

PRELIMINARY OFFICIAL STATEMENT DATED MAY 21, 2025

**RENEWAL ISSUE
BOND ANTICIPATION NOTES**

RATING: See “Rating” herein

In the opinion of WJ Marquardt PLLC, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. (See “TAX MATTERS” herein.)

The Village **WILL** designate the Notes as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

**VILLAGE OF SKANEATELES
ONONDAGA COUNTY, NEW YORK**

**\$2,615,000
BOND ANTICIPATION NOTES – 2025
(the “Notes”)**

Date of Issue: June 12, 2025

Maturity Date: June 12, 2026

The Notes are general obligations of the Village of Skaneateles, Onondaga County, New York (the “Village”), and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Village, subject to certain statutory limitations. (See “TAX LEVY LIMITATION LAW” herein.)

The Notes are dated their Date of Issue and bear interest from such date until the Maturity Date, at the annual rate(s) as specified by the purchaser(s) of the Notes. The Notes will not be subject to redemption prior to maturity.

The Notes will be issued as registered notes. At the option of the purchaser(s), the Notes will be either (i) registered in the name of the successful bidder(s) or (ii) registered to Cede & Co., as the partnership nominee for The Depository Trust Company, Jersey City, New Jersey (“DTC”) as book-entry notes.

If the Notes are registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Village, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as Securities Depository for such Notes. Said Notes will be registered to Cede & Co. as partnership nominee for DTC. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Purchasers will not receive certificates representing their ownership interests in the Notes issued in book-entry-only form. Payment of the principal of and interest on such Notes will be made by the Village to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Notes as described herein. (See “Description of Book-Entry System” herein.)

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the final approving opinion of WJ Marguardt PLLC, Skaneateles, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the offices of DTC in New York, New York or as otherwise agreed upon, on or about June 12, 2025.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE VILLAGE FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”). FOR A DESCRIPTION OF THE VILLAGE’S UNDERTAKING TO PROVIDE NOTICE OF EVENTS FOR THE NOTES AS DESCRIBED IN THE RULE, SEE “CONTINUING DISCLOSURE” HEREIN.

Dated: May __, 2025

This Preliminary Official Statement and the information contained in it are subject to completion and amendment in a final official statement. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any sale of the Notes offered by this Preliminary Official Statement in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

**VILLAGE OF SKANEATELES
ONONDAGA COUNTY, NEW YORK**

VILLAGE BOARD OF TRUSTEES

**Mary Sennett
Mayor**

Ed EvansTrustee
Josh Kemp.....Trustee
Tyde RichardsTrustee
Kathleen ZapataTrustee

Carrie Hanno Village Treasurer
Laurie Walter Village Clerk
Ian Carroll Village Municipal Planning and Development Coordinator
Jordan R. Pavlus.....Village Attorney

BOND COUNSEL

**WJ Marquardt PLLC
Skaneateles, New York**

MUNICIPAL ADVISOR



CAPITAL MARKETS ADVISORS, LLC

Long Island * Hudson Valley * Southern Tier * Western New York
(516) 487-9817

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the Village. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Village from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date hereof.

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OFFICIAL STATEMENT
VILLAGE OF SKANEATELES
ONONDAGA COUNTY, NEW YORK

relating to
\$2,615,000
BOND ANTICIPATION NOTES – 2025

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Village of Skaneateles, in the County of Onondaga, in the State of New York (the “Village”, “County” and “State,” respectively) in connection with the sale of the Village’s \$2,615,000 Bond Anticipation Notes – 2025 (the “Notes”).

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

THE NOTES

Description

The Notes will be dated and will mature, without option of prior redemption, as shown on the cover page hereof.

Paying agent fees, if any, will be paid by the purchaser(s). The Village Clerk will act as fiscal agent for the Notes. The Village Clerk, Laurie Walter, clerk@villageofskaneateles.com, (315) 685-3440, shall be the Fiscal Agent and Paying Agent contact.

Authority for and Purpose of the Notes

The Notes are issued pursuant to the Constitution and Laws of the State, including among others, the Village Law, the Local Finance Law, and various bond resolutions duly adopted by the Village Board of Trustees as described below. The proceeds from the sale of the Notes, together with \$1,356,000 in available funds, will be used to redeem the Village’s \$3,971,000 Bond Anticipation Notes – 2024 in full at maturity.

<u>Purpose</u>	<u>Authorization Date</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>	<u>Principal Paydown</u>	<u>New Money</u>	<u>Amount Funded With Notes</u>
Construction and acquisition of a dwelling for use as a residence for the Skaneateles Volunteer Fire Department	04/22/2021	\$ 800,000	\$ 665,000	\$35,000	\$ 0	\$ 630,000
Reconstruction and improvements to the Village’s existing wastewater treatment plant	08/25/2022	3,055,200	2,000,000	15,000	0	1,985,000
Reconstruction and improvements to Clift Park and Shotwell Park	05/06/2024	526,000	306,000	306,000	0	0
Replacement of the Kelly Street Bridge over Skaneateles Creek	05/06/2024	<u>2,326,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>
Totals:		<u>\$ 6,707,200</u>	<u>\$ 3,971,000</u>	<u>\$ 1,356,000</u>	<u>\$ 0</u>	<u>\$ 2,615,000</u>

Optional Redemption

The Notes are not subject to redemption prior to maturity.

Nature of Obligation

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

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

The Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village 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 Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village subject to such taxation by the Village, 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 Village is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Village’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, ensuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in *Flushing National Bank v. Municipal Assistance Corp.*, 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in *Quirk*, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

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

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

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

Description of Book-Entry System

In the event the Notes are issued in book-entry form, The Depository Trust Company (“DTC”), will act as securities depository for the Notes. Such Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each Note which bears the same rate of interest and CUSIP number, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest 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 and www.dtc.org.

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

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

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Village, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the Village and the holder thereof. Under current law, provision is made for contract creditors of the Village 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 Village upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

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

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

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

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

The rights of the owners of the Notes to receive interest and principal from the Village could be adversely affected by the restructuring of the Village'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 Village (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Village 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 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 Village.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in the county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness. This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

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

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

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

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known.

However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

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

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

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

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

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

Several municipalities in the State are presently working with the FRB. The Village 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 Village indebtedness is past due. The Village has never defaulted in the payment of the principal of and interest on any indebtedness.

RISK FACTORS

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

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

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

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

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received (“State Aid”). The Village’s receipt of State aid may be delayed as a result of the State’s failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the Village fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Village is authorized pursuant to the Local Finance Law (“LFL”) to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Village will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the Village requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also “*Revenue*” herein.)

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

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

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

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

CYBERSECURITY

The Village, 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 Village 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 will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial.

LITIGATION

The Village is subject to a number of lawsuits in the ordinary conduct of its affairs. The Village 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 Village.

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

TAX MATTERS

In the opinion of WJ Marquardt PLLC, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX C”.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The Village has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect an Owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been advanced that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the approving legal opinion of WJ Marquardt PLLC, Bond Counsel to the Village. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix C.

CONTINUING DISCLOSURE

In order to assist the purchaser 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") with respect to the Notes, the Village will execute an Undertaking to Provide Notices of Events for the Notes, substantially in the form attached hereto as Appendix D.

Compliance History

The Village has complied with all previous undertakings in all material respects pursuant to the Rule within the past five years, however,

- The Village's Unaudited Annual Financial Report Update Document ("AUD") for Fiscal Year ended May 31, 2019 was due to be filed to EMMA no later than November 30, 2019; however, the Village's AUD was not complete as of that date. A failure to timely file event notice was filed on December 5, 2019. The AUD was filed on February 10, 2020.
- The Village's Unaudited Annual Financial Report Update Document ("AUD") for Fiscal Year ended May 31, 2021 was due to be filed to EMMA no later than November 30, 2021; however, the Village's AUD was not complete as of that date. A failure to timely file event notice was filed on December 14, 2021. The AUD was filed on December 31, 2021.
- The Village's Unaudited Annual Financial Report Update Document ("AUD") for Fiscal Year ended May 31, 2023 was due to be filed to EMMA no later than November 30, 2023; however, the Village's AUD was not complete as of that date. The AUD was filed on December 4, 2023. A failure to timely file event notice was filed on May 7, 2024.

The Village has reviewed and modified its continuing disclosure practices to ensure that all annual filings and material event notices are filed in a timely manner.

RATINGS

The Village did not apply to S&P Global Ratings ("S&P") for a rating on the Notes.

On October 23, 2019, S&P affirmed the Village's underlying credit rating of "AA".

With respect to the S&P rating applicable to uninsured debt of the Village, such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P, at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of S&P circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

MUNICIPAL ADVISOR

Capital Market Advisors, LLC, Great Neck and New York, New York (the “Municipal Advisor”), has served as the independent Municipal Advisor to the Village in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Village to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

ADDITIONAL INFORMATION

Additional information may be obtained from Ms. Carrie Hanno, Village Treasurer, 26 Fennell Street, Skaneateles, New York 13152, (315) 685-3440, or from the Village's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 487-9817.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Village and the original purchasers or holders of any of the Notes.

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

WJ Marquardt PLLC, Bond Counsel to the Village, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the Village for use in connection with the offer and sale of the Notes, including this Official Statement.

The Village 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.

Estimates and Forecasts. The statements contained in this Official Statement and the appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “illustrate,” “example,” and “continue,” or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the Village assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from

the projections, forecasts and estimates contained in this Official Statement and such variations may be material. This Official Statement is submitted only in connection with the sale of the Notes by the Village and may not be reproduced or used in whole or in part for any other purpose.

VILLAGE OF SKANEATELES
ONONDAGA COUNTY, NEW YORK

By: _____
Carrie Hanno
Village Treasurer

DATED: May __, 2025

APPENDIX A

THE VILLAGE

THE VILLAGE

General Information

The Village, which covers an area of approximately 1.7 square miles, is located within the Town of Skaneateles (the Town”) in the County of Onondaga and is at the north end of Skaneateles Lake. The Village is in the eastern section of the Finger Lakes region. The City of Syracuse is approximately 20 miles north and the City of Auburn is approximately 10 miles west of the Village.

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

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

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

Form of Government

The chief executive officer of the Village is the Mayor who is elected for a term of four years and is able to succeed him/herself. In addition to the Mayor, there are four Trustees who are elected for a term of four years. Their terms are staggered so that the Mayor and two Trustees run for election in one year and two Trustees run two years later.

The Board of Trustees appoints non-elected officials, including the Director of Municipal Operations. The Board of Trustees is the legislative body responsible for overall operations. The Mayor serves as chief executive officer and the Village Treasurer serves as chief fiscal officer.

Employees

The Village provides services through approximately 30 full and 19 part-time employees. The Village has two collective bargaining agents, as noted below:

<u>Unit</u>	<u>Number Represented</u>	<u>Date of Contract Expiration</u>
CSEA	7	May 31, 2026
PBA/Council 82	3	May 31, 2023 ⁽¹⁾

(1) Currently in negotiations.

Source: Village Officials.

Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees’ Retirement System (the “Retirement System” or “ERS”). 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 and Social Security Law (the “Retirement System Law”). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for members hired on or after January 1, 2010

whose benefits vest after ten years of credited service. The Retirement System Law 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 through and including December 31, 2009, must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System. Members hired after January 1, 2010 must contribute three percent or more of their gross annual salary toward the costs of retirement programs for the duration of their employment.

The employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1. The law requires a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. The pension payment date for all local governments is February 1.

The “Tier 6” pension program, effective for new ERS employees hired after April 1, 2012, provides, among other things, for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, 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 6 employees will vest in the system after ten years of employment and will continue to make employee pension contributions throughout employment.

The New York State Retirement System has advised the Village that municipalities can elect to make employer contribution payments in December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discounted amount. The Village prepays its employer contribution payments each year and intends to prepay its employer contribution in December 2025.

The employer contribution rate for the State’s Retirement System continues to be higher than the minimum contribution rate established by law. Contribution rates are expected to remain higher than the minimum contribution rates set by law in the near-term. To mitigate the expected increases in the employer contribution rate, legislation was enacted in 2010 that authorizes local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 3%. The legislation also requires those local governments and school districts, which decide to amortize their pension obligations pursuant to this law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance.

For the year ending May 31, 2024, the Village paid a total contribution to ERS of \$194,505. The State Comptroller is projecting that the Village’s contribution for the fiscal year ending May 31, 2025, will be \$235,408.

In 2013, the State and ERS approved a Stable Contribution Option (“SCO”), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates (“ARCs”). The plan authorizes municipalities to pay the SCO amount in lieu of the ARC amount. The Village has not participated and does not intend to participate in the modified ERS SCO plan in the foreseeable future.

ERS and PFRS Contributions. The Village has made retirement contributions to ERS and PFRS as shown in the following table:

<u>Fiscal Year</u>	<u>ERS</u>	<u>PFRS</u>
2021	\$104,941	\$41,061
2022	111,695	31,238
2023	90,308	42,416
2024	110,179	46,989
2025	195,904	50,280
2026 (Budget)	237,101	59,136

Source: Village Officials.

Other Post Employment Benefits

The Village implemented GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), which replaced GASB Statement No. 45 as of fiscal year ended May 31, 2020. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

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

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

The Village has not adopted GASB 75 for reporting of OPEB.

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

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

Legislation has been introduced to create an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State’s OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. The Village cannot predict whether such legislation will be enacted into law in the foreseeable future.

Investment Policy and Permitted Investments

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the Village is generally permitted to deposit moneys in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The Village may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Village; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the Village pursuant to law, in obligations of the Village.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the Village, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

FINANCIAL FACTORS

Impact of COVID-19 Stimulus and Uses

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 ("ARPA"). Included in this bill was \$350 billion in direct aid to state and local governments. Payments to local governments were made in two tranches, the first half 60 days after enactment and the second half one year later. The funding is available through, and must be spent by, the end of calendar year 2026.

Specifically, eligible uses of the aid include: (i) revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency; (ii) premium pay for essential workers; (iii) assistance to small businesses, households, and hard-hit industries, and economic recovery; and (iv) investments in water, sewer and broadband infrastructure. The bill also contains two restrictions on eligible uses: (i) funds cannot be used to directly or indirectly offset tax reductions or delay a tax increase; and (ii) funds cannot be deposited into any pension fund.

The Village was eligible to receive \$252,819.76 and received the first tranche of funding in the summer of 2021 in the amount of \$126,409.89 and the balance of \$126,409.89 in the summer of 2022. The Village used the ARPA funding to pay for repairs on its wastewater treatment plant.

Budgetary Procedure

The Mayor, with the assistance of the Village Clerk Treasurer, prepares the proposed budget each year, pursuant to the Laws of the State of New York, and a public hearing is held thereon. Subsequent to the public hearing revisions, if any, are made and the budget is then adopted by the Village Board of Trustees as its final budget for the coming fiscal year. The budget is not subject to referendum.

Financial Statements

As of the fiscal year ended May 31, 2018, the Village no longer retained an independent certified public accounting firm to audit its general financial records. The last completed audited financial report covered the fiscal year ended May 31, 2018. Beginning with the fiscal year ended May 31, 2019, the Village prepares an Annual Financial Report Update Document (“AUD”), which is unaudited and not prepared in accordance with GAAP. The Village’s AUD for the fiscal year ended May 31, 2024 is available and has been filed with EMMA.

The Village complies with the Uniform System of Accounts as prescribed by the State Comptroller for Villages in New York State. Except for the accounting for fixed assets, this system conforms to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accounts' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

The Village has engaged FustCharles, LLP, Certified Public Accountants, an independent certified public accounting firm to audit its financial statements for the fiscal years ended May 31, 2023 and May 31, 2024. Such audited financial statements will be made available upon their completion.

The State Comptroller’s Fiscal Stress Monitoring System and Compliance Reviews

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

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

The most current applicable report of the State Comptroller designates the Village as “no designation” with a fiscal score of “0.0” and an environmental score of “10.0”.

The financial affairs of the Village are subject to periodic compliance reviews by OSC to ascertain whether the Village has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on September 6, 2014. The purpose of the audit was to determine whether Village claims were

adequately supported, appropriate and properly audited and approved prior to payment for the period June 1, 2022 through March 28, 2024. The complete report can be obtained from OSC's website.

See the State Comptroller's official website for more information regarding the foregoing. Reference to this website implies no warranty of accuracy of information therein. References to websites and/or 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.

Basis of Accounting

The financial statements of the Village are prepared on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded in the accounting period in which they are "measurable" and "available" to finance current operations. Revenues susceptible to accrual include real property taxes, services to other governments, intergovernmental revenues and operating transfers. Expenditures are generally recognized under the modified accrual basis, that is when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems which are recorded in the general long-term obligations account group and recognized as an expenditure when due, (2) unmatured interest on general long-term debt which is recognized as an expenditure when due and (3) compensated absences which are charged to expenditures when paid.

Effective June 1, 2003, as part of the Village's compliance with reporting its operations in accordance with the provisions of the Governmental Accounting Standards Board, Statement 34 (GASB 34), the Village changed the reporting of its Water and Sewer Fund operations to an enterprise fund, full accrual basis of accounting.

Real Property Taxes

The Village derives a major portion of its revenues from a tax on real property (see "*Statement of Revenues, Expenditures and Changes in Fund Balance*" in Appendix B herein). Property taxes accounted for 57.93% and State aid accounted for 4.35% of total General Fund revenues for the fiscal year ended May 31, 2024.

The following table sets forth total fund revenues and real property taxes received for each of the past five unaudited fiscal years and the amounts budgeted for the two most recent fiscal years.

General Fund Revenues & Real Property Taxes

<u>Fiscal Year Ended May 31:</u>	<u>Total Revenues⁽¹⁾</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2020 (Unaudited)	\$3,399,111	\$1,836,588	54.03%
2021 (Unaudited)	3,170,186	1,835,875	57.91
2022 (Unaudited)	3,615,985	1,870,420	51.73
2023 (Unaudited)	3,590,408	1,909,892	53.19
2024 (Unaudited)	3,907,644	2,263,830	57.93
2025 (Adopted Budget)	4,165,074	2,297,957	55.17
2026 (Adopted Budget)	4,422,042	2,372,640	53.65

(1) General Fund.

Source: Unaudited Financial Statements and Adopted Budgets of the Village. Summary itself is not audited.

State Aid

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained in the future. There can be no assurances that the State's

financial position will not change materially or adversely from current projections. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Village, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also “RISK FACTORS” herein.)

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy.

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 federal 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.

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

The Aid and Incentives for Municipalities (“AIM”) program provides State aid to all of the State’s cities (other than New York City), and 141 towns and villages. AIM was funded at \$656.1 million in the 2021-22 Enacted State Budget. The 2019-20 Enacted State Budget reduced AIM funding by \$59 million, eliminating aid for 1,325 towns and villages determined to be less reliant on AIM. At that time, the State established AIM-Related payments which continued funding for the impacted towns and villages in the amounts that they had previously received through AIM in State Fiscal Year 2018-2019. The Office of the State Comptroller is required to withhold certain county sales tax revenues and to make AIM-Related payments, paid in December and May each year, pursuant to Chapter 59 of the Laws of 2019.

The \$59 million reduction in the AIM program eliminated funding for those municipalities where the State deemed it was not necessary or significant, and provided that funding to those municipalities by intercepting \$59 million of sales tax revenue before any normal revenue share of sales tax occurred. The 2022-23 State Budget maintained the AIM program at its current level; however, the budget does put an end to the intercept of local sales tax to pay the \$59 million in AIM-Related payments for 479 villages and 846 towns. The 2023-24 State Budget maintains the same level of AIM funding as the prior year.

Should the Village 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, the Village is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

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The following table sets forth General Fund revenue and State aid revenues received for each of the past five unaudited fiscal years, and the amounts budgeted for the two most recent fiscal years.

General Fund Revenues & State Aid Revenues

<u>Fiscal Year Ended May 31:</u>	<u>Total Revenues⁽¹⁾</u>	<u>General Fund State Aid</u>	<u>State Aid To Revenues</u>
2020 (Unaudited)	\$3,399,111	\$148,644	4.37%
2021 (Unaudited)	3,170,186	110,517	3.49
2022 (Unaudited)	3,615,985	171,160	4.73
2023 (Unaudited)	3,590,408	149,638	4.17
2024 (Unaudited)	3,907,644	169,831	4.35
2025 (Adopted Budget)	4,165,074	218,000	5.23
2026 (Adopted Budget)	4,422,042	215,000	4.86

(1) General Fund.

Source: Unaudited Financial Statements and Adopted Budgets of the Village. Summary itself is not audited.

Fund Structures and Accounts

The Village utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions, or limitations.

There are two basic fund types: (1) governmental funds that are used to account for basic services, debt service and capital projects; and (2) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Village maintains the following governmental funds: General Fund, Water Fund, Sewer Fund, Electric Fund and Parking Fund.

Other Information

No principal or interest upon any obligation of this Village is past due. The fiscal year of the Village is June 1 to May 31.

Other than as described in the section titled “Overlapping and Underlying Debt,” this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Village.

TAX INFORMATION

Real Estate Tax Levying Limitation

The Village is responsible for levying taxes for Village purposes. The Village's real property tax levying powers, other than for debt service and certain other enumerated purposes, are limited by the State Constitution to two percent of the five-year average full valuation of taxable real property of the Village.

The following table sets forth the computation of the Village's real estate tax levying limitation and the determination of its tax margin for the fiscal year ending May 31, 2025.

Real Property Tax Assessment and Rates

Assessment Year	Fiscal Year Ending May 31:	Assessed Valuation	State Equalization Ratio	Full Valuation
2020	2021	\$484,500,329	91.00	\$ 532,417,944
2021	2022	496,381,094	86.00	577,187,319
2022	2023	501,730,392	85.00	590,271,049
2023	2024	526,827,021	75.00	702,436,028
2024	2025	541,502,443	63.00	<u>859,527,687</u>
			TOTAL:	<u>\$3,261,840,027</u>
Five-Year Average Valuation				\$ 652,368,005
Tax Levying Limitation: 2% of Average Five-Year Full Valuation:				\$ 13,047,360
Exclusions Added Thereto:				<u>0</u>
Maximum Taxing Power				\$ 13,047,360
Real Estate Tax Levy for 2024/2025				<u>2,140,457</u>
Constitutional Net Tax Margin				\$ 10,906,903
Percent of Tax Limitation Exhausted				<u>16.41%</u>

Source: Village Officials and the New York State Office of Real Property Services.

Real Property Tax Rates, Levies and Assessments

The following table shows the trend during the last five years for taxable assessed valuations, State equalization ratios, full valuations, real property taxes, and real property tax rates per \$1,000 assessed valuation.

	<u>Tax Rates, Levies and Assessments</u>				
	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026⁽¹⁾</u>
Assessed Valuation	\$496,381,094	\$501,730,392	\$526,827,021	\$541,502,443	\$548,898,438
Equalization Rates	86.00%	85.00%	75.00%	63.00%	68.00%
Full Valuation	\$577,187,319	\$590,271,049	\$702,436,028	\$859,527,687	\$807,203,585
Village Tax Levy	\$1,727,406	\$1,763,683	\$2,098,510	\$2,140,457	\$2,344,490
Tax Rates per \$1,000 A.V.	\$3.48	\$3.52	\$3.98	\$3.96	\$4.29

(1) Preliminary, subject to change.

Source: New York State Office of Real Property Services and Village Officials.

Tax Collection Procedures and Record

The assessment, collection and enforcement of real property taxes is governed by the Real Property Tax Law of the State.

The Village is responsible for levying, collecting and enforcing its own real property taxes. Village taxes are payable on June 1 and, if not paid on or before July 1, a 5% interest penalty is charged for the first month and 1% per month (or any portion thereof) penalty is added thereafter through October 31. Taxes remaining unpaid are returnable to the County in November for collection. The County remits to the Village the amount of uncollected taxes by the following April and then administers the delinquent collections so that the Village receives its entire levy in the same fiscal year.

<u>Fiscal Year Ended</u> <u>May 31:</u>	<u>Total</u> <u>Tax Levy⁽¹⁾</u>	<u>Uncollected⁽²⁾</u>
2021	\$1,686,061	0.00%
2022	1,727,406	0.00
2023	1,763,683	0.00
2024	2,098,510	0.00
2025	2,297,957	0.00

- (1) Includes sidewalk assessments and water and sewer arrears.
- (2) Unpaid taxes are assigned to the County and thus the Village is assured of 100% collections each year.

Tax Levy Limitation Law

Chapter 97 of the Laws of 2011, as amended (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. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments are required for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A town may exceed the tax levy limitation for the coming fiscal year only if the governing body of such town first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law, to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

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

Ten of the Largest Taxpayers

The following table presents the taxable assessments of ten of the Village’s largest taxpayers for the fiscal year ending May 31, 2025:

<u>Taxable Assessments</u>			
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation ⁽¹⁾</u>	<u>Percentage of Total Assessed Valuation</u>
Adam J. Weitsman	Private	\$ 12,543,103	2.32%
Mirbeau of Skaneateles	Resort/Spa	8,795,172	1.62
Peter H Drescher	Private	8,620,690	1.59
Jason C. Newsted Revocable Trust	Private	8,275,862	1.53
West Wing LLC	Private	7,758,621	1.43
Eagle Way, LLC	Private	7,758,621	1.43
Eric Allyn Trust	Private	7,327,586	1.35
FMK Two, LLC	Private	6,896,552	1.28
Sisters Knoll, LLC	Private	6,896,552	1.28
118E Genesee LLC	Private	<u>6,724,138</u>	<u>1.24</u>
Totals		<u>\$79,216,508</u>	<u>15.07%</u>

(1) The Village’s total assessed value for the 2024 fiscal year is \$526,827,021.
Source: Village Officials.

Additional Tax Information

The Village is not an assessing entity and bases its assessments on the Town of Skaneateles assessment roll. Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the Village is estimated to be categorized as follows: Residential-78%, Commercial-13%, Public Utilities – 2%, Agricultural and Other Property – 7%.

The total property tax bill of a typical residence in the Village with a typical market value of \$423,733 is estimated to be \$8,309 including County, Town and school district taxes.

VILLAGE INDEBTEDNESS

Constitutional and Statutory Requirements

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

Purpose and Pledge. The Village 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 Village may contract indebtedness only for a Village 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 in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, 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 or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted. No installment may be more than fifty per centum in excess of the smallest prior installment, unless the Village determines to issue debt amortized on the basis of substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General. The Village is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. As has been noted under “Nature of Obligation”, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law imposes a statutory limitation on the Village’s power to increase its annual tax levy. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village is subject to statutory limitations set forth in Tax Levy Limitation Law, unless the Village complies with certain procedural requirements to permit the Village to levy certain year-to-year increases in real property taxes. (See “*Tax Levy Limitation Law*” herein.)

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof shall not exceed seven centum of the most recent five-year average full valuation of taxable real estate of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last five completed assessment rolls and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

There is no constitutional limitation on the amount that may be raised by the Village by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limitation Law, imposes a statutory limitation on the power of the Village to increase its annual tax levy. (See “*Tax Levy Limitation Law*” herein.)

Statutory Procedure

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

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Board of Trustees. Certain of such resolutions may be subject to permissive referendum, or may be submitted to the Village voters at the discretion of the Board of Trustees.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The Village has complied with this estoppel procedure with respect to the bond resolutions authorizing the Notes.

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

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not extend five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "Payment and Maturity" under "*Constitutional Requirements*" herein.)

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

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

Constitutional Debt-Contracting Limitation

There is no constitutional limitation on the amount that may be raised by the Village by tax on real estate in any fiscal year to pay interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law, imposes a statutory limitation on the power of the Village to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limitation Law. (See "Tax Levy Limitation Law," herein).

The following table sets forth the current debt-contracting limitation of the Village.

<u>Debt Contracting Limitation</u>			
Fiscal Year Ended <u>May 31:</u>	Assessed <u>Valuation</u>	State Equalization <u>Ratio</u>	Full <u>Valuation</u>
2021	\$484,500,329	91.00	\$ 532,417,944
2022	496,381,094	86.00	577,187,319
2023	501,730,392	85.00	590,271,049
2024	526,827,021	75.00	702,436,028
2025	541,502,443	63.00	<u>859,527,687</u>
Total Five-Year Full Valuation			\$3,261,840,027
Average Five-Year Full Valuation			652,368,005
Debt Contracting Limitation - 7% of Average Full Valuation			<u>\$ 45,665,760</u>

Source: New York State Board of Equalization and Assessment.

The following table, based on information furnished by the Village, presents the debt-incurring power of the Village and shows that the Village is within its constitutional debt limit.

<u>Statement of Debt-Contracting Power</u>		
(As of May 21, 2025)		
Debt-Contracting Limitation:		\$45,665,760
Gross Direct Indebtedness:		
Bonds:	\$3,130,000	
Bonds – Fire Station (Village Share):	112,000	
Bond Anticipation Notes:	<u>3,971,000</u>	
Total Gross Direct Indebtedness		<u>\$7,213,000</u>
Less Exclusions and Deductions:		
Water Bonds:	\$2,339,000	
Appropriations for Non-Exempt Indebtedness During Current Fiscal Year	<u>0</u>	
Total Exclusions:		<u>\$2,339,000</u>
Total Net Direct Indebtedness		<u>\$4,874,000</u>
Debt-Contracting Margin		<u>\$40,791,760</u>
Percentage of Debt-Contracting Power Exhausted		<u>10.67%</u>

Cash Flow Borrowings

The Village does not currently have any revenue or tax anticipation notes outstanding.

Trend of Capital Indebtedness

The following table sets forth the amount of direct capital indebtedness outstanding for the last five fiscal years.

	<u>Direct Capital Indebtedness Outstanding</u> (fiscal year ended May 31:)				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds:	\$4,700,000	\$4,400,000	\$4,095,000	\$3,785,000	\$3,460,000
Bonds – Fire Station (Village Share)	650,000	514,000	418,000	320,000	218,000
Bond Anticipation Notes:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,700,000</u>
Total:	<u>\$5,350,000</u>	<u>\$4,914,000</u>	<u>\$4,513,000</u>	<u>\$4,105,000</u>	<u>\$6,378,000</u>

Source: Village Officials. Summary itself is not audited.

Future Capital Projects

The Village anticipates undertaking certain capital improvement projects in the future to be financed in part through the issuance of bonds or notes. At this time, all such projects are in the planning stages and no indebtedness has been authorized. The Village’s administration intends to develop a “capital improvement program” in the coming months to provide a programmatic and fiscal blueprint to address essential facilities and infrastructure needs while also providing guidance on the management of debt.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village evidenced by bonds and notes as of May 21, 2025:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2024-2035	\$ 3,130,000
Bonds – Fire Station (Village Share)	2026	112,000
Bond Anticipation Notes ⁽¹⁾	June 13, 2025	<u>3,971,000</u>
	Total Indebtedness	<u>\$ 7,213,000</u>

(1) The proceeds from the sale of the Notes, together with \$1,356,000 in available funds, will be used to redeem these notes in full at maturity.

Overlapping and Underlying Debt

The real property taxpayers of the Village are responsible for a proportionate share of outstanding debt obligations of the County, the Town and school district. Such taxpayers' share of this overlapping debt is based upon the amount of the Village's equalized property values taken as a percentage of each separate units' total values. The table on the following page sets forth both the total outstanding principal amount of debt issued by the Village and the approximate magnitude of the burden on taxable property in the Village of the debt issued and outstanding by such overlapping entities.

Statement of Direct and Overlapping Indebtedness

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of:</u>	<u>Village Share</u>	<u>Amount Applicable To Village</u>
Onondaga County	\$257,398,288	10/11/24	1.76%	\$ 4,530,210
Town of Skaneateles	390,594	06/19/24	30.87	120,576
Skaneateles CSD	50,616,487	12/20/24	32.00	<u>16,197,276</u>
Total Net Overlapping Debt				\$20,848,062
Total Net Direct Debt				<u>4,874,000</u>
Total Net Direct and Overlapping Debt				<u>\$25,722,062</u>

Source: County and School District Officials.

Debt Ratios

The following table presents certain debt ratios relating to the Village's direct and overlapping indebtedness:

Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Debt to Full Value ⁽²⁾</u>
Net Direct Debt	\$ 4,874,000	\$1,924.20	0.60%
Net Direct and Overlapping Debt	25,722,062	10,154.78	3.19

(1) The population of the Village is 2,533 as of 2023 according to the U.S. Census Bureau.

(2) The preliminary full valuation of real property located in the Village for the 2025-2026 fiscal year is \$807,203,585.

Debt Service Schedule

The following table sets forth the annual debt service requirements on all outstanding long-term Village general obligation bonds, exclusive of any economically defeased obligations. The table has not been audited.

Bond Principal and Interest Maturity Table

Fiscal Year Ended <u>May 31:</u>	Principal <u>Outstanding</u>	Interest <u>Outstanding</u>	Total Debt <u>Service</u>
2025 ⁽¹⁾	\$ 436,000	\$ 74,620	\$ 510,620
2026	452,000	63,680	515,680
2027	350,000	52,300	402,300
2028	360,000	45,200	405,200
2029	365,000	37,950	402,950
2030	370,000	30,600	400,600
2031	255,000	24,350	279,350
2032	260,000	19,200	279,200
2033	270,000	13,900	283,900
2034	275,000	8,450	283,450
2035	<u>285,000</u>	<u>2,850</u>	<u>287,850</u>
Totals:	<u>\$3,678,000</u>	<u>\$ 373,100</u>	<u>\$4,051,100</u>

(1) For the entire fiscal year.

Source: Village officials.

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table presents population trends for the Village, Town, County and State, based upon recent census data.

Population Trend

	<u>2010</u>	<u>2020</u>	<u>2023</u>	Percentage Change <u>2010/2020</u>	Percentage Change <u>2020/2023</u>
Village	2,450	2,533	2,533	3.39%	0.00%
Town	7,209	7,112	7,058	(1.35)	(0.01)
County	467,029	476,516	467,873	2.03	(1.81)
State	19,378,102	20,201,249	19,571,216	4.25	(3.12)

Source: U.S. Census Bureau.

Income

The following table presents per capita income for the Village, Town, County, and State.

	<u>Per Capita Income</u>			Percentage Change	Percentage Change
	<u>2010</u>	<u>2020</u>	<u>2022</u>	<u>2010/2020</u>	<u>2020/2022</u>
Village	\$46,202	\$88,519	\$89,203	91.59%	0.77%
Town	47,154	57,615	65,957	22.18	14.48
County	27,037	34,600	39,810	27.97	13.79
State	30,948	40,898	47,421	32.15	15.34

Source: U.S. Census Bureau.

The following table presents median family income for the Village, Town, County, and State.

	<u>Median Household Income</u>			Percentage Change	Percentage Change
	<u>2010</u>	<u>2020</u>	<u>2022</u>	<u>2010/2020</u>	<u>2020/2022</u>
Village	\$96,786	\$101,875	\$117,976	5.26%	15.80%
Town	88,640	87,206	105,813	(1.62)	21.34
County	50,676	62,668	70,968	23.66	14.06
State	55,603	71,117	79,557	27.90	14.44

Source: U.S. Census Bureau.

Employment and Unemployment

Unemployment statistics are not available for the Village. The following tables provide information concerning employment and unemployment in the County and State. Data provided for the County and State in the following tables is not necessarily representative of the Village.

Major Employers Located in the Village

<u>Employers</u>	<u>Number of Employees</u>	<u>Product or Service</u>
Baxter (formerly Welch Allyn and Hillrom)	1,000	Medical Devices
Skaneateles Central School District	500	Public Education
Sherwood Inn	250	Restaurant/Lodging
Mirbeau Inn & Spa	180	Restaurant/Lodging
Skaneateles Community Center	120	Recreation
Tops	102	Grocery Store

Source: Village officials.

Civilian Labor Force

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
County	229,900	225,200	225,300	226 600	226 000
State	9,569,500	9,540,700	9,620,700	9,773,400	9,834,600

Source: New York State Department of Labor.

Yearly Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2020	7.9%	9.8%
2021	4.9	7.1
2022	3.3	4.3
2023	3.3	4.1
2024	3.5	4.3

Source: New York State Department of Labor.

Monthly Unemployment Rates

<u>Month</u>	<u>County</u>	<u>State</u>
April 2024	3.2%	3.9%
May	3.3	4.0
June	3.5	4.3
July	3.8	4.8
August	3.7	4.8
September	3.1	4.0
October	3.1	4.2
November	3.2	4.2
December	3.2	4.2
January 2025	3.8	4.6
February	4.1	4.3
March	3.6	4.1

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

Economic Development

The economy of the Town and Village is very stable. There are a variety of retail, accommodation, food service, professional and technical companies within the Town and Village. There are no major changes anticipated in the foreseeable future. The Village has issued building permits for each of the last calendar years as follows:

<u>Year</u>	<u>Number of Permits</u>
2020	137
2021	133
2022	171
2023	156
2024	161
2025 ⁽¹⁾	41

(2) As of May 21, 2025.

Source: Village officials.

End of Appendix A

APPENDIX B

SUMMARY OF BUDGETS AND FINANCIAL STATEMENTS

VILLAGE OF SKANEATELES
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION
FOR THE FISCAL YEAR ENDING MAY 31

	Unaudited 2020	Unaudited 2021	Unaudited 2022	Unaudited 2023	Unaudited 2024
ASSETS					
Cash and Short-term Investments	\$832,847	\$1,293,851	\$1,137,941	\$1,070,951	\$843,875
Restricted Investments:					
Service Award Program Assets	0	0	2,495,120	2,570,391	2,430,291
Receivables:					
Accounts Receivable	38,842	7,337	4,727	1,606	356,040
Due from Other Funds	128,527	271,601	86,374	565,188	481,287
Taxes Receivable	15,446	0	0	0	0
Prepaid Expenditures	0	0	0	0	0
Total Assets	\$1,015,662	\$1,572,789	\$3,724,162	\$4,208,136	\$4,111,493
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$26,945	\$39,300	\$160,942	\$128,962	\$293,758
Accrued Liabilities	70,509	137,830	118,438	387,630	359,946
Due to Other Funds	96,779	533,075	0	3,446	176,067
Due to Other Governments	0	0	0	0	0
Deferred Revenues	0	0	0	0	0
Other Liabilities	0	0	126,410	0	5,295
Total Liabilities	\$194,233	\$710,205	\$405,790	\$520,038	\$835,066
Fund Equity:					
Nonspendable	\$0	\$0	\$0	\$15,710	\$0
Restricted	66,255	60,348	2,495,120	2,678,159	2,541,142
Assigned	207,699	279,752	103,032	0	0
Unassigned	547,475	522,484	720,220	994,229	735,285
Total Fund Equity	\$821,429	\$862,584	\$3,318,372	\$3,688,098	\$3,276,427
Total Liabilities and Fund Equity	\$1,015,662	\$1,572,789	\$3,724,162	\$4,208,136	\$4,111,493

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VILLAGE OF SKANEATELES
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION
FOR THE FISCAL YEAR ENDING MAY 31

	Unaudited 2020	Unaudited 2021	Unaudited 2022	Unaudited 2023	Unaudited 2024
REVENUES:					
Real Property Taxes and Tax Items	\$1,836,588	\$1,835,875	\$1,870,420	\$1,909,892	\$2,263,830
Non-Property Tax Items	104,050	57,603	28,966	79,245	53,627
Departmental Income	86,677	183,057	257,721	216,396	211,701
Intergovernmental Charges	908,110	650,211	683,948	711,396	847,080
Use of Money & Property	117,467	120,876	457,504	269,085	238,151
Licenses and Permits	33,537	86,758	48,865	112,462	49,848
Fines and Forfeitures	14,091	4,440	7,977	6,101	3,046
Sale of Property and Compensation for Loss	122,052	17,205	20,291	6,469	19,843
Miscellaneous	27,895	103,644	69,133	79,724	50,687
State Aid	148,644	110,517	171,160	149,638	169,831
Federal Aid	0	0	0	50,000	0
Total Revenues	\$3,399,111	\$3,170,186	\$3,615,985	\$3,590,408	\$3,907,644
EXPENDITURES:					
General Government Support	473,835	464,051	588,845	594,903	628,204
Public Safety	1,374,228	1,104,829	1,256,413	1,259,174	1,446,804
Transportation	1,132,623	1,027,417	867,458	587,711	1,115,044
Culture and Recreation	20,272	23,715	38,976	3,693	6,397
Home and Community Services	176,334	157,392	184,587	182,327	175,510
Employee Benefits	462,341	437,281	611,761	491,244	843,507
Debt Service	0	0	86,528	101,630	103,849
Total Expenditures	\$3,639,633	\$3,214,685	\$3,634,568	\$3,220,682	\$4,319,315
Excess (Deficiency) of Revenues Over Expenditures	(240,522)	(44,499)	(18,583)	369,726	(411,671)
OTHER FINANCING SOURCES (USES):					
Operating Transfers - In	225,440	71,199	85,000	0	0
Operating Transfers - Out	0	(102,236)	0	0	0
Total Other Financing Sources (Uses)	\$225,440	(\$31,037)	\$85,000	\$0	\$0
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(15,082)	(75,536)	66,417	369,726	(411,671)
Fund Balance - Beginning of Year	836,511	821,429	862,494	3,318,372	3,688,098
Prior Period Adjustment	0	116,601	2,389,461 ⁽¹⁾	0 ⁽¹⁾	0
Fund Balance - End of Year	\$821,429	\$862,494	\$3,318,372	\$3,688,098	\$3,276,427

(1) Prior period adjustment due to Length of Service Award Program for 2021 that is now recorded in the General Fund due to changes in accounting standards stemming from GASB 73 and GASB 84.

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VILLAGE OF SKANEATELES
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDING MAY 31

	2024		2025		2026	
	Adopted Budget	Unaudited Actual	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget
ESTIMATED REVENUES:						
Real Property Taxes and Tax Items	\$2,251,487	\$2,263,830	\$2,297,957		\$2,372,640	
Non-Property Tax Items	63,000	53,627	369,000		397,400	
Departmental Income	572,350	211,701	573,880		566,678	
Intergovernmental Charges	350,000	847,080	366,300		534,023	
Use of Money & Property	213,000	238,151	213,000		183,000	
Licenses and Permits	53,100	49,848	53,621		81,525	
Fines and Forfeitures	4,000	3,046	4,000		2,000	
Sale of Property and Compensation for Loss	10,100	19,843	11,000		6,000	
Miscellaneous	27,621	50,687	58,316		63,776	
State Aid	175,000	169,831	218,000		215,000	
Federal Aid	0	0	0		0	
Total Estimated Revenues	\$3,719,658	\$3,907,644	\$4,165,074		\$4,422,042	
APPROPRIATIONS:						
General Government Support	626,542	628,204	699,091		557,591	
Public Safety	1,441,936	1,446,804	1,610,307		1,740,398	
Transportation	1,192,500	1,115,044	1,224,357		1,268,100	
Culture and Recreation	24,400	6,397	3,000		3,500	
Home and Community Services	216,400	175,510	235,500		274,060	
Employee Benefits	497,880	843,507	523,789		684,723	
Debt Service	53,000	103,849	102,030		139,170	
Total Appropriations	\$4,052,658	\$4,319,315	\$4,398,074		\$4,667,542	
Excess (Deficiency) Of Estimated Revenues Over Appropriations	(\$333,000)	(\$411,671)	(\$233,000)		(\$245,500)	
OTHER FINANCING SOURCES (USES):						
Operating Transfers - In	300,000	0	300,000		312,500	
Operating Transfers - Out	(67,000)	0	(67,000)		(67,000)	
Total Other Financing Sources (Uses)	\$233,000	\$0	\$233,000		\$245,500	
APPROPRIATED FUND BALANCE	\$100,000	\$411,671	\$0		\$0	

Source: 2024 Annual Financial Report (unaudited) and 2024-2025 and 2025-2026 Adopted Budgets.

**VILLAGE OF SKANEATELES
CHANGES IN FUND EQUITY
FOR THE FISCAL YEAR ENDING MAY 31**

	Unaudited <u>2020</u>	Unaudited <u>2021</u>	Unaudited <u>2022</u>	Unaudited <u>2023</u>	Unaudited <u>2024</u>
WATER FUND					
Fund Equity - Beginning of Year	\$711,918	\$881,148	\$239,643	\$210,578	\$246,081
Prior Period Adjustments (net)	26,860	0	(806)	0	0
Revenues & Other Sources	531,276	724,834	630,769	617,716	1,003,858
Expenditures & Other Uses	<u>388,906</u>	<u>1,366,339</u>	<u>659,028</u>	<u>582,213</u>	<u>790,292</u>
Fund Equity - End of Year	<u><u>\$881,148</u></u>	<u><u>\$239,643</u></u>	<u><u>\$210,578</u></u>	<u><u>\$246,081</u></u>	<u><u>\$459,647</u></u>
SEWER FUND					
Fund Equity - Beginning of Year	\$121,706	\$196,626	\$432,580	\$413,719	\$288,570
Prior Period Adjustments (net)	38,510	0	0	0	0
Revenues & Other Sources	572,931	615,544	545,726	552,907	944,735
Expenditures & Other Uses	<u>536,521</u>	<u>379,590</u>	<u>564,587</u>	<u>678,056</u>	<u>743,125</u>
Fund Equity - End of Year	<u><u>\$196,626</u></u>	<u><u>\$432,580</u></u>	<u><u>\$413,719</u></u>	<u><u>\$288,570</u></u>	<u><u>\$490,180</u></u>
ELECTRIC					
Fund Equity - Beginning of Year	\$3,253,278	\$3,643,734	\$3,173,763	\$3,232,465	\$3,108,903
Prior Period Adjustments (net)	472,541	0	0	0	0
Revenues & Other Sources	1,804,616	1,847,635	2,005,892	1,865,503	2,122,192
Expenditures & Other Uses	<u>1,886,701</u>	<u>2,317,606</u>	<u>1,947,190</u>	<u>1,989,065</u>	<u>2,499,334</u>
Fund Equity - End of Year	<u><u>\$3,643,734</u></u>	<u><u>\$3,173,763</u></u>	<u><u>\$3,232,465</u></u>	<u><u>\$3,108,903</u></u>	<u><u>\$2,731,761</u></u>
PARKING					
Fund Equity - Beginning of Year	\$421,248	\$461,619	\$448,580	\$452,663	\$550,231
Prior Period Adjustments (net)	53,410	0	0	0	0
Revenues & Other Sources	225,440	74,727	109,338	126,976	137,641
Expenditures & Other Uses	<u>238,479</u>	<u>87,766</u>	<u>105,255</u>	<u>29,408</u>	<u>31,903</u>
Fund Equity - End of Year	<u><u>\$461,619</u></u>	<u><u>\$448,580</u></u>	<u><u>\$452,663</u></u>	<u><u>\$550,231</u></u>	<u><u>\$655,969</u></u>

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APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

FORM OF BOND COUNSEL'S OPINION

May 21, 2025

Village of Skaneateles,
County of Onondaga,
State of New York

Re: Village of Skaneateles, Onondaga County, New York
\$2,615,000 Bond Anticipation Notes – 2025

As bond counsel to the Village of Skaneateles, Onondaga County, New York (the “Village,” “County,” and “State,” respectively), we have examined a record of proceedings relating to the issuance of \$2,615,000 Bond Anticipation Notes – 2025 (the “Note”) of the Village. The Note is dated June 12, 2025 and is being issued pursuant to the Constitution and laws of the State of New York, various bond resolutions adopted by the Village’s Board of Trustees and a Certificate of Determination dated on or before June 12, 2025 of the Village Treasurer relative to the form and terms of the Notes.

In our opinion, the Note is a valid and legally binding general obligation of the Village for which the Village has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the Village is subject to levy of ad valorem real estate taxes to pay the Note and interest thereon, subject to applicable statutory limitations. The enforceability of rights or remedies with respect to the Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

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

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

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Note has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage and Use of Proceeds Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Note to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Note and the Arbitrage and Use of Proceeds Certificate and their

enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against New York municipal corporations such as the Village. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Note has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Village, together with other legally available sources of revenue, if any, will be sufficient to enable the Village to pay the principal of or interest on the Note as the same respectively become due and payable. Reference should be made to the Official Statement for factual information which, in the judgment of the Village would materially affect the ability of the Village to pay such principal and interest.

We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the Village, in connection with the sale of the Note, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

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

Very truly yours,

WJ Marquardt PLLC

APPENDIX D

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is defined in Rule 15c2-12.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the **Village of Skaneateles**, in the County of Onondaga, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the Village Treasurer as of June 12, 2025.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the Issuer’s **\$2,615,000 Bond Anticipation Note-2025**, dated June 12, 2025 maturing on June 12, 2026, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) 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 Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, 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 Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;

- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above. The Village also agrees to provide, or cause to be provided, during the period in which the Securities are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to Rule 15c2-12, notice of its failure to provide the material event notices described above, if any, on or before the date specified.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of June 12, 2025.

VILLAGE OF SKANEATELES

By _____
Village Treasurer