8%	4.9%	4.7%	N/A	4.4%	4.3%	4.7%	5.2%	4.4%	4.2%	N/A

Note: Unemployment rates for the months of October 2025 and May 2026 are not available as of the date of this Official Statement.

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

Larger Employers

The ten larger employers in the County and the estimated number of people employed by each are as follows:

<u>Company</u>	<u>Type</u>	<u>Number of Employees</u>
Fort Drum	U.S. Army	17,018 ⁽¹⁾
Samaritan Medical Center	Healthcare	2,453 ⁽²⁾
New York State	Government	1,921 ⁽³⁾
Watertown City School District	Public School	836
Jefferson County	Government	790
Indian River School District	Public School	670
Carthage School District	Public School	630
Jefferson Rehabilitation Center	Healthcare	557
Jefferson-Lewis BOCES	Vocational Education	438
Carthage Area Hospital	Healthcare	384

(1) This amount includes military and civilians. Due to military deployments, the actual number of personnel can frequently change.

(2) This amount includes the Samaritan Medical Center, Samaritan Keep and Samaritan Summit Village.

(3) New York State employment includes all regional state offices and one correctional facility (Cape Vincent).

Source: County Officials and Jefferson County Economic Development.

Community College

The Jefferson Community College was established in 1961 with the County as the local sponsor under provisions of Article 126 of the Education Law. The College is administered by a board of trustees, consisting of ten voting members; five are appointed by the County Board of Legislators. The County is required to provide one-half of capital costs. Real property of the College vests with the County and bonds and notes for college capital costs are issued by the County and represent County debt. The County's sponsorship share of support to the College during the College's fiscal year ending 2025 was \$5,584,266

Soil and Water Conservation District

The County Board of Legislators has declared the County to be a soil and water conservation district in accordance with provisions of the Soil and Water Conservation Districts Law. Members of the Board of Directors of the District (the “District”) are appointed by the County Board of Legislators and administrative costs of the District are provided primarily through County appropriations. The County Board of Legislators retains general oversight responsibilities, including monitoring District activities through detailed reporting to the Legislature by the District directors of its work and transactions in such form and for such periods as the Legislature may direct.

The Development Authority of the North Country

The Development Authority of the North Country (the “Authority”) was established in 1985 as a public benefit corporation to perform an essential governmental function for the benefit of the region comprising the Counties of Jefferson, Lewis, and St. Lawrence (the “Municipalities”) and the State in the area of regional development including Solid Waste management. The Authority is authorized to, among other things, collect, receive, transport, process, dispose of, sell, store, convey, recycle and deal with, in any lawful manner and way, Solid Waste or by-products thereof. The Authority may plan, develop and construct projects and pay the costs thereof; contract with the Municipalities or other persons to own, operate, maintain, repair improve reconstruct, enlarge and extend any of its projects; collect or receive, from the State, the Municipalities or other municipalities or other persons, Solid Waste for the purpose of treatment of disposal thereof; contract with the State, the Municipalities or other municipalities or persons for the purpose of collecting, receiving, treating and disposing of Solid Waste (including, without limitation, contracts for the delivery of all Solid Waste generated within a stated area to a specific Solid Waste disposal facility); acquire by eminent domain (subject to Municipalities’ approval) real property required to carry out the purposes of the Authority; and to borrow money and issue bonds to finance the Authority’s authorized purposes.

The Authority derives its revenues from fees received including tipping fees paid directly by permitted haulers, including municipalities, for disposal of Solid Waste at the Landfill Site. Additionally, under a Solid Waste Management Agreement dated as of October 1, 1986, as amended on April 1, 1987 and further amended by the Solid Waste Management Participation Agreement dated July 26, 1993 (the “Solid Waste Management Agreement”), the Municipalities are obligated to pay to the Authority annual charges for the Authority’s net costs (after deduction of revenues earned in the operation of the facilities) for the facilities and services provided by the Authority (the “Annual Charges”); however, as of the date hereof, the fees collected by the Authority have been sufficient to fund all of the costs for the facilities and services provided by the Authority, and no Annual Charges have been assessed to the Municipalities by the Authority.

The Authority issues tax-exempt revenue bonds and notes from time to time to pay the cost of the construction of a municipal solid waste landfill to service Jefferson, Lewis and St. Lawrence Counties and the City of Watertown and others, secured by tipping fees charged for the delivery of solid waste to the collection and disposal system. As of March 31, 2026, The Authority’s solid waste management facility had \$5,855,000 outstanding principal amount of Series 2015 Revenue Bonds and \$9,110,000 outstanding principal amount of Series 2019 Revenue Bonds. In addition, on February 25, 2025 the Authority secured a Water System Revenue Bond Series 2025A in the amount of \$7,386,411 through NYS Environmental Facilities Corporation (“EFC”) which financed the long-term debt associated with the Phase One Army Water Line Replacement project. The Department of Defense (DOD) will repay the bond to the Authority over the next ten years, based on the Army Water Line contract between the Authority and the DOD. The outstanding principal balance of the Water System Revenue Bond Series 2025A as of March 31, 2026 was \$6,845,037.

Such bonds are special obligations of the Authority secured by a pledge of and payable from revenues together with all rights of the Authority to enforce the Solid Waste Management Agreement or any additional Solid Waste disposal agreement, and all amounts on deposit in all funds and accounts (other than the Rebate Fund) established under the Indenture. The bonds do not constitute and shall not be a debt of the State of New York, the Counties of Jefferson, Lewis or St. Lawrence, the City of Watertown nor any other municipality or public corporation other than the Authority, and neither the State of New York, the Counties of Jefferson, Lewis or St. Lawrence, the City of Watertown, nor any other municipality or public corporation other than the Authority, shall be liable thereon. The bonds do not give rise to a pecuniary liability or charge against the general credit or taxing powers of the State of New York, the Counties of Jefferson, Lewis or St. Lawrence, the City of Watertown, nor any other municipality or public corporation.

Industrial Development Agency

The Jefferson County Industrial Development Agency (“JCIDA”), is a public benefit corporation created by the Article 18A of New York State General Municipal Law, promotes economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration in the County. Members of the JCIDA are appointed by the County Legislature, which exercises no oversight responsibility for fiscal matters. The County is not liable for JCIDA bonds or notes.

In addition, the JCIDA administers a \$4,109,139 revolving loan fund, a \$190,660 micro-enterprise loan program which provides loans to small businesses, and a \$287,870 Watertown Economic Growth Fund which provides support to enterprises of the City of Watertown. These funds are used to make loans to eligible businesses that save and create employment opportunities for residents of the County. The JCIDA works closely with the Jefferson County Job Development Corporation through funding of certain programs for economic development activities.

Thousand Islands Bridge Authority

The Thousand Islands Bridge Authority (“TIBA”) is a public benefit corporation created by State Legislation to promote the economic welfare, recreation, and prosperity of County inhabitants. TIBA operates the 6.5 mile four bridge system connecting the United States and Canadian main lands. It owns the bridges crossing the American portion of the St. Lawrence River and operates it as well as the international bridge and two Canadian bridges under a ten year operation agreement with its Canadian counterpart the Federal Bridge Corporation Ltd. It also owns and operates a regional tourist attraction, Boldt Castle. TIBA receives no funding from the County and is self-supporting through tolls and user fees. Members of the TIBA are appointed by the municipal County Board of Legislators, which exercises no oversight responsibility. The agency members have complete responsibility for management of the agency and accountability for fiscal matters. The County is not liable for TIBA bonds or notes.

Form of County Government

Government of the County is the responsibility of a 15-member Board of Legislators. Each of the fifteen (15) Legislators are elected to two-year terms, and each represents a district of substantially equal population. The County Administrator serves as the Chief Administrative Officer of the County and as Budget Officer. The County Treasurer is the Chief Fiscal Officer and is elected at large.

Financial Organization

The County Board of Legislators meet at both regular and special meetings throughout the year. The County Board of Legislators reviews and adopts the annual County budget, levies taxes, reviews and approves any modifications to the budget, and authorizes the incurrence of all indebtedness of the County. The County Administrator is the Budget Officer. The County Treasurer is the Chief Fiscal Officer.

Budgetary Procedures

The County Administrator, as Budget Officer, is responsible for the preparation of a proposed annual County budget and its submission to the Finance and Rules Committee of the Board of Legislators prior to November 15th. Within fifteen days of receipt of the proposed budget, the Finance and Rules Committee reviews said budget and recommends such alterations as it deems appropriate to the Board of Legislators. Following a public hearing on the proposed budget, including the alterations as recommended by the Finance and Rules Committee, the question of adoption of the proposed budget is placed before the Board of Legislators for their consideration. The Board of Legislators is required to adopt a budget no later than December 20th. This same adoption procedure and process, with the exception of dates of action, is applicable to the adoption of the County Community College Budget. The County Community College fiscal year is September 1st to August 31st. Expenditures during the fiscal year may only be made pursuant to appropriations from the General Fund or other special purpose funds established by the Board of Legislators. However, during the fiscal year, the Board of Legislators, by resolution, may make additional appropriations from any unencumbered balance in appropriations, contingent funds or unanticipated revenues.

The County remained within its allowable tax levy limit for the 2022 through 2026 fiscal years.

The County’s 2026 adopted budget included a 2.9% increase in its property tax levy, however, due to continuing expansion of the County’s tax base, for the sixth consecutive year taxpayers in the County will pay a lower tax rate than the year prior. The County-wide average full value property tax rate is expected to decrease by 4.6%, from \$5.85 to \$5.58 for 2026.

Investment Policy

Pursuant to the statutes of the State of New York, the County 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 County; (6) obligations of a New York public corporation which are made lawful investments by the County 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 County moneys held in certain reserve funds established pursuant to law, obligations issued by the County. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the County's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of New York State, (3) obligations of the United States of America, (4) 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, or (5) with the approval of the State Comptroller, revenue anticipation notes or tax anticipation notes of other local governments in the State. In the case of obligations of the United States government, the County may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

State and Federal Aid

The County receives financial assistance from the State. In its adopted budget for the 2026 fiscal year, approximately 14.9% of the revenues of the County are estimated to be received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the County, in this year or future years, the County may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the County, 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 County. 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 County requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The County also receives Federal aid. In its proposed budget for the 2026 fiscal year, approximately 7.7% of the revenues of the County are estimated to be received in the form of Federal Aid. Many of the policies that drive this Federal aid are subject to change under presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts and municipalities in the State.

Should the County fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the County is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Employees

The County employs approximately 817 employees including management, management/confidential and elected officials. Additionally, there are 290 adjuncts, professors, student aides and support professionals at the Jefferson Community College. The Board of Legislators must approve collective bargaining agreements covering Jefferson Community College employees. The following is a breakdown of employee representation by collective bargaining agents which represent them and the dates of expiration of their agreements:

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
464	Civil Service Employees' Association	December 31, 2027
37	Deputy Sheriff's Association	December 31, 2030
96	Faculty Association	August 31, 2029
40	JCC Support Staff Association	August 31, 2027
93	Sheriff's Employees (Corrections/Dispatch)	December 31, 2030

Source: Jefferson Community College Office of Personnel and Jefferson County Information Technologies and Human Resource Departments.

Status and Financing of Employee Pension Benefits

Substantially all employees of the County are members of the New York State and Local Employees' Retirement System ("ERS"). The ERS is generally known as the "Common Retirement Fund". The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute, and the benefits to employees, are governed by the New York State Retirement System and Social Security Law (the "Retirement System"). The Retirement System offers several 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 generally provides that all participating employers in the retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute 3% of gross annual salary towards the cost of retirement programs during their first ten years of service.

On December 12, 2009, a new Tier V was signed into law. The law is effective for new ERS hires on or after January 1, 2010 through March 31, 2012. Tier V ERS employees contribute 3 percent of their salaries. There is no provision for these contributions to cease after a certain period of service. Overtime pay in excess of \$15,000 will not be subject to ERS either in contribution from the County or the employee.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years. The State's 2024-25 Enacted Budget included a provision that modified the final average salary calculation from 5 years to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

The State's Enacted 2026-27 Budget made a number of changes to the Tier VI pension program:

- **Reduced Contribution Rates:** Member pension contribution percentages are adjusted into tiered salary brackets:
 - \$75,000 or less: 3%
 - Over \$75,000 to \$100,000: 4%
 - Over \$100,000 to \$125,000: 5.25%
 - Over \$125,000: 5.75%
- **Overtime Cap Increase:** For eligible members, the maximum amount of overtime used to calculate final average salary benefits has been increased to \$30,000 plus CPI (up from the previous \$22,500 cap).

The County’s payments, including Jefferson County Community College contributions since 2021 and budgeted contributions for 2026 to ERS are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 7,127,094
2022	5,346,259
2023	6,259,921
2024	7,756,708
2025	8,724,549
2026 (Budgeted)	9,832,062

Source: County 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 County 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 County, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. For 2014 and 2015 the rate is 12.0% for ERS and 20% for PFRS; 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 County is not amortizing or smoothing any pension payments nor does it intend to do so in the foreseeable future.

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

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the County provides post-retirement healthcare benefits to various categories of former employees. These costs may rise substantially in the future. Accounting rule, GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires governmental entities, such as the County, to account for post-retirement healthcare benefits with respect to vested pension benefits. GASB 45 is now fully implemented for all government entities.

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. In 2015, the GASB released new accounting standards for public other postemployment benefits (OPEB) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended December 31, 2018, the County implemented GASB 75. The implementation of this statement requires municipalities to report Other Post-Employment Benefits (“OPEB”) liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required municipalities to calculate and report a net other postemployment benefit obligation. However, under GASB 45 municipalities could amortize the OPEB liability over a period of years, whereas GASB 75 requires municipalities to report the entire OPEB liability on the statement of net position.

The County contracted with NYHART to assist in the determination of the costs and liabilities associated with the County’s OPEB plan. The following outlines the changes to the Total OPEB Liability during the 2024 and 2025 fiscal years, by source.

Balance beginning at January 1:	2024	2025
	\$ 362,621,958	\$ 352,258,736
<u>Changes in Net OPEB Liability:</u>		
Service cost	8,642,223	7,950,937
Interest	14,589,795	15,130,321
Changes in assumptions or other inputs	(14,562,510)	(20,559,160)
Differences between expected and actual experience	(5,656,459)	7,067,226
Changes of benefit terms	(208,561)	-
Benefit payments	(13,167,710)	(13,536,832)
Net Changes	\$ (10,363,222)	\$ (3,947,508)
Balance ending at December 31:	2024	2025
	\$ 352,258,736	\$ 348,311,228

Source: GASB 75 Actuarial Valuation of the County. The above tables are not audited. See “APPENDIX – D” for additional detail

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

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

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

Financial Statements

The County has retained the accounting firm of Drescher & Malecki LLP, to independently audit its annual financial statements. The last completed audited financial report was for the fiscal year ending December 31, 2024, and has been filed to the Electronic Municipal Market Access (“EMMA”) website and is incorporated by reference hereto as “APPENDIX-D” to this Official Statement. The County’s audited financial report for the fiscal year ended December 31, 2025 is not complete as of the date of this Official Statement. Certain financial information of the County may be found attached hereto as Appendices to this Official Statement.

The City’s annual financial report for fiscal year ending December 31, 2025, which is not prepared in accordance with GAAP and is not audited, is available and has been filed to EMMA and is incorporated by reference hereto as “APPENDIX-E”.

The County complies with the Uniform System of Accounts as prescribed by the State Comptroller for counties in New York State. 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).

Beginning with fiscal years ending December 31, 2001, the County issued its financial statements in accordance with GASB Statement No. 34. These statements include reporting of all county assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis.

Fund Balance Policy and Expectations

The County is relying on \$17.8 million in fund balance appropriations in 2026. This is a 1.7% increase over the County’s 2025 spending plan. While the available General Fund balance for the County sits at approximately \$71 million, the expenditures driving the 2026 budget increases are structural in nature, chiefly driven by personnel and programmatic costs. In prior years, conservative estimates of other revenue sources, and prudent spending practices have helped the County offset fund balance appropriations committed to the budget.

The County adopted a Fund Balance Policy targeting General Fund balance of two months operating expenditures (or 1/6th of general fund appropriations not including funds appropriated or encumbered, minus sales tax distributed to the local municipalities, per GASB 54). From 2016 to 2018, the County made efforts to rebuild the fund balance, which had achieved the minimum level of the policy in 2018. In the subsequent years, the County had improved on and stayed within the Fund Balance Policy. Beginning in 2021, a combination of factors led to a fund balance higher than policy, which was addressed beginning with the adoption of the 2023 Budget, and continued into 2025 with the use of \$6.2M for one-time items and \$17.7M overall, to comply with policy.

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 2020 to 2024 fiscal years of the County 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	0.0
2020	No Designation	0.0

Note: The fiscal stress designation and score for the fiscal year ended December 31, 2025 has not been calculated as of the date of this Official Statement.

For additional details regarding the Fiscal Stress Monitoring System visit the State Comptroller's official website.

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

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs compliance reviews to ascertain whether the County has complied with the requirements of various State and Federal statutes. These audits can be searched on the official website of the Office of the New York State Comptroller. State Comptroller audits published within the last five years are summarized below.

The State Comptroller's office released an audit report of the County on May 21, 2021. The purpose of the State Comptroller's budget review was to provide an independent evaluation of the County's adopted budget for the 2021 fiscal year.

Key Findings:

- The State Comptroller's review found that officials adequately assessed the impact of the pandemic on financial operations while developing estimates for significant expenditures in the 2021 adopted budget.

Key Recommendation:

- In consideration of the continually new and evolving impacts caused by the pandemic, County officials should carefully monitor their budgeted to actual revenues and expenditures and make amendments to the budget as needed throughout the year.

The State Comptroller's office released an audit report of the County on December 14, 2021. The purpose of the audit was to determine whether County Probation Department (Department) officials enforced restitution orders, notified the court when a probationer violated the court order and disbursed victim restitution payments promptly and appropriately for the period January 1, 2018 through June 30, 2019.

The State Comptroller's office released an audit report of the County on November 23, 2022. The purpose of the audit was to determine whether County officials have established appropriate controls to safeguard and account for court and trust funds.

The State Comptroller's office released a State-wide audit report which included the County, on September 3, 2024. The purpose of the audit was to determine whether officials in 10 county departments of weights and measures adequately provided consumer protections by helping to ensure the accuracy of retail prices and weighing and measuring devices for the period January 1, 2022 through September 30, 2023.

The State Comptroller's office released an audit report of the County on November 23, 2022. The purpose of the audit was to determine whether County Department of Weights and Measures completed required testing of all weighing and measuring devices used to price goods and whether complete records were maintained for the period January 1, 2022 through September 30, 2023.

Complete copies of the audit reports noted above and the County's responses to State Comptroller findings and recommendations can be found via the website of the Office of the New York State Comptroller.

There are no other recent State Comptroller’s audits relating to the County, nor are there any in progress or pending release at this time.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Other Information

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes for which bonds and notes are to be issued, is the County Law and the Local Finance Law.

The County has complied with the procedure for the validation of the Bonds provided in Title 6 of Article 2 of the Local Finance Law.

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

The fiscal year of the County is the calendar year.

This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the County.

TAX INFORMATION

Taxable Valuations

<u>Years Ending December 31:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessed Valuation	\$ 7,821,878,683	\$ 7,954,270,337	\$ 8,688,512,419	\$ 8,927,254,868	\$ 9,191,520,805
New York State Equalization Rate	92.99%	87.37%	83.62%	81.01%	77.34%
Full Valuation	\$ 8,411,898,901	\$ 9,104,120,575	\$10,391,039,230	\$11,020,573,524	\$11,885,168,436

Source: County officials.

Tax Rate Per \$1,000 (Full Value)

<u>Years Ending December 31:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
General County	\$ 7.44	\$ 6.87	\$ 6.14	\$ 5.85	\$ 5.58

Source: County officials.

Tax Collection Procedure

County real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes for County purposes apportioned to the area of the County outside the City of Watertown are levied together with taxes for town and special district purposes as a single bill. The towns and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. Taxes are collected by the town tax collectors during the period specified in the tax warrants and settlements are made by the collectors with the County Treasurer in March. Any unpaid town and special district taxes and assessments are turned over to the County Treasurer for collection.

The County Attorney is responsible for the tax enforcement acting as the Tax Enforcement Officer. The County annually forecloses on and auctions properties which are delinquent in the payment of property taxes for two years. For the past two years, these auctions have realized amounts substantially similar to the total of the outstanding taxes, interest and penalties on these properties.

In 1996, a local law was approved to allow real property owners in the County owing delinquent taxes to arrange for an installment contract. So long as a taxpayer continues payments within the terms of the contract, real property is protected from tax enforcement proceedings.

The collection of County taxes levied on properties within the City of Watertown are enforced, and will continue to be enforced, by the City of Watertown and the County receives the full amount of such taxes in the year due.

Unpaid village taxes and non-city school district taxes on properties outside the City of Watertown are turned over to the County for collection. Any such taxes remaining at year-end are relieved as County taxes in the subsequent year.

School taxes remaining unpaid in the enlarged city school district (outside city) are turned over to the County Treasurer in December for collection. After 2 years, the County will pay the City School for any unpaid city school taxes plus 24% interest.

Tax Levy and Tax Collection Record

<u>Years Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy (warrant)	\$ 60,440,665	\$ 61,931,157	\$ 62,556,720	\$ 63,807,854	\$ 64,445,933
Uncollected December 31 st	1,414,687	2,219,112	1,173,270	1,757,720	2,515,729
% Uncollected December 31 st	2.3%	3.6%	1.9%	2.8%	3.9%

Source: County officials.

Hotel Tax

Pursuant to Chapter 764 of the Laws of 1984 of the State, Section 1202-C of the Tax Law was added whereby effective September 2, 1984, the County of Jefferson was authorized and empowered to adopt and amend local laws to impose a 3 percent hotel or motel tax. The County, pursuant to State authorization, enacted the occupancy tax by local law on March 22, 1988. The proceeds of the tax are shared between the County, the City of Watertown and the twenty-two towns and must be designated for use to promote tourism.

Ten Larger Taxpayers – 2025 Assessment Roll for 2026 County Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
National Grid	Utility	\$ 282,296,095
Eagle Ridge Equity LLC	Commercial	66,000,000
Northbrook New York LLC	Commercial	39,305,600
Erie Boulevard Hydropower LP	Utility	30,461,833
CSX Transportation, Inc.	Rail-based transportation	27,630,647
LeRay Housing Associates	Apartments	20,864,000
LeRay 300 LLC	Apartments	19,296,200
Wal-Mart Real Estate	Retail	18,136,600
Verizon, New York	Utility	16,138,134
Thousand Island Park Corp.	Real Estate	12,755,400

The larger taxpayers, listed above, have a total assessed valuation of \$532,884,509 which represents 5.8% of the County’s 2026 tax roll.

The County does not have any pending or outstanding tax certioraris that are known or believed to have a material impact on the County.

Note: Includes properties inside the City of Watertown.

Source: County officials.

Constitutional Tax Margin

Computation of Constitutional Tax Margin for Fiscal Years Ending December 31:

	<u>2024</u>	<u>2025</u>	<u>2026</u>
Five-Year Average Full Valuation	\$ 8,872,196,509	\$ 9,438,119,119	\$ 10,162,560,133
Tax Limit – 1.5%.....	133,082,948	141,571,787	152,438,402
Add: Exclusions from Limit	<u>1,369,860</u>	<u>1,371,498</u>	<u>1,373,680</u>
Total Taxing Power	134,452,808	142,943,285	153,812,082
Less: Total County-wide levy.....	<u>63,807,854</u>	<u>64,445,933</u>	<u>66,314,865</u>
Tax Margin.....	<u>\$ 70,644,954</u>	<u>\$ 78,497,352</u>	<u>\$ 87,497,217</u>

Source: County officials.

Sales Tax Revenues

Beginning on December 1, 2015, the County raised its County-wide sales tax rate from 3.75% to 4.00%. The sales tax is distributed as follows: 47% to the County, 24% to the City and 29% to the towns and villages on the basis of full value real property assessment. Most of the towns receive their share from the County in cash while others have elected to receive their portion in cash and a credit by reduction of the town's portion of the County real property tax levy (excluding the villages).

<u>Year</u>	<u>County Sales Tax</u>	<u>County Share of Collections</u>
2017	\$ 75,086,503	\$ 35,290,656
2018	78,658,684	36,969,582
2019	79,863,540	37,535,864
2020	82,144,544	38,518,257
2021	97,313,446	45,737,320
2022	100,661,021	47,310,680
2023	103,709,287	48,743,364
2024	103,886,247	48,826,536
2025	108,676,487	51,077,949
2026 (Budgeted)	100,500,000	47,235,000

Source: County officials.

Other Tax Information

Real property in the County is assessed by the local assessors of the component towns and the City of Watertown.

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

The taxable assessment roll of the County is constituted approximately as follows:

<u>Category</u>	<u>Percentage</u>
Agriculture	2.11%
Residential	50.92%
Vacant Land	25.50%
Commercial	5.79%
Recreational & Entertainment	1.02%
Community Services	3.27%
Industrial	0.79%
Public Service	7.02%
Wild & Forested Lands	<u>3.59%</u>
Totals:	100.0%

The total property tax bill of a typical residence in the City of Watertown with an assessed value of \$100,000 is currently estimated to be \$2,926 including County, City of Watertown and school district taxes.

Source: County officials.

TAX LEVY LIMITATION LAW

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It was set to expire on June 15, 2020, however subsequent 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.

COUNTY INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the County Legislature authorizes and utilizes the issuance of bonds with substantially level or declining annual debt service. The County is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The County has the power to contract indebtedness for any County purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. 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 County 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 authorized the power and procedure for the County to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the County Law and the General Municipal Law.

Pursuant to the Local Finance Law, the County authorizes the issuance of bonds and notes by the adoption of a bond resolution approved by at least two-thirds of the members of the County Legislature, the finance board of the County. Customarily, the County Legislature has delegated to the Chief Fiscal Officer, as chief fiscal officer of the County, 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 and notes 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 County is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity is commenced within twenty days after the date of such publication,

or, (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the County complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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

The County Legislature, as the finance board of the County, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may, and generally does, delegate the power to sell the obligations to the County Treasurer, the chief fiscal officer of the County, pursuant to the Local Finance Law.

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 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 County with power to issue certain other short-term general obligation indebtedness including revenue and bond anticipation notes, deficiency notes and budget 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	\$ 16,900,000	\$ 15,715,000	\$ 14,515,000	\$ 13,290,000	\$ 12,040,000
Bond Anticipation Notes	0	0	0	0	0
Installment Purchase Obligations	<u>3,499,405</u>	<u>2,893,229</u>	<u>2,274,018</u>	<u>1,641,491</u>	<u>995,361</u>
Total Debt Outstanding	<u>\$ 20,399,405</u>	<u>\$ 18,608,229</u>	<u>\$ 16,789,018</u>	<u>\$ 14,931,491</u>	<u>\$ 13,035,361</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the County evidenced by serial bonds and notes as of June 3, 2026:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount Outstanding</u>
Bonds	2026-2037	<u>\$ 11,390,000</u>
Total Indebtedness:		<u>\$ 11,390,000</u>

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 3, 2026:

Five-Year Average Full Valuation of Taxable Real Property	\$10,162,560,133
Debt Limit – 7% thereof.....	711,379,209

Inclusions:

Bonds.....	\$ 11,390,000	
Bond Anticipation Notes	<u>0</u>	
Total Inclusions.....		\$ 11,390,000

Exclusions:

Appropriations.....	\$ 625,000	
Total Exclusions.....		\$ 625,000

Total Net Indebtedness Subject to Debt Limit.....	<u>\$ 10,765,000</u>
Net Debt-Contracting Margin.....	<u>700,614,209</u>
Percent of Debt Contracting Power Exhausted.....	1.51%

Bonded Debt Service

A schedule of Bonded Debt Service may be found in “APPENDIX – B” to this Continuing Disclosure Statement.

Cash Flow Borrowings

The County has not found it necessary to borrow tax anticipation notes or revenue anticipation notes in the past and does not anticipate the need to borrow either in the foreseeable future.

Other Obligations

In 2017, the County entered into an installment purchase contract with Bank of America Public Capital Corporation for the purpose of acquiring, installing and implementing equipment related to the emergency communications project. The original agreement amount was \$7,974,153. The agreement has a 10-year term with an interest rate of 2.14% with a maturity date of April 14, 2027. The County has full ownership of the assets acquired with the proceeds of the installment purchase contact. As of June 3, 2026, the remaining principal balance on the agreement was \$335,336.

Estimate of Obligations to be Issued

Other than in connection with the current issuance of the Bonds, the County has no borrowings contemplated at this time.

Capital Planning and Budgeting

Pursuant to Section 99-g of the General Municipal Law, the County has undertaken the planning and execution of a capital program in accordance with the provisions of such section. The adoption of such program is not, in the case of the County, subject to referendum. At any time after the adoption thereof the County Legislature, by the affirmative vote of two-thirds of its total membership, may amend such program by adding, modifying or abandoning the projects, or by modifying the methods of financing.

The following sets forth a summary of the 2023-2028 County Capital Program. It is noted that each planned project must be duly authorized before being undertaken, and that such programs may be modified by application of State and/or Federal aid.

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Building Projects	\$ 783,000	\$ 150,000	\$ 178,000	\$ 195,000	\$ 170,000	190,000
Computer Projects	350,000	280,000	280,000	280,000	280,000	280,000
Dog Control	72,707	0	0	0	0	0
Public Safety Facility	490,000	50,000	30,000	50,000	40,000	50,000
Public Health Facility	30,000	15,000	10,000	15,000	10,000	20,000
Highway Facility	456,000	25,000	20,000	0	20,000	0
Highway Road Projects	1,670,000	1,900,000	1,900,000	1,900,000	2,000,000	2,000,000
Economic Development	1,000,100	1,000,000	500,000	500,000	250,000	250,000
Airport	7,702,000	9,729,000	4,812,000	1,778,000	12,194,000	0
Highway Bridge Projects	1,600,000	1,100,000	1,600,000	1,000,000	1,900,000	2,000,000

Source: County officials.

Estimated Overlapping Indebtedness

In addition to the County, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the County. Estimated indebtedness of the respective municipalities is outlined in the table below:

	County Share of Gross Indebtedness ⁽¹⁾
Towns	\$ 68,757,502
Villages	64,383,465
City of Watertown	28,504,863
School Districts	178,991,309
Fire Districts	5,299,598
	<u>\$ 345,936,736</u>

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

Note: Gross indebtedness sourced from local government data provided by the State Comptroller's office. Information regarding excludable debt for municipalities, such as water debt, sewer debt and budgeted appropriations, and State building aid for school districts, to the extent such indebtedness may be applicable to the respective municipality, is not provided in the local government data the above table is sourced from.

Debt Ratios

The following table sets forth certain ratios relating to the County’s net indebtedness as of June 3, 2026:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 10,765,000	\$ 96.51	0.09%
Net Indebtedness Plus Gross Overlapping Indebtedness ^(d)	356,701,736	3,197.97	3.00

- (a) The 2024 estimated population of the County is 111,540 (See “THE COUNTY - Population” herein.)).
- (b) The County’s full value of taxable real estate for 2026 is \$11,885,168,436. (See “TAX INFORMATION” herein)
- (c) See “Debt Statement Summary” for calculation of Net Indebtedness, herein.
- (d) Estimated net overlapping indebtedness is \$345,936,736. (See "Estimated Overlapping Indebtedness" herein.)

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

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

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

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

No current state law purports to create any priority for holders of the Bonds should the County 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 to receive interest and principal from the County could be adversely affected by the restructuring of the County’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 County (including the Bonds) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the County under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors’ rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

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

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

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

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law described below enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

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 County 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 County indebtedness is currently past due. To the best knowledge of current County officials, the County has not defaulted in the payment of the principal of and interest on any indebtedness in the past five years.

MARKET AND RISK FACTORS

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

The County 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 County, in any year, the County may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the County.

There are a number of general factors which could have a detrimental effect on the ability of the County 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 County. Unforeseen developments could also result in substantial increases in County expenditures, thus placing strain on the County's financial condition. These factors may have an effect on the market price of the Bonds.

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 Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder to incur a potential capital loss if such bond 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 Bonds and other debt issued by the County. Any such future legislation would have an adverse effect on the market value of the Bonds (See "TAX MATTERS" herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the County and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the County and hence upon the market price of the Bonds. See "TAX LEVY LIMITATION LAW" herein.

Cybersecurity

The County, 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 County 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 County digital networks and systems and the costs of remedying any such damage could be substantial.

TAX MATTERS

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 Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes. These requirements include provisions which prescribe yield and other limits relative to the investment and expenditures of the proceeds of the Bonds and other amounts and require that certain earnings be rebated to the federal government. The County will agree to comply with certain provisions and procedures, pursuant to which such requirements can be satisfied. Non-compliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which non-compliance is ascertained.

The Code imposes a 30% branch profits tax on the earnings and profits of a United States branch of certain foreign corporations attributable to its income effectively connected (or treated as effectively connected) with a United States trade or business. Included in the earnings and profits of the United States branch of a foreign corporation is income that would be effectively connected with the United States trade or business if such income were taxable, such as the interest on the Bonds. Existing United States income tax treaties may modify, reduce, or eliminate the branch profits tax, except in cases of treaty shopping.

The Code further provides that interest on the Bonds is included in the calculation of modified adjusted gross income in determining whether a portion of Social Security or railroad retirement benefits is to be included in taxable income of individuals. In addition, certain S Corporations may have a tax imposed on passive income, including tax-exempt interest, such as interest on the Bonds.

Prospective purchasers should consult their tax advisors with respect to the calculations of the alternative minimum tax or foreign branch profits tax liability, and the tax on passive income of S Corporations or the inclusion of Social Security or other retirement payments in taxable income.

In the opinion of Bond Counsel, assuming compliance with certain requirements of the Code, under existing laws, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, however, interest on the Bonds that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code.

The opinion of Bond Counsel described herein with respect to the federal income tax treatment of interest paid on the Bonds is based upon the current provisions of the Code. There can be no assurance that the Code will not be amended in the future so as to reduce or eliminate such favorable federal income tax treatment on the Bonds. Any such future legislation would have an adverse effect on the market value of the Bonds.

In addition, in the opinion of Bond Counsel, under existing laws, interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after December 31, 2022, this legislation will impose a fifteen percent (15%) percent alternative minimum tax on the adjusted financial statement income of certain corporations. Interest on the Bonds will be included in the adjusted financial statement income of such corporations for purposes of computing the corporate alternative minimum tax imposed under the Code.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds will be covered by the unqualified legal opinion of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the County, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount, subject to the statutory limitation imposed by the Tax Cap Law, (ii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York; and (iii) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals however, interest on the Bonds that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The County has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds. It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases. See "TAX LEVY LIMITATION LAW" herein.

Bond Counsel has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except to the extent, if any, stated in the Official Statement) or any other offering material relating to the Bonds, and Bond Counsel expresses no opinion relating thereto (excepting only matters set forth as Bond Counsel's opinion in the Official Statement).

CONTINUING DISCLOSURE COMPLIANCE

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 County will enter into a Continuing Disclosure Undertaking, a description of which is attached hereto as "APPENDIX – C, CONTINUING DISCLOSURE UNDERTAKING"

Continuing Disclosure Compliance History

The County has complied with all previous Undertakings in all material respects pursuant to the Rule within the past five years.

LITIGATION

The County is subject to a number of lawsuits in the ordinary conduct of its affairs. The County Attorney does not believe, however, that such suits, individually or in the aggregate are likely to have a material adverse effect on the financial condition of the County.

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 County threatened against or affecting the County to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the County taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the County.

RATINGS

Moody's Ratings ("Moody's") has assigned their rating of "Aa3" to the Bonds. There is no outlook assigned to this rating. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. The rating reflects only the view of Moody's and an explanation of the significance of such rating may be obtained from Moody's Investors Service, 250 Greenwich Street, New York, NY 10007, Phone: (212) 553-0038

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 rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the Bonds may have an adverse effect on the market price of the Bonds.

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 County 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 Bonds. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the County and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the County or the information set forth in this Official Statement or any other information available to the County 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 County to Fiscal Advisors are partially contingent on the successful closing of the Bonds.

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 Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the County provided, however; the County assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

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

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

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

Bond, Schoeneck & King, PLLC, Syracuse, New York, Bond Counsel to the County, expressed no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the County for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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

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

The County contact information is as follows: Mr. Brian S. Peck, County Office Building, 175 Arsenal Street, Watertown, New York 13601, Phone: (315) 785-3056, email: bpeck@jeffersoncountyny.gov

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

COUNTY OF JEFFERSON

Dated: June 3, 2026

BRIAN S. PECK
County Treasurer

GENERAL FUND

Balance Sheets

Fiscal Year Ending December 31:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u> (Unaudited)
ASSETS					
Cash and Cash Equivalents	\$ 32,031,626	\$ 26,194,329	\$ 23,940,411	\$ 36,762,912	\$ 45,476,974
Restricted Cash and Cash Equivalents	15,648,860	26,383,947	23,350,484	21,891,821	3,024,667
Investments	33,676,576	48,001,346	60,115,693	51,079,953	49,552,330
Property Taxes Receivable, net	8,785,618	8,849,577	9,355,733	9,456,445	9,219,098
Accounts Receivable, net	2,423,873	2,090,143	3,321,512	3,668,373	2,725,985
Intergovernmental receivables	19,003,513	20,944,092	25,837,524	23,158,155	28,049,085
Leases receivable	-	768,489	730,179	665,536	650,044
Due from Other Funds	750,000	306,384	86,262	-	1,028,959
Prepaid Expenses	2,103,964	3,678,359	1,429,746	1,608,294	1,806,165
Inventories	55,910	89,570	87,668	81,256	141,292
TOTAL ASSETS	<u>\$ 114,479,940</u>	<u>\$ 137,306,236</u>	<u>\$ 148,255,212</u>	<u>\$ 148,372,745</u>	<u>\$ 141,674,599</u>
LIABILITIES AND FUND BALANCES					
Accounts Payable	\$ 8,572,290	\$ 11,383,651	\$ 11,544,277	\$ 15,092,973	\$ 17,111,935
Accrued Liabilities	1,228,453	1,031,198	1,129,186	1,411,807	1,244,408
Intergovernmental payables	9,774,154	9,965,614	9,915,667	10,535,091	11,562,555
Other Liabilities	134,178	2,678,085	67,274	163,341	-
Unearned Revenue	12,237,000	15,963,294	12,944,695	3,122,481	2,119,815
Deferred Revenues	8,418,245	9,451,094	9,870,045	9,840,130	10,838,221
TOTAL LIABILITIES	<u>\$ 40,364,320</u>	<u>\$ 50,472,936</u>	<u>\$ 45,471,144</u>	<u>\$ 40,165,823</u>	<u>\$ 42,876,934</u>
FUND BALANCES					
Nonspendable	\$ 2,909,874	\$ 1,554,894	\$ 1,517,414	\$ 1,689,550	\$ 1,947,457
Restricted	3,411,861	4,071,779	4,122,536	7,123,268	8,661,274
Committed	-	6,000,000	6,283,255	11,646,073	6,901,444
Assigned	13,528,047	23,910,822	21,090,338	27,612,192	26,360,010
Unassigned	54,265,838	51,295,805	69,770,525	60,135,839	54,927,480
TOTAL FUND BALANCES	<u>74,115,620</u>	<u>86,833,300</u>	<u>102,784,068</u>	<u>108,206,922</u>	<u>98,797,665</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 114,479,940</u>	<u>\$ 137,306,236</u>	<u>\$ 148,255,212</u>	<u>\$ 148,372,745</u>	<u>\$ 141,674,599</u>

Source: 2021-2024 audited financial statements and 2025 unaudited annual financial report of the County.
Fiscal year ending 2025 final audited figures may vary from unaudited figures shown. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u> (Unaudited)
REVENUES					
Real Property Taxes	\$ 60,981,569	\$ 62,064,204	\$ 62,569,399	\$ 62,997,684	\$ 62,636,108
Real Property Tax Items	4,351,735	3,196,814	3,146,561	2,571,242	3,165,488
Non-Property Tax Items	97,864,862	101,837,973	104,850,431	105,062,955	109,704,981
Departmental Income	11,046,392	10,680,522	11,788,876	11,023,696	11,551,849
Intergovernmental Charges	3,046,397	2,963,477	3,294,336	3,576,229	4,064,556
Use of Money & Property	522,973	566,460	5,181,785	6,091,056	5,067,474
Licenses and Permits	40,067	52,955	30,073	28,454	32,514
Fines and Forfeitures	158,173	223,834	226,509	147,436	171,681
Sale of Property and Compensation for Loss	1,606,378	1,618,967	1,525,033	1,352,029	1,498,384
Miscellaneous	4,151,329	4,318,169	4,495,103	4,789,816	5,341,019
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	22,580,058	22,604,060	35,651,324	38,386,270	39,678,966
Revenues from Federal Sources	21,169,391	27,373,543	30,381,568	27,658,492	24,561,999
Total Revenues	<u>\$ 227,519,324</u>	<u>\$ 237,500,978</u>	<u>\$ 263,140,998</u>	<u>\$ 263,685,359</u>	<u>\$ 267,475,019</u>
EXPENDITURES					
General Government Support	\$ 69,537,221	\$ 74,814,274	\$ 80,475,454	\$ 80,835,836	\$ 82,898,598
Education	10,639,207	11,611,411	11,935,617	12,797,758	16,137,303
Public Safety	23,757,573	24,229,294	27,603,568	31,567,388	34,285,233
Health	15,008,020	15,364,788	19,601,369	18,552,869	19,751,771
Transportation	2,322,405	2,970,640	3,314,943	3,701,465	4,231,802
Economic Assistance and Opportunity	60,120,414	62,210,412	68,100,010	75,784,294	81,716,097
Culture and Recreation	341,203	376,117	313,776	414,363	448,812
Home and Community Services	1,007,283	892,135	1,022,541	1,159,735	1,274,342
Employee Benefits	9,221,819	11,628,073	11,687,350	13,651,006	13,345,797
Debt Service	-	-	114,000	111,133	-
Total Expenditures	<u>\$ 191,955,145</u>	<u>\$ 204,097,144</u>	<u>\$ 224,168,628</u>	<u>\$ 238,575,847</u>	<u>\$ 254,089,755</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 35,564,179</u>	<u>\$ 33,403,834</u>	<u>\$ 38,972,370</u>	<u>\$ 25,109,512</u>	<u>\$ 13,385,264</u>
Other Financing Sources (Uses):					
Proceeds of Obligations	-	-	430,271	800,498	-
Operating Transfers In	17,000	38,000	393,000	2,704,963	710,622
Operating Transfers Out ⁽¹⁾	(14,981,196)	(20,724,154)	(23,844,873)	(23,192,119)	(23,505,143)
Total Other Financing	<u>\$ (14,964,196)</u>	<u>\$ (20,686,154)</u>	<u>\$ (23,021,602)</u>	<u>\$ (19,686,658)</u>	<u>\$ (22,794,521)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>20,599,983</u>	<u>12,717,680</u>	<u>15,950,768</u>	<u>5,422,854</u>	<u>(9,409,257)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	53,515,637	74,115,620	86,833,300	102,784,068	108,206,922
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 74,115,620</u>	<u>\$ 86,833,300</u>	<u>\$ 102,784,068</u>	<u>\$ 108,206,922</u>	<u>\$ 98,797,665</u>

⁽¹⁾ Includes transfers to Capital Fund and other nonmajor funds.

GENERAL FUND

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

Fiscal Years Ending December 31:	2025		2026
	Adopted Budget	Unaudited Actual	Adopted Budget
REVENUES			
Real Property Taxes	\$ 64,445,933	\$ 62,636,108	\$ 66,314,865
Real Property Tax Items	2,525,000	3,165,488	2,672,000
Non-Property Tax Items	97,700,000	109,704,981	101,784,600
Departmental Income	14,560,306	11,551,849	16,087,306
Intergovernmental Charges	3,410,593	4,064,556	3,539,289
Use of Money & Property	2,027,600	5,067,474	3,100,544
Licenses and Permits	125,000	32,514	30,000
Fines and Forfeitures	263,000	171,681	315,155
Sale of Property and Compensation for Loss	2,322,280	1,498,384	216,124
Miscellaneous	4,608,751	5,341,019	8,573,219
Interfund Revenues	22,365,985	-	22,766,378
Revenues from State Sources	35,085,245	39,678,966	43,330,624
Revenues from Federal Sources	22,431,652	24,561,999	22,337,999
Total Revenues	\$ 271,871,345	\$ 267,475,019	\$ 291,068,103
EXPENDITURES			
General Government Support	\$ 80,322,661	\$ 82,898,598	\$ 81,098,216
Education	13,369,424	16,137,303	6,272,951
Public Safety	33,128,801	34,285,233	27,755,068
Health	19,154,032	19,751,771	28,466,466
Transportation	4,121,841	4,231,802	3,908,083
Economic Assistance and Opportunity	81,153,657	81,716,097	75,241,276
Culture and Recreation	400,000	448,812	-
Home and Community Services	923,044	1,274,342	2,743,933
Employee Benefits	37,579,315	13,345,797	63,127,161
Debt Service	-	-	-
Total Expenditures	\$ 270,152,775	\$ 254,089,755	\$ 288,613,154
Excess of Revenues Over (Under) Expenditures	\$ 1,718,570	\$ 13,385,264	\$ 2,454,949
Other Financing Sources (Uses):			
Proceeds of Obligations	-	-	-
Operating Transfers In	-	710,622	187,728
Operating Transfers Out ⁽¹⁾	(15,343,716)	(23,505,143)	(16,820,013)
Total Other Financing	\$ (15,343,716)	\$ (22,794,521)	\$ (16,632,285)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(13,625,146)	(9,409,257)	(14,177,336)
FUND BALANCE			
Fund Balance - Beginning of Year	13,625,146	108,206,922	14,177,336
Prior Period Adjustments (net)	-	-	-
Fund Balance - End of Year	\$ -	\$ 98,797,665	\$ -

⁽¹⁾ Includes transfers to Capital Fund and other nonmajor funds.

Source: 2025 annual financial report (unaudited) of the County.

Fiscal year ending 2025 final audited figures may vary from unaudited figures shown. This Appendix is not itself audited.

CHANGES IN FUND EQUITY

Fiscal Year Ending December 31:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u> (unaudited)
<u>OTHER GOVERNMENTAL FUNDS</u> ⁽¹⁾					
Fund Equity - Beginning of Year	\$ 10,256,923	\$ 11,203,209	\$ 13,229,773	\$ 14,632,198	\$ 12,759,333
Prior Period Adjustments (net)	-	-	-	(257,632)	(30,110)
Revenues & Other Sources	25,204,326	27,231,953	30,845,793	28,579,644	28,544,440
Expenditures & Other Uses	24,258,040	25,205,391	29,443,368	30,194,877	32,425,876
Fund Equity - End of Year	\$ 11,203,209	\$ 13,229,771	\$ 14,632,198	\$ 12,759,333	\$ 8,847,787
<u>CAPITAL PROJECTS FUND</u>					
Fund Equity - Beginning of Year	\$ 15,613,790	\$ 13,170,369	\$ 13,363,463	\$ 18,087,067	\$ 13,475,858
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	8,580,103	18,389,377	21,083,775	24,679,911	58,260,473
Expenditures & Other Uses	11,023,524	18,196,283	16,360,168	29,291,120	52,520,802
Fund Equity - End of Year	\$ 13,170,369	\$ 13,363,463	\$ 18,087,070	\$ 13,475,858	\$ 19,215,529
<u>ENTERPRISE FUND - REFUSE GARBAGE</u>					
Net Position - Beginning of Year	\$ 2,954,518	\$ 3,728,135	\$ 4,317,351	\$ 4,747,048	\$ (2,260,751)
Prior Period Adjustments (net)	-	-	-	(8,267,744)	(182,637)
Revenues & Other Sources	4,400,679	4,323,028	4,619,261	5,554,086	5,117,362
Expenditures & Other Uses	3,627,062	3,733,812	4,189,564	4,294,141	4,819,507
Net Position - End of Year	\$ 3,728,135	\$ 4,317,351	\$ 4,747,048	\$ (2,260,751)	\$ (2,145,533)

⁽¹⁾ Includes Special Grant, County Road, Road Machinery and Debt Service Funds.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2026	\$ 1,275,000	\$ 285,206	\$ 1,560,206
2027	1,300,000	260,656	1,560,656
2028	1,330,000	235,506	1,565,506
2029	1,345,000	208,244	1,553,244
2030	1,375,000	178,881	1,553,881
2031	1,400,000	147,975	1,547,975
2032	770,000	114,906	884,906
2033	790,000	90,456	880,456
2034	810,000	64,838	874,838
2035	835,000	37,950	872,950
2036	400,000	18,300	418,300
2037	410,000	6,150	416,150
TOTALS	\$ 12,040,000	\$ 1,649,069	\$ 13,689,069

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2015 Various Projects			2017 Various Projects		
	Principal	Interest	Total	Principal	Interest	Total
	2026	\$ 355,000	\$ 120,900	\$ 475,900	\$ 295,000	\$ 117,588
2027	365,000	110,100	475,100	305,000	110,088	415,088
2028	375,000	99,000	474,000	315,000	102,338	417,338
2029	380,000	87,675	467,675	320,000	93,600	413,600
2030	390,000	76,125	466,125	330,000	83,850	413,850
2031	400,000	64,275	464,275	340,000	73,800	413,800
2032	415,000	51,531	466,531	355,000	63,375	418,375
2033	425,000	37,881	462,881	365,000	52,575	417,575
2034	435,000	23,363	458,363	375,000	41,475	416,475
2035	450,000	7,875	457,875	385,000	30,075	415,075
2036	-	-	-	400,000	18,300	418,300
2037	-	-	-	410,000	6,150	416,150
TOTALS	\$ 3,990,000	\$ 678,725	\$ 4,668,725	\$ 4,195,000	\$ 793,213	\$ 4,988,213

Fiscal Year Ending Dec 31st	2020 Various Projects		
	Principal	Interest	Total
2026	\$ 625,000	\$ 46,719	\$ 671,719
2027	630,000	40,469	670,469
2028	640,000	34,169	674,169
2029	645,000	26,969	671,969
2030	655,000	18,906	673,906
2031	660,000	9,900	669,900
TOTALS	\$ 3,855,000	\$ 177,131	\$ 4,032,131

CONTINUING DISCLOSURE UNDERTAKING

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

- (i) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated June 10, 2026 of the County relating to the Bonds under the headings “THE COUNTY”, “TAX INFORMATION”, “COUNTY INDEBTEDNESS”, “LITIGATION” and “APPENDIX-A, A1, A2, A3” and “APPENDIX-B, B1” by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2026, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2026; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the County of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the County of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
 - (a) principal and interest payment delinquencies
 - (b) non-payment related defaults; if material
 - (c) unscheduled draws on debt service reserves reflecting financial difficulties
 - (d) 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 of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (g) modifications to rights of Bondholders; if material
 - (h) bond calls, if material, and tender offers
 - (i) defeasances
 - (j) release, substitution, or sale of property securing repayment of the Bonds; if material
 - (k) rating changes
 - (l) bankruptcy, insolvency, receivership or similar event of the County;
 - (m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (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 County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect bondholders, 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 County, 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 Bonds.

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

For the purposes of the event identified in (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 an obligated person 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 obligated person, 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 obligated person.

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

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

- (iii) in a timely manner, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

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

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

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

COUNTY OF JEFFERSON, NEW YORK

AUDITED FINANCIAL STATEMENT (the “Audit”)

For the Fiscal Year Ended December 31, 2024

Can be accessed on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board at the following link:

<https://emma.msrb.org/P11887723.pdf>

The Audit referenced above is hereby incorporated by reference into this Official Statement.

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

The County’s independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The County’s independent auditor also has not performed any procedures relating to this Official Statement.

COUNTY OF JEFFERSON, NEW YORK

UNAUDITED ANNUAL FINANCIAL REPORT (The “AFR”)

For the Year Ended December 31, 2025

Can be accessed on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board at the following link:

<https://emma.msrb.org/P11944368.pdf>

The AFR referenced above is hereby incorporated by reference into this Official Statement.

*Such AFR was prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement. Such AFR is unaudited and not prepared in accordance with GAAP. Final audited results for the fiscal year ended December 31, 2025 may differ from the results set forth in the 2025 AFR.