

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 17, 2026

SERIAL BONDS

Ratings: See “Rating” herein

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

The Bonds WILL be designated by the Town as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

TOWN OF NEW CASTLE WESTCHESTER COUNTY, NEW YORK

\$7,304,188* PUBLIC IMPROVEMENT (SERIAL) BONDS, 2026 (the “Bonds”)

Date of Issue: Date of Delivery

Maturity Dates: April 1, 2027 – 2056

The Bonds are general obligations of the Town of New Castle, in the County of Westchester, New York (the “Town”), and will contain a pledge of the faith and credit of the Town for the payment of the principal of and interest on the Bonds and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to applicable statutory limits. (See “*Tax Levy Limitation Law*” herein).

The Bonds will be dated their date of delivery and will bear interest from that date until maturity at the annual rate or rates as shown on the inside cover page hereof, payable on April 1, 2027, October 1, 2027, and semiannually thereafter on each April 1 and October 1 until maturity. The Bonds will mature annually on April 1 in each year until maturity, as shown on the inside cover page hereof.

The Bonds will be subject to optional redemption prior to maturity (see “*Optional Redemption*” herein).

The Bonds will be issued as registered bonds, registered in the name of Cede & Co., as nominee of the Depository Trust Company (“DTC” or the “Securities Depository”), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination that is or includes \$9,188 maturing in 2027. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the approval of the legality thereof by Orrick Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about April 7, 2026.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE TOWN FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”) EXCEPT FOR CERTAIN INFORMATION IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS PRELIMINARY OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS. FOR A DESCRIPTION OF THE TOWN’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING” HEREIN.

Dated: March __, 2026

* Preliminary, subject to change.

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 Bonds 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.

The Bonds will mature on April 1 in each year, subject to optional redemption, as set forth below:

<u>Year</u>	<u>Principal Amount*</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP***</u>
2027	\$199,188			
2028	315,000			
2029	330,000			
2030	335,000			
2031	340,000			
2032	350,000			
2033	365,000			
2034	370,000			
2035**	390,000			
2036**	390,000			
2037**	310,000			
2038**	315,000			
2039**	330,000			
2040**	345,000			
2041**	350,000			
2042**	110,000			
2043**	120,000			
2044**	120,000			
2045**	130,000			
2046**	130,000			
2047**	140,000			
2048**	140,000			
2049**	150,000			
2050**	155,000			
2051**	165,000			
2052**	165,000			
2053**	175,000			
2054**	180,000			
2055**	190,000			
2056**	200,000			

* The principal maturities of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Bond Sale to achieve substantially level or declining annual debt service as provided in the Local Finance Law.

** The Bonds maturing in the year 2035 and thereafter will be subject to optional redemption prior to maturity, as described herein. (See "*Optional Redemption*" herein.)

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

**TOWN OF NEW CASTLE
WESTCHESTER COUNTY, NEW YORK**

TOWN BOARD

**Victoria Tipp
Supervisor**

Holly A.F. McCall Deputy Supervisor

Alexandra Chemtob Board Member

Eric Marmon Board Member

Jennifer Naparstek Klein..... Board Member

Robert Deary Administrator

Karl Schlegel..... Comptroller

Bleakley Platt & Schmidt, LLP Town Attorney

BOND COUNSEL

**Orrick, Herrington & Sutcliffe LLP
New York, New York**

INDEPENDENT AUDITOR

**PKF O'Connor Davies, LLP
Harrison, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Long Island & Western New York
(516) 274-4502**

No dealer, broker, salesman or other person has been authorized by the Town 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 foregoing. 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 Bonds 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 Town 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 Town since the date hereon.

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OFFICIAL STATEMENT
of the
TOWN OF NEW CASTLE
WESTCHESTER, NEW YORK

relating to
\$7,304,188*
PUBLIC IMPROVEMENT (SERIAL) BONDS, 2026
(the "Bonds")

This Official Statement (the "Official Statement"), which includes the cover page, inside cover page, and appendices hereto, presents certain information relating to the Town of New Castle, in the County of Westchester, in the State of New York (the "County" and "State", respectively), in connection with the sale of \$7,304,188* Public Improvement (Serial) Bonds, 2026 (the "Bonds").

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

THE BONDS

Description

The Bonds are dated their date of delivery and will bear interest from such date until maturity at the annual rate or rates as specified on the inside cover page hereof, payable on April 1, 2027, October 1, 2027, and semiannually thereafter on each April 1 and October 1 in each year until maturity. The Bonds will mature annually on April 1 each year until maturity, as specified on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity. (See "*Optional Redemption*" herein.)

The Bonds will be issued as registered bonds, registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC" or the "Securities Depository"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination that is or includes \$9,188 maturing in 2027. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.

The record date for payment of the principal of and interest on the Bonds will be the fifteenth day of the calendar month preceding each interest payment date.

(The remainder of this page has been intentionally left blank.)

* Preliminary, subject to change.

Authorization for and Purpose of the Bonds

The Bonds are being issued pursuant to the Constitution and laws of the State, including among others, the Local Finance Law, the Town Law and various bond resolutions duly adopted by the Town Board, for the purposes detailed in the table below. The proceeds from the sale of the Bonds will be used to provide original financing for such purposes as noted below:

<u>Authorization Date</u>	<u>Purpose</u>	<u>Amount to Bonds</u>
11/12/2025	Purchase of Trucks and Heavy Equipment	\$1,733,467
12/2/2025	Purchase of Sewer Cleaner	286,503
12/2/2025	Purchase of Wood Grinder	729,820
11/12/2025	ADA Improvements - Millwood Park	194,510
11/12/2025	Building Improvements - Joan Corwin Way	100,000
11/12/2025	Parking Lot and Drainage Improvements - Chappaqua Performing Arts Center	706,610
12/2/2025	Pump Station Upgrades - Bedford Road	1,500,000
12/2/2025	Millwood WTP	<u>2,053,278</u>
	Totals:	<u>\$7,304,188</u>

Optional Redemption of the Bonds

The Bonds maturing on or before April 1, 2034 are not subject to redemption prior to maturity. The Bonds maturing on or after April 1, 2035 will be subject to redemption prior to maturity, at the option of the Town, on any date on or after April 1, 2034, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The Town may select the maturities of the Bonds to be redeemed prior to maturity and the amount to be redeemed of each maturity selected, as the Town shall determine to be in the best interest of the Town at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Town by lot in any customary manner of selection as determined by the Town. Notice of such call for redemption shall be given by mailing such notice to the registered owner not more than ninety (90) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Nature Of Obligation

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

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

The Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town subject to such taxation by the Town, subject to applicable statutory limits. (See “*Tax Levy Limitation Law*” herein).

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

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

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

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

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank 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 noteholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to

such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

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

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

Book-Entry System

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

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

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

nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town, 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 Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOKENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE TOWN TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDOWNERS.

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

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the counties, cities, towns and villages, 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.

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 shortterm 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, as described below, enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

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

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 noteholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "Nature of Obligation" and "State Debt Moratorium Law" herein.

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

RISK FACTORS

There are certain potential risks associated with an investment in the Bonds, 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 Town's credit rating could be affected by circumstances beyond the Town'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 Town 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 Town's credit rating could adversely affect the market value of the Bonds.

If and when an owner of any of the Bonds should elect to sell all or a part of the Bonds 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 Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bonds 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 Bonds. 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 Town to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The Town 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 availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefore. The Town'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 Town 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 Town 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 Town will have market access for any such borrowing on a cost effective basis. (See also "*COVID-19 Stimulus and Uses*" and "*Revenues*" herein.)

In addition, in some recent years, the Town'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 Town. If the County should further delay payments to the municipalities within its borders, including the Town, in this year or future years, the Town 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 Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (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 Town, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Bonds. (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 Town could impair the financial condition of such entities, including the Town and the ability of such entities, including the Town to pay debt service on their respective obligations.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town’s financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid.

Cybersecurity

The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls; however, 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 Town digital networks and systems and the costs of remedying any such damage could be substantial. To date, the Town has not suffered any cyber attacks or digital security breaches.

TAX MATTERS

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

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of owners who do not

purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Bonds and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Bonds will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Bonds if the taxpayer elects original issue discount treatment.

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 Bonds. The Town has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds. 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 Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. 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 Bonds.

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 Bonds) 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 Bonds 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 Bonds is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds 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.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court

decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Town, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Town has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Town or the owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Town legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Town or the owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix D.

LITIGATION

Throughout the course of any given year, notices of claim will be served upon the Town Clerk pursuant to N.Y. General Municipal Law § 50-e. These notices typically involve claims against the Town, its officials or employees for alleged personal injuries or property damage. Many such notices do not ripen into litigation.

At present, various notices of claim have been filed against the Town in matters relating to personal injury and property damage. It is our opinion that existing insurance coverage adequately protects the Town against these various monetary damage claims and the financial exposure to the Town, if any, is not material.

General Liability Matters. From time to time, the Town, in common with other municipalities, receives notices of claim for money damages arising from allegations of false arrest, malicious prosecution and/or false imprisonment

or personal injury. Of the claims currently pending and except as specified below, none are expected to have a material effect on the financial position of the Town, if adversely settled.

Risk Management. The Town purchases various insurance policies to limit its exposure to loss. The general liability, auto liability and police professional liability policies each provide coverage up to \$1 million. The public official's liability policy provides coverage up to \$1 million. In addition, the Town maintains an umbrella liability policy with a limit of \$10 million. The Town also insures all its buildings and contents for an amount up to \$90.83 million, which represents the replacement cost value of this property. The Town purchases conventional workers' compensation insurance with coverage at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

The Town, along with other municipal entities, also participates in the Municipal Employees Benefits Consortium ("MEBCO"). MEBCO was formed in April 1988 pursuant to an act of the Board of Legislators of the County of Westchester. This act provided cities, towns, school districts and villages throughout Westchester County with an opportunity to participate in a cooperative program for providing health benefits to municipal employees by entering into an intermunicipal agreement pursuant to Article 5-G of the General Municipal Law. The purpose of the pool is to stabilize the cost of medical benefits provided to employees. Each member of MEBCO retains its own risk for individual claims up to \$75,000. Premium equivalents are set for each municipality based upon their individual claim loss experience for all claims under \$75,000. For individual claims above \$75,000, the risk is insured by MEBCO's participation in a captive insurance company, which currently is QBE Insurance. It underwrites risk for individual claims above \$75,000. MEBCO has entered into a participation agreement with QBE Insurance to be part of a segregated account within this captive insurance company ("MEBCO Segregated Cell"). Claims in this second tier are funded by amounts paid by each member to the captive for premium contributions and stop loss coverage that the captive secures on MEBCO's behalf.

Tax Certiorari Claims. There are also pending against the Town various proceedings brought pursuant to Article 7 of the State Real Property Tax Law to review and reduce real estate assessments and obtain a refund for alleged overpayments of real estate taxes. The results of the pending tax certiorari proceedings cannot be determined at this time, however, assessment reductions historically have been significantly smaller than the amounts claimed. The Town's tax base has remained relatively constant with new assessments offsetting reductions due to certiorari settlements. It is believed that an adverse decision in any or all these proceedings, in whole or in part, whether by stipulation or judgment, would not have a material impact of the financial condition of the Town.

Any future refunds resulting from an adverse settlement or judgment will be funded in the year of payment. For the fiscal year ended December 31, 2022, 2023, 2024, and 2025, the Town paid tax refunds in the aggregate amounts of \$76,739, \$14,100, \$122,213, and \$24,795 respectively. The Town is authorized under State law to finance tax refunds with the proceeds of debt.

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

DISCLOSURE UNDERTAKING

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

(1) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement dated March 25, 2026 of the Town relating to the Bonds

under the headings “LITIGATION” and all Appendices (other than any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2025, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2025; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Town of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a “Financial Obligation” (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Town, any of which affect Bond holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Town, any of which reflect financial difficulties.

Event (iii) is included pursuant to a letter for the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (iii) is not applicable, since no “debt service reserves” will be established for the Bonds.

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

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

With respect to events (xv) and (xvi) above, the term “Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

(3) in a timely manner, notice of a failure to provide the annual financial information and operating data and such audited financial statement by the date specified.

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

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

RATING

On March 11, 2026, Moody's Investors Service, Inc. ("Moody's") affirmed its "Aaa" rating to the uninsured, outstanding bonded indebtedness of the Town and applied such rating to the Bonds.

Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. 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 Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Bonds or the availability of a secondary market for the Bonds.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Great Neck, New York, (the "Municipal Advisor") is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the Town 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. 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 Town to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the Town. 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 Bonds.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not so expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of the Bonds. Orrick, Herrington & Sutcliffe LLP expresses no opinion on the accuracy or completeness of any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, including this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained from the Town's Comptroller, Karl Schlegel, 200 South Greeley Avenue, Chappaqua, New York 10514, (914) 238-4721, e-mail: kschlegel@mynewcastleny.gov or from the Town's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue – Suite 308, Great Neck, New York, 11021, (516) 274-4502.

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 Town and the original purchasers or holders of any of the Bonds.

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

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

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Town, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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 Town nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

**TOWN OF NEW CASTLE
WESTCESTER COUNTY, NEW YORK**

By: _____
Victoria Tipp
Town Supervisor

DATED: March __, 2026

APPENDIX A

THE TOWN

THE TOWN

General Information

The Town encompasses approximately 25 square miles and is located in the central portion of the County about 30 miles north of the City of New York, is a suburban community and is primarily residential in nature.

Population of the Town is 18,082 according to the 2024 U.S. Census Estimates. The Town is one of the most affluent communities in the United States. According to the American Community Survey – 5 Year Estimate (US Census Bureau), for 2024, the Town's per capita money income was \$116,052 which is 39.2% above the County level and nearly three times higher than the State average. Many residents commute to jobs in New York City, other areas of the County or nearby Connecticut. Unemployment statistics are not maintained for the Town; however, Town officials believe that unemployment in the Town is less than the County's overall rate. (See "ECONOMIC AND DEMOGRAPHIC DATA," herein.)

Form of Government

The Town was established in 1791 by the State as a separate political entity vested with independent taxing and debt authority. There are no incorporated villages situated within the Town's borders. The Town has portions of six independently governed school districts which rely on their taxing powers granted by the State to raise revenues for school district purposes. The school districts use the Town's assessment roll as the basis for taxation of property within the Town.

Governmental operations of the Town are subject to the provisions of the State constitution and various statutes affecting local governments including the Town Law, General Municipal Law and the Local Finance Law. Real property assessment and tax collection procedures are determined by the Westchester County Tax Law, a basic feature of which requires that the Town collect real property taxes and guarantee the collection of such taxes levied by the County as well as school districts situated in the Town. The Real Property Tax Law, in part, also governs certain assessment and taxing procedures for the Town. Under Article 2 of the Town Law, the Town is classified as a first class town and has additionally elected suburban town status provided for in Article 3-A of this statute. The primary effect of each classification is to give greater flexibility to the way in which town government is organized and managed. A suburban town also enjoys certain advantages with respect to special improvement districts and reserve funds.

Elected Officials. The Town Board is the legislative, appropriating, governing and policy determining body of the Town and consists of four council members, elected at large to serve a four-year term, plus the Supervisor. Council members may serve an unlimited number of terms. It is the responsibility of the Town Board to enact, by resolution, all legislation including ordinances and local laws. Annual operating budgets for the Town must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Board on the recommendation of the Supervisor. The original issuance of all indebtedness is subject to approval by the Town Board.

The Supervisor is the chief financial officer of the Town and is elected for a two-year term of office with the right to succeed him or herself. In addition, the Supervisor is a full member of and the presiding officer of the Town Board.

Appointed Officials. Pursuant to Article 3-B of Town Law, the Town established the position of Town Administrator, who is appointed by the Town Board and serves at the pleasure of this body. The Administrator is the chief administrative officer of the Town responsible for the daily operations of the Town. All of the department managers in the Town report to the Administrator. The Supervisor of Town has delegated the additional duties of budget officer to the Administrator.

The Town Clerk, who is appointed to a two-year term by the Town Board, acts as the custodian of the Town's records as well as the clerk to the Town Board. Duties of this office include: recording and maintaining the minutes of the proceedings of the Town Board, issuing certain licenses and permits, and coordinating Town elections. The Town Board elected to combine the duties of Town Clerk and Receiver of Taxes and Assessments to improve operational efficiencies. The Receiver of Taxes and Assessments collects all County, Town and school taxes, and all assessments levied or assessed in the Town.

The Comptroller is appointed by the Town Board for a two-year term. Duties and responsibilities of this position include: maintaining the Town's accounting systems and records, preparing the annual report to be filed with the State Comptroller, cash management and auditing vendor claims for payment.

The Town Assessor is appointed by the Town Board to serve a six-year term. It is the Assessor's responsibility to appraise real property in the Town for the purpose of preparing and maintaining tax assessment rolls in the form prescribed by the State

Office of Real Property Tax Services (the “ORPTS”). The State Board provides an advisory service to assist with the assessment of certain forested lands, public utilities or unusually complex properties. Assessment review procedures include examination of the tentative assessment roll in the Assessor's presence, a public hearing before an independent board of assessment review and, finally, judicial review in the State Supreme Court or for certain claims a proceeding in small claims court.

Services

The Town provides most of the government services that its residents receive. Water, sewer and street lighting services are furnished by various special districts which are under the jurisdiction of the Town Board. Highway construction and the maintenance of roads is also a Town function. In addition, recreation is provided and parks are maintained by the Town. Other services performed at the Town level include: property assessment, police protection, zoning administration, planning, conservation, operating a community center and providing commuter parking. Fire protection is provided by two independent fire districts, which have separate taxing and debt powers. Education is provided by six central school districts which are as follows: Chappaqua, Bedford, Ossining, Yorktown, Byram Hills and Pleasantville. Each such central school district is independent of the Town and has separate taxing and debt authority.

The Town provides refuse collection services to residential properties through a town-wide district. A special assessment for this service is included on the property tax bill.

Employees

The Town currently employs 114 full-time and approximately 50 part-time employees. Some of such employees are represented by the following collective bargaining organizations.

<u>Employees Represented</u>	<u>Bargaining Agent</u>	<u>Contract Expiration Date</u>
62	Civil Service Employees Association	12-31-2027
41	Police Benevolent Association	12-31-2026

Source: Town Officials.

Employee Benefits

Substantially all employees of the City are members of the New York State and Local Employees Retirement System (“ERS”) or the New York State and Local Police and Fire Retirement System (“PFRS”) (ERS and PFRS are referred to collectively hereinafter as the “Retirement System” where appropriate). 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, at such time contributions become voluntary. Members hired on or after January 1, 2010 must contribute three or more percent of their gross annual salary toward the costs of retirement programs for the duration of their employment.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier 6 for employees hired after April 1, 2012. The Tier 6 pension tier 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 and a readjustment of the pension multiplier. Tier 6 employees vest in the system after five years of employment and continue to make employee pension contributions throughout employment. The time period for calculating the final average salary of an employee is 3 years.

Police officers and firefighters who are members of PFRS are divided into four tiers. As with ERS, retirement benefit plans available under PFRS are most liberal for Tier 1 employees. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. Police officers and firefighters that were hired between July 1, 2009 and January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. Police officers and firefighters hired after January 9, 2010 are in Tier 5 which also requires a 3% employee contribution from members. Police officers and firefighters hired after April 1, 2012 are in Tier 6, which also originally had a 3% contribution requirement for members for FY 12-13; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: \$45,000.00 or less contributes 3%; \$45,000.01 to \$55,000.00 contributes 3.5%; \$55,000.01 to \$75,000.00 contributes 4.5%; \$75,000.01 to \$100,000.00 contributes 5.75%; and more than \$100,000.00 contributes 6%.

Beginning July 1, 2013, a voluntary defined contribution plan option was made available to all unrepresented employees of New York State public employers hired on or after that date, and who earn \$75,000 or more on an annual basis.

The New York State Retirement System allows municipalities to make employer contribution payments in December of each year, at a discount, or the following February, as required. The Town generally opts to make pension payments in December to take advantage of the discount.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contributions for the State's Retirement System continue to be higher than the minimum contribution rate established by Chapter 49. Legislation was enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts that amortize their pension obligations pursuant to the regulation to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Town does not currently amortize any pension payments.

In Spring 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 spikes in Actuarially Required Contribution rates ("ARCs"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount. The Town pays its ERS and PFRS contributions on a pay as you go basis and does not expect to participate in the SCO in the foreseeable future.

On September 3, 2024, the State Comptroller announced for Fiscal Year 2025-26, the average contribution rate for the ERS increased from 15.2% to 16.5%. and for PFRS increased from 31.2% to 33.7%. Projections for required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among six retirement tiers. The employer contribution rates announced will apply to each employee's salary base during the period of April 1, 2024 through March 31, 2025. Payments based on those rates are due by February 1, 2025, but may be prepaid by December 15, 2024. The Town prepaid its ARC in December of 2025 and plans to prepay its contributions in December of 2026.

ERS and PFRS Contributions. The current retirement expenditures for the fiscal years 2020 through 2025 and the amounts budgeted for 2026 fiscal years are shown in the following table:

Fiscal Year Ended December 31:	ERS	PFRS
2020	\$1,008,979	\$1,037,232
2021	1,108,056	1,175,777
2022	895,898	1,268,328
2023	929,629	1,347,555
2024	1,148,420	1,550,651
2025 (Unaudited) ⁽¹⁾	1,188,671	1,736,176
2026 (Budgeted) ⁽²⁾	1,254,692	1,633,272

(1) Actual results may vary.

(2) Represents contributions in the General Fund, Highway Fund, Consolidated Water Fund, and Refuse Fund.

Source: The Audited Financial Statements and the Adopted Budgets of the Town. The summary itself is not audited.

Other Postemployment Benefits

The Town implemented GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), which replaces GASB Statement No. 45 as of fiscal year ended December 31, 2018. 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 Town’s total OPEB liability as of December 31, 2024 was \$54,152,215 using a discount rate of 4.16% and actuarial assumptions and other inputs as described in the Town’s December 31, 2024 audited financial statements.

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

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 Town will continue funding this expenditure on a pay-as-you-go basis.

Legislation has been introduced from time to time to create an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. Such legislation would generally 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. In addition, there would be no limits on how much a local government can deposit into the trust. The Town cannot predict whether such legislation will be enacted into law in the foreseeable future.

FINANCIAL FACTORS

COVID-19 Stimulus and Uses

The Town has incurred costs associated with the COVID-19 pandemic. Costs incurred include all PPE (masks, gloves, sanitizer, thermometers, etc.) for staff, including court system and police, as well as renovation costs to install security windows for the Town Clerk, Assessor and Building Departments in order for them to be able to still accept in-person payments, permits and requests. The Town has paid such costs from budgetary appropriations and/or available funds. The Town’s State Aid for the 2021 fiscal year was not reduced and the Town does not expect a reduction in State aid during the 2022 fiscal year. The Town does not believe that the increased costs or any potential reduction in State aid will have a material adverse impact on the finances of the Town.

On March 11, 2021, the federal government signed into law The American Rescue Plan (ARP) that addresses issues related to the ongoing COVID-19 pandemic. The ARP Act also creates new programs to address continuing pandemic-related crisis and fund recovery efforts. It provides significant funding to local governments and school districts in NYS. The Town has been allocated \$1,825,738 of which \$912,869 was received in 2021 and the remainder of \$912,869 was received in 2022. Per guidance from the federal government, one of the permitted purposes for these funds was for infrastructure improvements to sewer and water systems. The Town identified a water main replacement project that was funded using ARP funds, with work

being completed in 2024. The Town obligated funds totaling \$1,677,415 by the December 31, 2024 deadline; \$148,323 was returned to the Treasury in 2025.

Budgetary Procedure

Prior to the official budget process beginning, the Town Board, during the month of July, identifies several goals and objectives for the next fiscal year. The Town Administrator assembles the head of each administrative unit to review this document and set forth a program of tasks that collectively addresses the goals and objectives. These tasks are then utilized during the budget process to estimate the expenditures needed to carry forth the goals. Revenue estimates (other than real property taxes) are also provided to the Budget Officer by the department head responsible for collection. The tentative budget is then assembled and presented to the Town Board on or before October 20th. Estimates for each fire district situated within the Town must also be filed with the budget officer by this date (the Town has no authority to amend the budget submitted by a fire district). After reviewing these estimates, the budget officer prepares a tentative budget which includes his recommendations. A budget message explaining the main features of the budget is also prepared at this time. The tentative budget is filed with the Town Clerk not later than the 30th of October. Subsequently, the Town Clerk presents the tentative budget to the Town Board at the regular or special hearing which must be held on or before November 10th. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are not inconsistent with the provisions of the law. Following this review process, the tentative budget and such modifications, if any, as approved by the Board become the preliminary budget. A public hearing (notice of which must be duly published in the Town's official newspaper) on the preliminary budget is required to be held no later than the 10th day of December. At such hearing, any person may express his opinion concerning the preliminary budget; however, there is no requirement or provision that the preliminary budget or any portion thereof be voted on by members of the public. After the public hearing, the Town Board may further change and revise the preliminary budget. The Town Board, by resolution, adopts the preliminary budget as submitted or amended no later than December 20th, at which time, the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year.

Budgetary control during the year is the responsibility of the Town Administrator who is assisted in this area by the Town Comptroller. However, any changes or modifications to the annual budget including the transfer of appropriations among line items must be approved by resolution of the Town Board.

A summary of the 2025 and 2026 Adopted Budgets is presented as Appendix B herein.

Independent Audits

The Town retained the firm of PKF O'Connor Davies, LLP, Certified Public Accountants, to audit its financial statements for the fiscal year ending December 31, 2024. Appendix B, attached hereto, presents excerpts from the Town's most recent audited reports covering the last five fiscal years.

In addition, the Town is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. There has been one Town audit posted to the State Comptroller's website over the past five years. (See "*The State Comptroller's Fiscal Stress Monitoring System*," herein.)

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 Town as “No Designation” with a Fiscal Score of 3.3 and an Environmental Score of 16.7.

The financial affairs of the Town are subject to periodic compliance reviews by OSC to ascertain whether the Town has complied with the requirements of various State and federal statutes. In a report dated March 20, 2020, OSC outlined audit results related to a review of the Town Recreation Department and recommended adoption of written policies related to department cash receipts and the implementation of cash receipts procedures to address the timely recording and remitting of cash collections. Town officials generally agreed with OSC recommendations and plan to initiate corrective action.

See the State Comptroller’s official website for more information. 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

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the Town has an investment policy applicable to the investment of all moneys and financial resources of the Town. The responsibility for the investment program has been delegated by the Board to the Chief Financial Officer who was required to establish written operating procedures consistent with the Town's investment policy guidelines. According to the investment policy of the Town, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

Authorized Investments. The Town has designated five banks or trust companies located and authorized to conduct business in the State to receive deposits of money. The Town is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the Town is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the Town include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the Town (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies; obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the Town, but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The Town may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State. Reverse repurchase agreements are not permitted under State law.

Collateral Requirements. All Town deposits in excess of the applicable insurance coverage provided by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the “eligible securities,” “eligible surety bonds” or “eligible letter of credit” as described in the Law.

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The Town’s security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection of such deposits in the event of a default. Securities not registered or inscribed in the name of the Town must be delivered, in a form suitable for transfer or with an assignment in blank, to the Town or its designated custodial bank. The custodial agreements used by the Town provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter or credit may be issued, in favor of the Town, by a qualified bank other than the depository bank.

Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the Town in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

Revenues

The Town derives its revenues primarily from real property taxes and special assessments, State aid and departmental fees and charges. A summary of such revenues for the years 2020-2024 is presented in Appendix B, hereto. Information for said fiscal years has been excerpted from the Town’s audited financial reports, and the 2025 and 2026 Adopted Budgets.

Property Taxes. The Town 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.) Property taxes accounted for approximately 45.1% of total General Fund revenue (excluding other financing sources) for the fiscal year ended December 31, 2024.

The following table sets forth total General Fund revenue and real property taxes received for each of the past five audited fiscal years, the most recent unaudited fiscal year, and the budgeted current fiscal year.

General Fund Revenue & Real Property Taxes

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenue ⁽¹⁾</u>	<u>Real Property Taxes</u>	<u>Taxes to Revenue</u>
2020	\$20,327,174	\$11,421,216	56.2%
2021	23,987,197	11,990,267	50.0
2022	31,651,031	15,710,485	49.6
2023	25,650,450	11,999,292	46.8
2024	27,281,088	12,312,425	45.1
2025 (Unaudited) ⁽²⁾	27,341,609	12,808,038	46.8
2026 (Budgeted)	25,774,410	13,109,239	50.9

(1) Exclusive of other financing sources.
(2) Actual results may vary.

Source: The Audited Financial Statements and Adopted Budgets of Town. The summary itself not audited.

State Aid. The Town received approximately 4.6% of the total 2024 General Fund revenue from the State, excluding other financing sources. A substantial portion of the State aid received is directed to be used for specific programs. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year or future years, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State 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, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the current or future fiscal years. In view of the State's continuing budget problems, State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material

adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See “RISK FACTORS” herein.)

The following table sets forth total General Fund revenue and State aid revenue received for each of the past five audited fiscal years, the most recent unaudited fiscal year, and the budgeted current fiscal year.

General Fund Revenue & State Aid

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenue ⁽¹⁾</u>	<u>State Aid</u>	<u>State Aid to Revenue</u>
2020	\$20,327,174	\$1,342,576	6.6%
2021	23,987,197	2,147,541	9.0
2022	31,651,031	2,439,705	7.7
2023	25,650,450	1,316,552	5.1
2024	27,281,088	1,254,435	4.6
2025 (Unaudited) ⁽²⁾	27,341,609	1,511,268	5.5
2026 (Budgeted)	25,774,410	1,046,471	4.1

(1) Exclusive of other financing sources.

(2) Actual results may vary.

Source: The Audited Financial Statements and Adopted Budgets of the Town. The summary itself not audited.

Sales Tax. The Town receives a share of the County sales tax. The County presently imposes a 1 ½% County-wide sales and use tax on all retail sales. Additionally, the State, effective May 1, 2005, imposes a 4% State sales tax and a 3/8% sales tax levied in the Metropolitan Transportation Authority District. The cities in the County have the power under State law to impose by local law and State legislative enactment their own sales and use taxes. At present, such taxes are imposed at a rate of 2½% in the Cities of White Plains, Mount Vernon, New Rochelle, and Yonkers. The Cities of Rye and Peekskill do not impose such a sales tax.

In July 1991, the State Legislature authorized an additional 1% sales tax for the County to impose in localities other than cities which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991 and has been extended through May 31, 2020. The additional 1% sales tax is to be apportioned between the County (33 1/3%), school districts in the County (16 2/3%) and towns, villages and cities in the County which have imposed sales taxes (50%).

In April of 2019, the State Legislature authorized an increase of 1% to the County sales tax, raising the rate to 8.375% in County localities other than cities. The rate increase is effective as of August 1, 2019 and expires on November 30, 2027.

As noted in the below table, for the fiscal year ended December 31, 2024 sales taxes accounted for approximately 18.0% of General Fund revenue, excluding other financing sources.

General Fund Revenue & Sales Tax

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenue ⁽¹⁾</u>	<u>Sales Tax</u>	<u>Sales Tax to Revenue</u>
2020	\$20,327,174	\$3,641,871	17.9%
2021	23,987,197	4,294,378	17.9
2022	31,651,031	4,748,009	15.0
2023	25,650,450	4,759,009	19.0
2024	27,281,088	4,913,184	18.0
2025 (Unaudited) ⁽²⁾	27,341,609	5,132,434	18.8
2026 (Budgeted)	25,774,410	4,900,000	19.0

(1) Exclusive of other financing sources.

(2) Actual results may vary.

Source: The Audited Financial Statements and the Adopted Budget of the Town. The summary itself not audited.

REAL PROPERTY TAXES

Assessed and Full Valuations

The following table shows the trend during the last five years for real property assessments, real property tax and assessment levies, general purpose tax rates and unpaid taxes at the end of each year.

	Real Property Tax Statistics				
	<u>2021-2025</u>				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Taxable Value	\$1,059,269,482	\$1,063,275,523	\$1,069,443,711	\$1,069,236,778	\$1,084,893,199
Equalization Rate (%)	<u>19.06%</u>	<u>19.38%</u>	<u>16.75%</u>	<u>14.80%</u>	<u>14.07%</u>
Full Value	<u>\$5,557,552,371</u>	<u>\$5,486,457,807</u>	<u>\$6,384,738,573</u>	<u>\$7,224,572,824</u>	<u>\$7,710,683,717</u>
Town and County					
Tax levy:					
General ⁽¹⁾	\$16,732,821	\$15,803,209	\$17,376,586	\$17,426,408	\$17,651,923
Special Dist. ⁽²⁾	8,822,312	10,020,135	10,918,607	11,496,475	12,928,472
County Tax Levy ⁽³⁾	<u>17,615,731</u>	<u>17,004,491</u>	<u>16,467,382</u>	<u>17,047,111</u>	<u>17,644,674</u>
Total	<u>\$43,170,864</u>	<u>\$42,827,835</u>	<u>\$44,762,576</u>	<u>\$45,969,994</u>	<u>\$48,225,069</u>
Tax Rate ⁽⁴⁾	\$15.80	\$15.99	\$16.25	\$16.24	\$16.27
Uncollected Taxes:					
Amount ⁽⁵⁾	\$224,476	\$104,149	\$102,389	\$120,197	\$379,667
Percent To Total Levy	0.52%	0.24%	0.23%	0.26%	0.79%

- (1) Tax levy for General Fund and Highway Fund.
- (2) Special district includes taxes for independent fire districts.
- (3) Includes assessments for County Sewer District.
- (4) Tax rate per \$1,000 assessed value for General and Highway Fund purposes.
- (5) Represents uncollected portion of current Town and County taxes.

Source: Town Officials.

The Town derives its power to levy an ad valorem real property tax from the Constitution of the State. The Town levies taxes for Town and special district operating purposes and for debt service.

Tax Collection Procedures

The assessment, levy and collection of real property taxes is governed by the Real Property Tax Law of the State and the County Tax Code. Towns and cities in the County assess all real property within their boundaries and collect and enforce all real property taxes and assessments. The Town receives tax warrants for the collection of taxes from the County as well as the school districts and fire districts within its boundaries. The Town remits the full amount of the County, fire district and school district taxes according to the times prescribed by the County Tax Code. The Town is required to pay the full amount of each warrant presented by these various entities whether or not these amounts are actually collected by the Town. The Town enforces delinquent taxes by acquiring tax liens and in-rem foreclosure proceedings.

Town and County taxes, and special district assessments for the period from January 1st to December 31st are due in a single payment on April 1st. Payment may be made without penalty until April 30th, after which the penalty is 2% during May, 5% during June and July, 7% during August and September, 10% during October, November and December and 12% thereafter to tax lien date (generally in May following the year of levy).

School taxes for the school year beginning July 1st may be paid in two installments. The first such installment is due on September 1st and may be paid without penalty until September 30th, after which the penalty is 2% during October, 5% during November, 7% during December and January, 10% during February and March, and 12% thereafter to the date of the tax lien

date. The second installment of school taxes is payable without penalty until January 31st, after which the penalty is 10% during February and March, and 12% thereafter to the date of the tax lien date (generally in the month of May).

School Tax Collections

**School District Fiscal Years
Ended 2021-2025**

<u>Fiscal Years Ended June 30:</u>	<u>Amount of Tax Levy</u>	<u>Tax Collections</u>	<u>Unpaid Taxes ⁽¹⁾</u>	<u>Current Collections To Tax Levy (%)</u>
2021	\$118,488,509	\$117,756,246	\$732,263	99.4%
2022	120,166,522	119,614,412	552,110	99.5
2023	122,772,069	122,336,063	436,006	99.6
2024	126,547,924	126,103,516	444,408	99.6
2025	130,373,044	129,839,113	533,930	99.6

(1) School taxes included in annual tax sale or for which the Town issued liens on or about July 1st.
Source: Town Officials.

Ten of the Largest Taxpayers

The following table presents the taxable assessments of the Town’s larger taxpayers.

<u>Taxpayer</u>	<u>Classification</u>	<u>Assessed Valuation</u>	<u>% Total Assessed Valuation⁽¹⁾</u>
Consolidated Edison	Utility	\$41,434,199	3.82%
HVP IV Chappaqua LLC	Commercial	9,500,000	0.88
AD Chappaqua LLC	Office	5,920,000	0.55
Massealah International	Residential	5,732,250	0.53
Spring Valley Road LLC	Health Care	4,221,000	0.39
HMF Property LLC	Residential	3,031,400	0.28
Red Apple Building	Residential	2,224,968	0.21
Boesky, Seema	Residential	1,975,000	0.18
*200 Fee Owner LLC	Apartments	1,757,500	0.16
Millwood Holdings LLC	Industrial	1,586,600	0.15
		<u>\$77,382,917</u>	<u>7.13%</u>

(1) The Town’s assessed valuation for the 2025 fiscal year was \$1,084,893,199.
Source: Town Officials.

See “LITIGATION” for discussion of the settlement of taxpayer certiorari claims.

TOWN INDEBTEDNESS

Constitutional Requirements

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

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

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

of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid 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 Town determines to issue debt amortized on the basis of substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General. The Town 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. The State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town's power to increase its annual tax levy. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations set forth in the Tax Levy Limitation Law, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limitation Law*" herein.)

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven per centum of the most recent five-year average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash 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 completed assessment roll and applying thereto the final equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such rate shall be determined. The average full valuation is determined by taking the sum of full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law, imposes a statutory limitation on the power of the Town 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 Town to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town 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 Town Board, the finance board of the Town. Certain such resolutions may be subject to permissive referendum or may be submitted to the Town voters at the discretion of the Town Board. If a bond resolution is submitted to the voters by the Town Board, then only a three-fifths vote of the Town Board is needed for adoption.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. Except on rare occasions, the Town complied with this estoppel procedure.

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 generally such renewals do not (with certain exceptions) extend more than 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).

The Town Board, as the finance board of the Town, has the power, pursuant to the Local Finance Law, to adopt tax and revenue anticipation note resolutions by majority vote. Such resolutions may authorize the issuance of tax or revenue anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits, but, in no event, exceeding the amount of taxes or moneys estimated to be received by the Town, less any tax or revenue anticipation note previously issued and less the amount of such taxes or revenues previously received by the Town.

In addition, under each bond resolution, the Town Board may delegate the power to issue and sell bonds and notes to the Supervisor, the chief fiscal officer of the Town.

In general, the Local Finance Law contains similar provisions providing the Town with power to issue general obligation capital notes, deficiency notes and budget notes.

Constitutional Debt-Contracting Limitation

ORPTS annually establishes State equalization rates for all assessing units in the State, including the Town, which are determined by statistical sampling of market/assessment studies. The equalization rates are used in the calculation and distribution of certain state aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The Town is not subject to a constitutional real property taxing limitation but has a debt contracting limitation equal to seven percent (7%) of average full valuation (See “*Constitutional Requirements*,” herein. See also “*Tax Levy Limitation Law*” herein as to statutory constraints on real property taxation.)

The Town determines the assessed valuation for taxable real properties. The ORPTS determines the assessed valuation of special franchises and the taxable ceiling of railroad property. Special franchises include assessments on certain specialized equipment of utilities under, above, upon or through public streets or public places. Certain properties are taxable for school purposes but exempt for Town purposes.

The following table sets forth the Town’s debt-contracting limitation.

Computation of Debt Contracting Limitation As of March 17, 2026

<u>Assessment Roll Filed</u>	<u>Year Ending December 31:</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization Rate ⁽¹⁾</u>	<u>Full Valuation</u>
2020	2021	\$1,059,269,482	19.06%	\$5,557,552,371
2021	2022	1,063,275,523	19.38	5,486,457,807
2022	2023	1,069,443,711	16.75	6,384,738,573
2023	2024	1,069,236,778	16.24	7,224,572,824
2024	2025	1,084,893,199	16.24	<u>7,710,683,717</u>
Total Five-Year Full Valuation				<u>32,364,005,292</u>
Five-Year Average Full Valuation				<u>6,472,801,058</u>
Debt Contracting Limitation: 7% of Five-Year Average Full Valuation				<u><u>\$ 453,096,074</u></u>

(1) Final rates are provided by the ORPTS.

Statutory Debt Limit and Net Indebtedness

Statement of Debt Contracting Power As of March 17, 2026

	<u>Amount</u>	<u>Percentage</u>
Debt Contracting Limitation:	\$453,096,074	100.00%
Gross Indebtedness:		
Serial Bonds	<u>10,535,000</u>	<u>2.33</u>
Gross Indebtedness	<u>10,535,000</u>	<u>2.33</u>
Less Exclusions and Deductions:		
Water Indebtedness	<u>3,004,039</u>	<u>0.66</u>
Total Exclusions	<u>3,004,039</u>	<u>0.66</u>
Net Indebtedness	<u>7,530,961</u>	<u>1.66</u>
Net Debt Contracting Margin	<u><u>\$445,565,113</u></u>	<u><u>98.34%</u></u>

Bond Anticipation Notes

Pursuant to the Local Finance Law, the Town is authorized to issue short-term indebtedness, in the form of notes, to finance both capital and operating purposes.

Bond anticipation notes may be sold to provide moneys for capital projects once a bond resolution has been adopted. Generally, bond anticipation notes are issued in the anticipation of the sale of bonds at some future date and may be renewed from time-to-time but, in general, may not be renewed beyond the fifth anniversary of their original issuance. However, bond anticipation notes issued in anticipation of the sale of bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reduction for the entire period of probable usefulness for which such notes were originally issued. Bond anticipation notes may not be renewed after the second year unless there is a principal payment made on such notes from a source other than the proceeds of bonds or bond anticipation notes. Pursuant to law, bond anticipation notes may not be renewed after the sale of bonds in anticipation of which the notes were originally issued. Capital notes may be issued to finance any capital purposes; the term for capital notes is generally limited to two years.

The Town currently has no outstanding bond anticipation notes.

Tax and Revenue Anticipation Notes

The Town is authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash to pay operating expenditures. Borrowings for this purpose are restricted by formulas contained in the Local Finance Law and regulations issued under the Internal Revenue Code of 1986, as amended. Such notes may be renewed from time to time but generally not beyond three years, in the case of revenue anticipation notes, and five years for tax anticipation notes. Budget notes may be issued to finance current operating expenditures for which there is no appropriation or the amount so appropriated is not sufficient. Generally, the amount of budget notes issued may not exceed 5% of the budget and must be redeemed in the next fiscal year.

The Town has not borrowed for operating purposes since 1993 and has no plans of issuing such debt in the foreseeable future.

Installment Purchase Debt

The Town does not currently have any installment purchase debt outstanding.

Trend of Capital Debt

The following table sets forth the gross amount of bonded debt outstanding at the end of each of the last five fiscal years. Refunded and installment purchase debt has been excluded from the table.

Bonded Debt	
<u>2021-2025</u>	
Years Ended December 31:	Bonded Debt
2021	\$19,305,000
2022	16,945,000
2023	14,880,000
2024	13,160,000
2025 (Unaudited)	11,860,000

Overlapping and Underlying Debt

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County and various school districts situated in the Town. Such taxpayers' share of this overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate units' total values. The following table presents the amount of overlapping debt and the Town's share of this debt as of the dates indicated; authorized but unissued debt has not been included.

Statement of Direct and Overlapping Indebtedness
As of March 17, 2026

Gross Direct Indebtedness	\$10,535,000
Exclusions and Deductions	<u>3,004,039</u>
Net Direct Indebtedness	<u>\$ 7,530,961</u>

<u>Issuer</u>	<u>Date of Report</u>	<u>Total Net Underlying Debt</u>	<u>Applicable Percentage</u>	<u>Net Applicable Debt</u>
County:				
Westchester	12/31/24	\$1,071,341,812	2.04%	\$21,855,373
School Districts				
Byram Hills	06/30/25	2,360,000	1.00	23,600
Bedford	12/27/25	57,750,000	4.00	2,310,000
Chappaqua	11/03/25	71,400,000	91.60	65,402,400
Ossining	12/23/25	22,035,000	10.02	2,207,907
Yorktown	12/09/25	2,165,000	1.77	38,321
Fire Districts				
Millwood	12/31/24	5,790,000	100.00	<u>5,790,000</u>
Total				<u><u>\$97,627,600</u></u>

Source: Municipal Officials, the New York State Office of the State Comptroller and the MSRB.

Debt Ratios

The following table presents certain ratios relative to the Town's capital indebtedness as of March 17, 2026.

Direct and Overlapping Debt Ratios

	<u>Amount</u>	<u>Per Capita⁽¹⁾</u>	<u>Ratio To Full Value⁽²⁾</u>
Net Direct Debt	\$ 7,530,961	\$ 416.49	0.10%
Net Direct and Overlapping Debt	105,158,561	5,815.65	1.36

(1) The population of the Town, according to 2024 interim data compiled by the US Census Bureau, is 18,082.

(2) Taxable full real property valuation for 2025 is \$7,710,683,717.

Authorized but Unissued Debt

Following the issuance of the Bonds, the Town will have \$787,814 of authorized but unissued debt for the purchase of a sewer cleaner and other improvements to the Millwood Water Treatment Plant.

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Debt Service Schedule

The following table sets forth the annual debt service requirements on all outstanding bonds of the Town, excluding the Bonds and any installment purchase debt.

<u>Schedule of Debt Service Requirements</u>			
Years Ending Dec. 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026 ⁽¹⁾	\$1,325,000	\$355,738	\$1,680,738
2027	1,335,000	311,813	1,646,813
2028	1,345,000	267,538	1,612,538
2029	865,000	231,013	1,096,013
2030	870,000	202,313	1,072,313
2031	675,000	177,413	852,413
2032	675,000	156,413	831,413
2033	675,000	135,413	810,413
2034	270,000	120,863	390,863
2035	270,000	112,763	382,763
2036	270,000	104,663	374,663
2037	270,000	96,563	366,563
2038	270,000	88,463	358,463
2039	270,000	80,363	350,363
2040	275,000	72,188	347,188
2041	275,000	63,938	338,938
2042	275,000	55,688	330,688
2043	275,000	47,438	322,438
2044	275,000	39,188	314,188
2045	275,000	30,938	305,938
2046	275,000	22,516	297,516
2047	275,000	13,750	288,750
2048	<u>275,000</u>	<u>4,641</u>	<u>279,641</u>
Total	<u>\$11,860,000</u>	<u>\$2,791,617</u>	<u>\$14,651,617</u>

(1) For entire fiscal year.

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ECONOMIC AND DEMOGRAPHIC DATA

Population

	<u>Population</u>			<u>% Change</u>	
	<u>2010</u>	<u>2020</u>	<u>2024</u>	<u>2010-2020</u>	<u>2020-2024</u>
	Town	17,569	18,311	18,082	4.2%
County	949,113	1,004,457	1,006,447	5.8	0.2
State	19,378,102	20,201,249	19,867,248	4.3	-1.7

Source: U.S. Department of Commerce, Bureau of the Census.

Income

	<u>Per Capita Money Income</u>			<u>% Change</u>	
	<u>2010</u>	<u>2020</u>	<u>2024</u>	<u>2010-2020</u>	<u>2020-2024</u>
	Town	\$93,183	\$105,769	\$123,827	13.5%
County	47,814	57,953	72,705	21.2	25.5
State	30,948	40,898	50,712	32.2	24.0

Source: U.S. Department of Commerce, Bureau of the Census. American Community Survey 5-Year Estimate.

Median Income of Families 2024

	<u>Median Income</u>	<u>Income Groups - % of Families</u>				
		<u>Under \$25,000</u>	<u>\$25,000 -49,999</u>	<u>\$50,000 -74,999</u>	<u>\$75,000 -99,999</u>	<u>\$100,000 Or More</u>
Town	\$250,000+	2.1%	2.6%	6.6%	3.6%	85.0%
County	156,822	6.4	8.2	8.9	9.4	67.2
State	106,873	9.8	12.6	12.8	11.8	53.1

Source: U.S. Department of Commerce, Bureau of the Census. American Community Survey 5-Year Estimate.

Employment

The following tables provide information concerning employment and unemployment in the County and State. Data provided for the County and State are not necessarily representative of the Town.

Civilian Labor Force (Annual Averages)

	<u>2010</u>	<u>2020</u>	<u>2024</u>	<u>% of Change</u> <u>2010/2020</u>	<u>% of Change</u> <u>2020/2024</u>
	County	479,400	500,400	538,800	4.38%
State	9,633,200	9,569,500	9,834,600	(0.66)	2.77

Source: New York State Department of Labor

Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2020	7.9%	9.8%
2021	4.7	7.1
2022	3.0	4.3
2023	3.0	4.1
2024	3.3	4.3

Source: New York State Labor Department and U.S. Bureau of Labor Statistics.

Major Private Sector Employers in the County

<u>Name of Business</u>	<u>Nature of The Business</u>
IBM Corp.	Computer hardware and software
PepsiCo Inc.	Soft drinks and snack foods
Westchester Medical Center	Hospital and health care services
Regeneron Pharmaceuticals Inc.	Pharmaceuticals
White Plains Hospital	Acute health care services, preventative medical care
Saint Joseph’s Medical Center	Hospital and health care services
Northern Westchester Hospital	Hospital and health care services
Montefiore New Rochelle Hospital	Hospital and health care services

Source: Official Statement for Westchester County dated February 19, 2025. Info was compiled by Data AXLE Reference Solutions.

Financial Institutions

Numerous banking facilities are available in the Town and adjacent areas. Many of the State's major commercial banks have branch offices located in the area. Bank of America, N.A., Citibank N.A., and J.P. Morgan Chase Bank are all located within the Town.

Transportation

The Town is served by all major forms of transportation. Highway facilities include U.S. Interstate 684, the Saw Mill River Parkway and Taconic Parkway (generally limited to passenger vehicles). Rail and bus service are provided by the Harlem Division of the Metropolitan Transportation Authority and the County Bus Line. The County Airport as well as the New York City airports (LaGuardia, Kennedy and Newark Airports) are easily accessible to residents of the Town and provide domestic and international air service on a regular basis.

Utilities

The Consolidated Edison Company and Verizon provide the Town's basic utilities. In addition, the Town operates a water system and through a state of the art filtration plant provides potable water that meets all Federal standards. Certain areas of the Town are serviced by sewer collection systems funded by user assessments. The effluent from the Town sewer systems are treated at County sewage treatment plants. Approximately one-third of the Town is served by a lighting district that provides street lighting paid for by special assessments.

Economic Development

The Town is home to one of the highest ranked school districts across the nation. This has enabled the Town residential property to maintain a constant state of occupancy and has continued to promote additional residential development and redevelopment throughout the community as represented by the consistent site plan, subdivision and building permit applications that are reviewed by the Town.

Given the residential nature of the Town, most development activities have been devoted primarily to the construction of shopping facilities, new office space and condominiums. Extrapolated from the Town's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2024, the following sections discuss significant development projects currently under construction or in the planning stages:

Saw Mill River Valley Sanitary Sewer Expansion Project - Diversion

This project will connect 373 households from the Riverwoods, Random Farms, and Yeshiva communities with the County sanitary sewer system. As determined by the New York City Department of Environmental Protection ("NYCDEP"), the wastewater treatment plants serving these communities require significant upgrades in order to comply with the 1998 Watershed Rules and Regulations. The repairs required to bring the treatment plants into compliance proved to be extremely costly. As an alternative, the Town began research on the expansion of the County sanitary sewer, which proved to be far more cost-effective. In 2012, the Town began design work on the diversion project and to date 95% of the design has been completed. Seeking creative ways to close a projected \$10 million shortfall in funding, the Town proposed to split the project into two separate diversion projects: Riverwoods and Yeshiva diverting through Mount Kisco as one, and Random Farms taking the original diversion route as the other. This novel approach could save \$6 million dollars in construction costs and is helping to move the project closer to a reality. Three years ago, the communities, Random Farms and Riverwoods/Yeshiva independently retained the same counsel to assist them in reactivating their respective Transportation Corporations. This is one of a number of strategies their counsel is employing in advocating for a more favorable resolution of these failing wastewater treatment plants with the NYCDEP. As these private negotiations proceed, the Town's role in this process has become secondary. The Town remains ready to assist these communities only if it becomes necessary. However, the Town's role in this process, along with its financial involvement, is now limited. It appears that the funding already secured will be sufficient to complete the project. Private counsel and the NYCDEP continue to negotiate the terms of the resolution of this project, as well as any additional monies that may be required.

In early 2022, the Fox Hollow Treatment plant, which treats the wastewater for Riverwoods and Yeshiva, experienced significant mechanical issues emphasizing the urgency to resolve this long-standing issue.

Over the past few years, conversations involving the County and the Town/Village of Mount Kisco, as well as the NYCDEP, and the communities of Riverwoods and Yeshiva, and tangentially, the Town, continued. Significant progress has been made to resolve outstanding issues that have hindered the project's ability to move forward.

In 2023, the engineering plans were approved by the Town Planning Board and the County. Bid documents were issued and the project was awarded. Construction began during the summer of 2024 and was substantially completed in early 2025. Final closeout occurred in early 2026. Funding for the construction of the sewer connection along with the upgrade to the Mt. Kisco pump station has been secured through the East of Hudson funds.

New Castle Stanwood Water District Capital Project List

In 2022, the Town engaged Hazen and Sawyer Engineering to conduct a Preliminary Engineering Report ("PER") for its water system. The purpose of the report was not only to identify the priority for projects for the Millwood Water Treatment Plant but also for the Town's distribution system. The report confirms that the water projects that were identified as priority projects are also recommended by the PER as first for the Town to address. Current projects, like the NYS Route 120 water main replacement project is a shared service project with the County. As the County extends the existing sewer trunk line up Route 120, the Town's water main replacement will occur over the same stretch of roadway. The projects listed below are in various stages of planning and construction.

- NYS Route 120 Water Main Replacement Project – Water Main Replacement of 6" undersized/outdated cast iron pipe – Quaker Road from Hunts Place to 402 Quaker Road (NYS Truck Route 120). This project seeks to replace 6,000 linear feet of 6-inch cast iron water main installed circa 1930 which is well beyond its useful life. The new installation will be a 12-inch cement mortar lined ductile iron pipe. This replacement project is being planned in conjunction with the County's extension of the sewer trunk line along the same stretch of Quaker Road to minimize the disruption to residents who use this major thoroughfare. It will also allow for shared costs of engineering services and construction services. The project, slated to break ground in 2027, will cost \$11,000,000; \$650,000 in engineering costs (design, construction management and construction inspection) and \$10,350,000 million in construction costs.
- The County began the construction of the relief sewer along Joan Corwin Way in connection with the Saw Mill River Valley Sanitary Sewer Expansion Project in 2026. This relief sewer project is expected to take 18 months to complete. Due to the close proximity of the projects to one another, the 120 Water Main Replacement Project is slated to begin

construction only after the relief sewer is completed. This will push the start of the 120 Water Main Replacement project to 2027/2028.

- Bedford Road Pump Station Upgrades – Generator, Pumps, Motors, and Motor Control Center. The Bedford Road Pump Station provides water to the residents on 25% of the Town’s 6,000 parcels. The Bedford Road Pump Station is located on Bedford Road adjacent to Upland Drive in Chappaqua, NY. The station and pumps were installed in 1976 and put into service in 1977. The area served by this station includes the 750,000 gallon Whippoorwill Road Water Storage Tank as part of the system. The booster station floor elevation is at 400.00 and the Whippoorwill Storage Tank overflow is at elevation 775.00. Without the pump station operation, water cannot reach those 1,500 homes. Although the original pumps have been replaced over the years to keep pace with development, the four pumps housed in the station are not properly sized for the current water demand. In addition, the original generator has never been replaced and cannot operate all four pumps in the event the station loses power. The project was estimated at \$1.6 million including engineering services (design, construction management and inspection) and purchase and installation of new pumps and the generator. Design work was completed in 2024 by Woodard & Curran Engineering and later in the year the Town awarded the construction contract to TAM Enterprises Inc.
- Roof Replacement at Millwood Water Treatment Plant – Original to the building, the 30+ year old roof was replaced in 2023, final punch list items were completed in 2024. The total estimated cost of the project was \$2 million with the construction contract awarded to Barrett Roofs Inc. for \$1,055,000. The final cost came in under budget at \$1,149,419.
- Water Main Crossing of Metro North Tracks – Chappaqua Train Station. Replacement of 175 feet of 6” unlined cast iron pipe with 12” or 16” Welded Steel Water Main inside of a Casing Pipe – Micro-tunnel or Horizontal Directional Drill Trenchless installation. The Town has begun engineering studies for the replacement of the water main under the Metro North Railroad tracks. The Town has re-examined its original location for the replacement crossing from lower King Street across the tracks by the new Conifer apartments. Preliminary engineering estimates rendered this location cost prohibitive. This was due to many factors, including soil composition that required micro-tunneling, a very expensive method of boring, coupled with stringent safety requirements from Metro North, which caused the cost of the project to balloon to over \$3 million.

As discussed above, the existing main under the railroad tracks is beyond its useful life and experienced a main break failure in February 2020. That break disrupted Metro North rail service, but as it occurred during the pandemic, ridership was at an all-time low and the service disruption was not a significant hardship for commuters. As ridership continues to climb and approaches pre-pandemic levels, a future water main break will cause major travel disruptions and potential safety issues to one of the busiest commuter lines in the country. The Town has proposed a different site for its crossing location in order to find an area with more stable soils that would not require expensive boring techniques. The Town believes a location further south in its commuter parking lot would be such a site and is exploring this area with a newly hired engineering firm. The engineering firm of Manganaro was awarded the bid to design the replacement main under the tracks for \$205,390. The Town has conducted 2 of the 3 required borings and is awaiting approval for the 3rd. Design work is almost complete, awaiting only the results of the boring tests.

- Priority Water Main Replacement – The Town has identified several sections of water main that are undersized and beyond their useful life (installation circa 1930s) that need to be replaced. The Town estimates that these projects will run approximately \$350 a linear foot to complete.
 - The replacement of the water mains on Pinecliff Road, Ridge Drive, and parts of Meadow Lane were largely completed by Legacy Supply in late 2024. This project was identified for funding with the Town’s allocation of ARPA funds, with a total cost of \$1,639,179.37.
 - The Town was able to complete the water main replacement of 450 linear feet on Alden Road using Town staff.
 - The next round of water main replacement of unlined tuberculated cast iron pipe will include – Ryder Road and Barnes Road with an approximate cost of \$800,000.
 - 18” cast iron water main that supplies Large Alpine Storage Tank from Roaring Brook road water main with an approximate cost of \$600,000.

- Spring Road, Martha Place, Dunbow Drive, Wynnewood Road, and Park Drive - approximately 3.700 linear feet. Further investigation is needed to determine how much of this needs to be replaced, with a total replacement cost of approximately \$2.6 million.

Some sections of water main have been identified as eligible candidates for clean and cement lining to prolong their useful life. The Town estimates the clean and cement lining to cost \$350 a linear foot.

- Clean and Cement Line unlined tuberculated cast iron water mains – Valley View, Brookside Circle, and High Point Circle- 2.350 linear feet with an approximate cost of \$825,000
- Clean and Cement Line unlined tuberculated cast iron water mains – Kathleen Lane and Daly Cross Road- 4,300 linear feet at an approximate cost of \$1.5 million.
- Alpine Water Tank Replacement – The Alpine Water tank (2 million-gallon capacity) services the entirety of the New Castle-Stanwood Water District (“NCSWD”). Along with other storage tanks, it provides 8 hours of water storage for the 17,116 residents of the NCSWD. Currently, in case of a water distribution system disruption, the Town’s current water storage capacity will provide water to its residents for 8 hours. NYCDEP has increased its requirements for water systems operating within the NYC watershed, including the Town’s. The DEP now requires that the Town operate with a 2-day supply of water on hand in case of water distribution system disruptions or failures. This requires the installation of a larger tank to replace the Alpine tank that was originally built in 1932. The existing water tank is antiquated and significantly undersized for current needs. The cost of a replacement tank that meets today’s standards is \$5 million. This project is slated to be addressed in the next 5 years

Decommissioning of the Upper Minkel Dam (Croton Dam and Dike)

In 2017, the Town was informed that the DEC had changed the classification of the Minkel Dam to a Class C high hazard dam and directed the Town to either upgrade the dam or decommission it. The Town then engaged Tectonic engineering to evaluate the impacts of both actions and recommend a path forward. With the cost of either removing the dam or upgrading it about the same, the Town undertook hydrological studies to ensure that decommissioning the dam would not adversely impact the wells of surrounding neighbors. In 2019, after the study results came in, the Town learned that decommissioning would not adversely impact the neighboring wells. That information, coupled with the Town’s inability to obtain liability insurance for this high hazard dam, contributed to the Town Board’s decision to take steps to decommission the dam. As the dam sits on the boundary with the Town of Ossining, Town staff and consultants met with officials from the Town of Ossining, neighbors and the condominium community downstream from the Minkel Dam and their engineer to discuss the proposed decommissioning. The Town received no objections from any of these interested parties.

In early 2022, the Town issued an RFP for the services of qualified civil/structural/ environmental/landscape firms with considerable experience for the decommissioning and wetlands restoration for existing NYSDEC High Hazard Dams (Class C), in order to secure a qualified team to plan and oversee all phases of a comprehensive dam decommissioning project and wetlands restoration which includes, but not limited to, the preparation of design and construction plans, including conceptual plans, Town, Town of Ossining, NYSDEC and USACE permitting, construction plans, wetlands restoration plans, engineers cost estimate, bid documents, and construction administration and inspection.

In Late April 2022, the Town Board awarded this contract to Tectonic Engineering. In late 2024 the Town met with the US Army Corps of Engineers who determined the plans did not satisfy their requirements pertaining to wetlands, necessitating yet another change in design plans. Tectonic has been working on the re-design and expects to present the revised plans to the Town in the near future.

Funding for the original scope of the project was expected to come from a pair of grants that the Town obtained. In 2020, the Town received a \$731,000 FEMA BRIC grant for the design and construction work. Following the federal grant, the Town then received a \$275,000 grant from the County in 2022. Between these two grants, the original scope of the project would have been completely funded. However, preliminary estimates for the re-design show costs escalating far beyond the amount currently funded. Town staff continue to pursue other funding opportunities at the local, State, and federal level.

Sidewalks

The Millwood Sidewalk replacement/installation project continues with plans at 90%. The Town continues to work with NYSDOT to address their concerns with regard to property takings, ADA compliance and snow shelf issues among others. Designs for the new sidewalk, decorative street light installation and new plantings are expected to be submitted to NYSDOT

shortly. The appraisal for the property takings is complete and the process for acquiring the property required by NYSDOT should be completed this year. Once the acquisition is accepted, the Town should be able to complete the plans and go out to bid on the project. Retirements and attrition at the NYSDOT have stalled the acceptance of the acquisitions.

In 2024 the Town contracted with EDR to perform a feasibility study for a continuation of the existing sidewalk on Quaker Rd. Unfortunately, multiple factors including the proximity of several homes to the street, and the topography in the location of the proposed sidewalk led to the determination the sidewalks are not feasible in this area.

The Town continues to look at options for new sidewalk installations. Current projects under consideration include a connection from Gedney Park to the North County Trailway, and the extension of the sidewalk on South Bedford Rd from King Street to Salem Rd.

Recreation Improvements – Millwood Ball Field and Amsterdam Park

In 2020, using a grant from the NYS Dormitory Authority, the Town refurbished the Millwood Ball Field when it installed ballfield lights, parking lot lights and pathway lights to allow the field to be used after dark. In 2025, again using grant monies, the Town continued renovations to the park by resurfacing the tennis court, replacing the playground and installing an ADA compliant pathway to access the new playground.

In addition, Amsterdam Field Number 2 was completely skinned and re-sodded in Spring of 2022.

In 2024, the Town received a CREST grant in the amount of \$250,000 to install a sewer line connecting the Amsterdam Carriage House to the nearest sewer line, allowing the Town to install two bathrooms in the building. Other improvements to the building include finishing the upper level, adding a heat pump to provide heating and cooling for, and adding an additional egress from the upper level. These improvements will allow for expanded use of the building and provides the ability to increase Town recreational offerings, including expanding summer camp options.

ChapLine Trailway

With the completion of the new Chappaqua Crossing shopping center opposite the entrance to Horace Greeley High School on Roaring Brook Road, and the existence of a cleared route through the woodlands and wetlands for the existing Westchester County Sewer trunk line, the Town has sought to close a key gap in the anticipated North Westchester County Trail System that would benefit both the Town and the region. Nicknamed the ChapLine, the nearly one and one-half-mile route will link downtown Chappaqua and Robert E. Bell Middle School with Chappaqua Crossings and Horace Greeley High School. The ChapLine trail corridor is rich in diverse landscapes, land use types, and flora and fauna. The ChapLine Feasibility Study examined trail alignment opportunities and investigated constraints on the ground, researched environmental considerations and adjacent uses, and held thorough discussions with key stakeholders and interested public. The study evaluated alternative alignments, finally proposing a preferred alignment that includes a paved trail, boardwalks, and a bridge crossing ultimately connecting to a multi-use path along the south shoulder of Roaring Brook Road.

In 2024, the Town was notified that its TAP grant application had been approved and the Town would receive \$5,000,000 to begin design for the entire project and construction on phase 1.

The Town has selected Barton and Loguidice as the design consultant. Survey work and wetlands delineation began in the fall of 2025. Preliminary design work will follow, expected to during the winter of 2025/2026, and construction is scheduled to begin in the summer of 2027.

End of Appendix A

APPENDIX B

FINANCIAL STATEMENT AND BUDGET SUMMARIES

**TOWN OF NEW CASTLE
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION**

AS OF DECEMBER 31:

	2020	2021	2022	2023	2024
ASSETS					
Cash	\$ 9,554,032	\$ 16,154,134	\$ 16,758,085	\$ 3,038,206	\$ 3,388,588
Investments	148,201	148,259	5,902,614	17,376,364	15,025,864
Taxes Receivables (Net)	2,514,067	1,043,835	776,335	826,662	945,692
Other Receivables:					
Accounts	184,035	131,286	134,894	122,567	158,785
Due From Other Governments	1,104,203	1,305,554	1,574,081	1,250,758	1,253,748
Due From Other Funds	0	0	138,853	174,360	1,706,501
Prepaid Expenditures	2,012,940	1,434,410	1,646,168	496,308	594,345
 Total Assets	\$ 15,517,478	\$ 20,217,478	\$ 26,931,030	\$ 23,285,225	\$ 23,073,523
 LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 343,409	\$ 365,302	\$ 1,846,347	\$ 437,036	\$ 398,045
Accrued Liabilities	50,806	48,819	48,752	45,167	106,161
Deposits	911,923	2,995,541	969,553	965,620	1,069,533
Employee Payroll Deductions	50,907	44,142	52,079	43,504	48,785
Due To School Districts	0	0	0	0	0
Due to Other Governments	44,201	26,409	23,238	25,300	12,543
Due To Other Funds	1,077	1,077	1,077	1,077	1,077
Due To Retirement Systems	0	1,449,821	0	0	0
Unearned Revenues	0	912,869	1,736,945	1,434,300	148,323
Deferred Revenues	2,525,343	967,050	292,054	784,202	976,030
 Total Liabilities	3,927,666	6,811,030	4,970,045	3,736,206	2,760,497
 Fund Balance:					
Nonspendable	2,012,940	1,434,410	1,646,168	496,308	594,345
Restricted	387,162	239,923	99,751	109,518	114,994
Committed	0	0	863,465	863,465	863,465
Assigned	1,220,463	665,495	1,115,395	1,638,892	2,367,479
Unassigned	7,969,247	11,066,620	18,236,206	16,440,836	16,372,743
 Total Fund Balance	11,589,812	13,406,448	21,960,985	19,549,019	20,313,026
 Total Liabilities and Fund Balance	\$ 15,517,478	\$ 20,217,478	\$ 26,931,030	\$ 23,285,225	\$ 23,073,523

The financial data presented on this page has been excerpted from the audited financial statements of the Town. Such presentation, however, has not been audited. Complete copies of the Town's audited financial statements are available upon request to the Town.

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION**

YEARS ENDED DECEMBER 31:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES:					
Real Property Taxes	\$ 11,421,216	\$ 11,990,267	\$ 15,710,485	\$ 11,999,292	\$ 12,312,425
Other Tax Items	486,550	428,459	410,225	289,056	354,240
Non-Property Tax	3,641,871	4,294,378	4,748,009	4,759,009	4,913,184
Departmental Income	1,205,026	2,500,961	2,939,167	2,941,319	3,204,027
Use Of Money And Property	123,904	21,882	246,778	1,293,541	1,070,507
Licenses and Permits	938,088	1,379,963	1,387,359	1,413,001	1,603,314
Fines and Forfeitures	194,303	138,922	224,854	343,680	382,905
Sale Of Property And Compensation For Loss	19,775	5,500	2,530,005	7,850	10,200
Interfund Transfer	728,241	728,241	728,241	728,241	728,241
State Aid	1,342,576	2,147,541	2,439,705	1,316,552	1,254,435
Federal Aid	62,643	69,837	192,639	349,163	1,376,615
Miscellaneous	162,981	281,246	93,564	209,746	70,995
Total Revenues	<u>20,327,174</u>	<u>23,987,197</u>	<u>31,651,031</u>	<u>25,650,450</u>	<u>27,281,088</u>
EXPENDITURES:					
Current:					
General Government Support	\$ 4,548,844	\$ 5,010,138	\$ 5,051,130	\$ 5,381,245	\$ 5,706,811
Public Safety	5,400,024	5,666,819	5,774,065	6,469,270	6,782,810
Health	56,867	34,749	30,769	46,760	58,911
Transportation	102,357	125,898	189,933	176,872	178,994
Culture And Recreation	1,908,363	1,960,794	2,573,855	2,822,569	2,706,659
Home And Community	556,111	634,878	563,570	468,112	472,320
Employee Benefits	5,727,387	6,889,677	7,080,657	8,300,057	7,914,560
Debt Service	1,724,458	1,668,017	1,628,251	1,473,862	1,145,046
Total Expenditures	<u>20,024,411</u>	<u>21,990,970</u>	<u>22,892,230</u>	<u>25,138,747</u>	<u>24,966,111</u>
Net Change in Fund Balance	302,763	1,996,227	8,758,801	511,703	2,314,977
OTHER FINANCING SOURCES (USES):					
Insurance Recoveries	0	1,409	24,529	74,858	74,633
Transfers - In	0	0	0	15,000	0
Transfers - Out	(145,679)	(181,000)	(228,793)	(3,013,527)	(1,625,603)
Total Other Financing Sources (U	<u>(145,679)</u>	<u>(179,591)</u>	<u>(204,264)</u>	<u>(2,923,669)</u>	<u>(1,550,970)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	157,084	1,816,636	8,554,537	(2,411,966)	764,007
Fund Balance - Beginning of Year	11,432,728	11,589,812	13,406,448	21,960,985	19,549,019
Fund Balance - End of Year	<u>\$ 11,589,812</u>	<u>\$ 13,406,448</u>	<u>\$ 21,960,985</u>	<u>\$ 19,549,019</u>	<u>\$ 20,313,026</u>

*Restated

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TOWN OF NEW CASTLE
HIGHWAY FUND
BALANCE SHEET
UNAUDITED PRESENTATION

YEARS ENDED DECEMBER 31:

	2020	2021	2022	2023	2024
ASSETS					
Cash	\$ 1,095,972	\$ 1,520,779	\$ 0	\$ 1,349,519	\$ 0
Investments	0	0	1,346,101	376,327	1,594,456
Receivables:					
Accounts	4,280	32,502	5,632	1,856	1,077
State and Federal Aid	136,780	0	0	0	0
Due From Other Funds	0	0	0	0	0
Prepaid Expenditures	317,776	238,455	236,093	46,317	57,830
Inventories	8,263	8,099	38,590	38,448	39,046
 Total Assets	\$ 1,563,071	\$ 1,799,835	\$ 1,626,416	\$ 1,812,467	\$ 1,692,409
 LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 160,913	\$ 260,316	\$ 245,438	\$ 244,255	\$ 190,872
Accrued Liabilities	52,056	8,741	10,163	8,178	57,164
Unearned Revenue	0	0	0	0	0
Unearned Revenue	0	0	0	0	0
Due to Retirement Systems	0	167,070	0	0	0
Due to Other Funds	23	23	23	23	23
 Total Liabilities	212,992	436,150	255,624	252,456	248,059
Fund Balances:					
Nonspendable	326,039	246,554	274,683	84,765	96,876
Restricted	9,915	911	916	962	1,010
Assigned	1,014,125	1,116,220	1,095,193	1,474,284	1,346,464
 Total Fund Balance	1,350,079	1,363,685	1,370,792	1,560,011	1,444,350
 Total Liabilities and Fund Balance	\$ 1,563,071	\$ 1,799,835	\$ 1,626,416	\$ 1,812,467	\$ 1,692,409

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TOWN OF NEW CASTLE
HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

YEARS ENDED DECEMBER 31:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES:					
Real Property Taxes	\$ 4,647,550	\$ 4,524,543	\$ 4,572,932	\$ 4,818,074	\$ 4,850,574
Departmental Income	0	0	0	0	0
Use Of Money And Property	61,664	594	124,263	90,125	123,647
Sale Of Property And Compensation For Loss	42,092	68,452	32,739	57,691	36,666
Interfund Revenue	532,499	532,499	532,499	532,499	532,499
State Aid	279,242	573,377	547,534	632,874	594,415
Federal Aid	0	12,566	73,133	260,077	26,019
Miscellaneous	0	386	19,304	0	0
Total Revenues	<u>5,563,047</u>	<u>5,712,417</u>	<u>5,902,404</u>	<u>6,391,340</u>	<u>6,163,820</u>
EXPENDITURES:					
Current:					
General Government Support	\$ 5,494	\$ 5,569	\$ 5,409	\$ 5,521	\$ 5,644
Transportation	3,574,378	4,150,323	4,361,984	4,480,538	4,702,725
Home And Community	8,302	0	0	33,460	15,495
Employee Benefits	933,244	1,111,560	1,108,201	1,269,578	1,206,357
Debt Service	447,469	431,359	419,703	413,024	387,496
Total Expenditures	<u>4,968,887</u>	<u>5,698,811</u>	<u>5,895,297</u>	<u>6,202,121</u>	<u>6,317,717</u>
Deficiency of Revenues Over Expenditures	594,160	13,606	7,107	189,219	(153,897)
OTHER FINANCING SOURCES (USES):					
Transfers - In	0	0	0	0	38,236
Transfers - Out	(24,637)	0	0	0	0
Total Other Financing Sources	<u>(24,637)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,236</u>
Net Change in Fund Balance	569,523	13,606	7,107	189,219	(115,661)
Fund Balance - Beginning of Year	780,556	1,350,079	1,363,685	1,370,792	1,560,011
Change in Accounting Principle					
Fund Balance - End of Year	<u>\$ 1,350,079</u>	<u>\$ 1,363,685</u>	<u>\$ 1,370,792</u>	<u>\$ 1,560,011</u>	<u>\$ 1,444,350</u>

*Restated

The financial data presented on this page has been excerpted from the audited financial statements of the Town.

Such presentation, however, has not been audited. Complete copies of the Town's audited financial statements are available upon request to the Town.

TOWN OF NEW CASTLE
WATER DISTRICT FUNDS⁽¹⁾
BALANCE SHEET
UNAUDITED PRESENTATION

AS OF DECEMBER 31:

	2020	2021	2022	2023	2024
ASSETS					
Cash	\$ 4,881,163	\$ 5,069,286	\$ 4,912,057	\$ 3,018,068	\$ 1,355,763
Investments	1,386,453	1,386,997	1,406,998	3,544,300	4,857,364
Receivables:					
Accounts	1,550,700	1,195,631	1,500,070	1,304,209	1,618,870
Due from Other Governments	0	0	0	0	0
Due From Other Funds	553	553	553	553	553
Prepaid Expenditures	166,734	123,617	125,325	27,345	34,142
Total Assets	\$ 7,985,603	\$ 7,776,084	\$ 7,945,003	\$ 7,894,475	\$ 7,866,692
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 747,506	\$ 617,565	\$ 1,104,622	\$ 1,445,305	\$ 1,033,831
Accrued Liabilities	11,882	5,402	10,554	2,553	10,026
Due To Other Governments	3,109	0	0	0	0
Due To Other Funds	0	0	0	0	0
Due To Retirement Systems	0	97,393	0	0	0
Total Liabilities	762,497	720,360	1,115,176	1,447,858	1,043,857
Fund Balance:					
Nonspendable	166,734	123,617	125,325	27,345	34,142
Restricted	85,430	85,857	86,286	90,600	95,130
Assigned	6,970,942	6,846,250	6,618,216	6,328,672	6,693,563
Total Fund Balance	7,223,106	7,055,724	6,829,827	6,446,617	6,822,835
Total Liabilities and Fund Balance	\$ 7,985,603	\$ 7,776,084	\$ 7,945,003	\$ 7,894,475	\$ 7,866,692

⁽¹⁾ Presentation includes Water District #1, Two Castles Water District, Birch Drive Water District and High Ridge Water District.

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TOWN OF NEW CASTLE
WATER DISTRICT FUNDS⁽¹⁾
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

YEARS ENDED DECEMBER 31:

	2020	2021	2022	2023	2024
REVENUES:					
Real Property Taxes	\$ 1,017,389	\$ 1,017,390	\$ 1,012,600	\$ 1,012,599	\$ 1,006,729
Departmental Income	7,998,322	7,408,302	8,477,432	8,312,626	8,813,891
Use Of Money And Property	49,895	9,090	83,741	197,140	253,432
Interfund Revenue	158,426	158,426	158,426	158,426	182,926
Miscellaneous	16,618	5,692	12,721	4,497	76,270
State Aid	0	0	0	0	0
Federal Aid	0	25,763	0	0	0
Total Revenues	9,240,650	8,624,663	9,744,920	9,685,288	10,333,248
EXPENDITURES:					
Current:					
Home and Community Services	8,324,964	7,588,943	9,096,723	9,007,081	9,032,888
Employee Benefits	419,984	522,101	503,575	598,887	569,255
Debt Service	733,295	681,001	663,599	462,530	419,113
Total Expenditures	9,478,243	8,792,045	10,263,897	10,068,498	10,021,256
Excess of Revenues Over Expenditures	(237,593)	(167,382)	(518,977)	(383,210)	311,992
OTHER FINANCING SOURCES (USES):					
Insurance Recoveries	0	0	293,080	0	64,226
Operating Transfers - In	113,114	0	0	0	0
Operating Transfers - Out	(325,000)	0	0	0	0
Total Other Financing Uses	(211,886)	0	293,080	0	64,226
Net Change in Fund Balance	(449,479)	(167,382)	(225,897)	(383,210)	376,218
Fund Balance - Beginning of Year	7,672,585	7,223,106	7,055,724	6,829,827	6,446,617
Fund Balance - End of Year	\$ 7,223,106	\$ 7,055,724	\$ 6,829,827	\$ 6,446,617	\$ 6,822,835

⁽¹⁾ Presentation includes Water District #1, Two Castles Water District and Birch Drive Water District.

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TOWN OF NEW CASTLE
SUMMARY OF ADOPTED BUDGET
YEAR ENDING DECEMBER 31, 2025

	General Fund	Highway Fund	Water Districts ⁽¹⁾	Refuse Districts	Enhanced Ambulance District	Northern Fire Prot. District	Consolidated Lighting District	New Castle Parking District	King Street Sidewalk District	Sewer District ⁽²⁾	Drainage Districts	Combined Totals
ESTIMATED REVENUES:												
Real Property Taxes	\$ 12,809,239	4,842,684	1,008,871	3,744,148	541,508	1,182,083	110,000	152,000	30,000	212,194	50,622	\$ 24,683,349
Real Property Taxes Items	351,000	0	0	0	0	0	0	0	0	0	0	351,000
Non-Property Tax Items	4,750,000	0	0	0	0	0	0	0	0	0	0	4,750,000
Departmental Income	2,696,500	0	6,605,194	163,000	0	0	0	0	0	84,138	0	9,548,832
Inter Governmental Charges	0	0	1,863,698	0	0	0	0	0	0	0	0	1,863,698
Use Of Money And Property	353,194	50,000	89,000	33,227	0	0	0	0	0	0	0	525,421
Licenses And Permits	1,040,000	0	0	0	0	0	0	0	0	0	0	1,040,000
Fines And Forfeitures	270,000	0	0	0	0	0	0	0	0	0	0	270,000
Sale Of Property And Compensation For Loss	0	0	0	0	0	0	0	0	0	0	0	0
Interfund Revenues	838,241	532,499	182,926	66,535	0	0	0	0	0	0	0	1,620,201
State Aid	1,046,471	425,000	0	0	0	0	0	0	0	0	0	1,471,471
County Aid	28,500	96,000	0	0	0	0	0	0	0	0	0	124,500
Federal Aid	125,000	0	0	0	0	0	0	0	0	0	0	125,000
Miscellaneous	495,500	16,000	0	0	0	0	0	0	0	0	0	511,500
Total Estimated Revenues	24,803,645	5,962,183	9,749,689	4,006,910	541,508	1,182,083	110,000	152,000	30,000	296,332	50,622	46,884,972
APPROPRIATIONS:												
Current:												
General Government Support	6,219,924	0	0	0	0	0	0	0	0	0	0	6,219,924
Public Safety	6,820,061	0	0	0	0	1,182,083	0	0	0	0	0	8,002,144
Health	125,000	0	0	0	611,508	0	0	0	0	0	0	736,508
Transportation	171,800	4,648,859	0	0	0	0	110,000	152,000	0	0	0	5,082,659
Economic Assistance And Opportunity	128,060	0	0	0	0	0	0	0	0	0	0	128,060
Culture And Recreation	2,807,911	0	0	0	0	0	0	0	0	0	0	2,807,911
Home And Community Services	726,099	12,000	9,184,631	3,920,188	0	0	0	0	30,000	261,131	0	14,134,049
Employee Benefits	9,024,439	1,215,917	660,720	358,169	0	0	0	0	0	0	0	11,259,245
Debt Service	905,351	235,407	409,710	28,553	0	0	0	0	0	123,001	50,622	1,752,644
Total Appropriations	26,928,645	6,112,183	10,255,061	4,306,910	611,508	1,182,083	110,000	152,000	30,000	384,132	50,622	50,123,144
Excess (Deficiency) Of Estimated Revenues Over Appropriations	(2,125,000)	(150,000)	(505,372)	(300,000)	(70,000)	0	0	0	0	(87,800)	0	(3,238,172)
OTHER FINANCING SOURCES (USES):												
Operating Transfers - In	0	0	0	0	0	0	0	0	0	0	0	0
Operating Transfers - Out	(125,000)	0	0	0	0	0	0	0	0	0	0	(125,000)
Total Other Financing Sources (Uses)	(125,000)	0	0	0	0	0	0	0	0	0	0	(125,000)
Excess (Deficiency) of Estimated Revenues and Other Financing Sources Over Appropriations and Other Financing Uses	(2,250,000)	(150,000)	(505,372)	(300,000)	(70,000)	0	0	0	0	(87,800)	0	(3,363,172)
APPROPRIATED FUND BALANCE	\$ 2,250,000	\$ 150,000	\$ 505,372	\$ 300,000	\$ 70,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 87,800	\$ 0	\$ 3,363,172

⁽¹⁾ Budget data includes Consolidated Water District, Two Castles District, and High Ridge.

⁽²⁾ Budget data includes Sewer Maintenance District #1, #2 and #3; Sewer Maintenance District #2 Extension; Pines Bridges Sewer District, King Greeley Sewer District and Brevoort Road Sewer District.

The information presented on this page has been excerpted from the 2025 Adopted Budget of the Town.

TOWN OF NEW CASTLE
SUMMARY OF ADOPTED BUDGET
YEAR ENDING DECEMBER 31, 2026

	General Fund	Highway Fund	Water Districts ⁽¹⁾	Refuse Districts	Enhanced Ambulance District	Northern Fire Prot. District	Consolidated Lighting District	New Castle Parking District	King Street Sidewalk District	Sewer District ⁽²⁾	Drainage Districts	Combined Totals
ESTIMATED REVENUES:												
Real Property Taxes	\$ 13,109,239	5,012,186	1,008,706	3,944,200	681,408	1,313,318	110,000	148,171	30,000	203,620	57,131	\$ 25,617,979
Real Property Taxes Items	351,000	0	0	0	0	0	0	0	0	0	0	351,000
Non-Property Tax Items	4,900,000	0	0	0	0	0	0	0	0	0	0	4,900,000
Departmental Income	2,916,500	0	7,028,397	184,000	0	0	0	0	0	84,605	0	10,213,502
Inter Governmental Charges	0	0	1,886,338	0	0	0	0	0	0	0	0	1,886,338
Use Of Money And Property	427,300	52,500	88,536	49,898	0	0	0	0	0	0	0	618,234
Licenses And Permits	1,261,659	0	0	0	0	0	0	0	0	0	0	1,261,659
Fines And Forfeitures	300,000	0	0	0	0	0	0	0	0	0	0	300,000
Sale Of Property And Compensation For Loss	0	0	0	0	0	0	0	0	0	0	0	0
Interfund Revenues	838,241	532,499	182,926	66,535	0	0	0	0	0	0	0	1,620,201
State Aid	1,046,471	450,000	0	0	0	0	0	0	0	0	0	1,496,471
County Aid	28,500	96,000	0	0	0	0	0	0	0	0	0	124,500
Federal Aid	125,000	0	0	0	0	0	0	0	0	0	0	125,000
Miscellaneous	470,500	16,000	0	0	0	0	0	0	0	0	0	486,500
Total Estimated Revenues	25,774,410	6,159,185	10,194,903	4,244,633	681,408	1,313,318	110,000	148,171	30,000	288,225	57,131	49,001,384
APPROPRIATIONS:												
Current:												
General Government Support	6,498,736	0	0	0	0	0	0	0	0	0	0	6,498,736
Public Safety	7,043,386	0	0	0	0	1,313,318	0	0	0	0	0	8,356,704
Health	125,000	0	0	0	681,408	0	0	0	0	0	0	806,408
Transportation	105,800	4,809,852	0	0	0	0	110,000	148,171	0	0	0	5,173,823
Economic Assistance And Opportunity	128,560	0	0	0	0	0	0	0	0	0	0	128,560
Culture And Recreation	3,214,612	0	0	0	0	0	0	0	0	0	0	3,214,612
Home And Community Services	791,869	12,000	9,369,504	4,029,445	0	0	0	0	30,000	255,597	0	14,488,415
Employee Benefits	9,133,969	1,250,227	690,467	338,410	0	0	0	0	0	0	0	11,413,073
Debt Service	907,478	317,106	659,432	87,476	0	0	0	0	0	120,428	57,131	2,149,051
Total Appropriations	27,949,410	6,389,185	10,719,403	4,455,331	681,408	1,313,318	110,000	148,171	30,000	376,025	57,131	52,229,382
Excess (Deficiency) Of Estimated Revenues Over Appropriations	(2,175,000)	(230,000)	(524,500)	(210,698)	0	0	0	0	0	(87,800)	0	(3,227,998)
OTHER FINANCING SOURCES (USES):												
Operating Transfers - In	0	0	0	0	0	0	0	0	0	0	0	0
Operating Transfers - Out	(125,000)	0	0	0	0	0	0	0	0	0	0	(125,000)
Total Other Financing Sources (Uses)	(125,000)	0	0	0	0	0	0	0	0	0	0	(125,000)
Excess (Deficiency) of Estimated Revenues and Other Financing Sources Over Appropriations and Other Financing Uses	(2,300,000)	(230,000)	(524,500)	(210,698)	0	0	0	0	0	(87,800)	0	(3,352,998)
APPROPRIATED FUND BALANCE	\$ 2,300,000	\$ 230,000	\$ 524,500	\$ 210,698	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 87,800	\$ 0	\$ 3,352,998

⁽¹⁾ Budget data includes Consolidated Water District, Two Castles District, and High Ridge.

⁽²⁾ Budget data includes Sewer Maintenance District #1, #2 and #3; Sewer Maintenance District #2 Extension; Pines Bridges Sewer District, King Greeley Sewer District and Brevoort Road Sewer District.

The information presented on this page has been excerpted from the 2026 Adopted Budget of the Town.

APPENDIX C

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024*

**CAN BE ACCESSED ON THE ELECTRONIC MUNICIPAL MARKET ACCESS
("EMMA") WEBSITE
OF THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB")
AT THE FOLLOWING LINK:**

<https://emma.msrb.org/P11873410.pdf>

**The audited financial statements referenced above are hereby incorporated into this
Official Statement.**

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. PKF O'Connor Davies, LLP, Certified Public Accountants, has not been requested by the Town to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

APPENDIX D

FORM OF BOND COUNSEL'S LEGAL OPINION

[FORM OF BOND COUNSEL OPINION]

April 7, 2026

Town of New Castle,
County of Westchester,
State of New York

TOWN OF NEW CASTLE, WESTCHESTER COUNTY, NEW YORK
\$7,304,188* PUBLIC IMPROVEMENT (SERIAL) BONDS, 2026

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$7,304,188* Public Improvement (Serial) Bonds, 2026 (the "Obligations"), of the Town of New Castle, Westchester County, New York (the "Obligor"), dated April 7, 2026, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of _____ centum (____%) per annum as to bonds maturing in each of the years 20__ to 20__, both inclusive, payable on April 1, 2027 and semi-annually thereafter on October 1 and April 1 and maturing in the amount of \$_____ on April 1, 20__ and \$_____ on April 1 in each of the years 20__ to 2056, both inclusive.

The Obligations maturing on or before April 1, 2034 are not subject to redemption prior to their stated maturity. The Obligations maturing on or after April 1, 2035 will be subject to redemption prior to maturity, at the option of the Town, on any date on or after April 1, 2034, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the bonds to be redeemed, plus accrued interest to the date of redemption.

We have examined:

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

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

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation(s) is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

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

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP