

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 16, 2021

NEW MONEY 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 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 SOMERS WESTCHESTER COUNTY, NEW YORK

\$3,000,000*

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2021 (the "Bonds")

Date of Issue: Date of Delivery

Maturity Dates: May 1, 2022-2031

The Bonds are general obligations of the Town of Somers, 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 May 1, 2022, November 1, 2022, and semiannually thereafter on May 1 and November 1 in each year until maturity. The Bonds will mature annually on May 1 in each year until maturity, as shown on the inside cover page hereof.

The Bonds will not be subject to optional redemption prior to maturity (see "Optional Redemption" herein).

The Bonds will be issued as registered bonds, registered to the Depository Trust Company ("DTC" or the "Securities Depository").

The Bonds will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, 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. 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 July 9, 2021, in New York, New York.

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: June __, 2021

* Preliminary, subject to change.

The Bonds will mature on May 1 in each year as set forth below:

<u>Year</u>	<u>Principal Amount*</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP**</u>
2022	\$280,000			
2023	290,000			
2024	295,000			
2025	295,000			
2026	300,000			
2027	300,000			
2028	305,000			
2029	310,000			
2030	310,000			
2031	315,000			

* The principal maturities of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Bond Sale, in order that the total proceeds, which include the total par amount of the bonds plus all or a portion of the original issue premium, if any, received by the Town, may be used for the capital project financed by the bonds. The principal maturities are also subject to adjustment to achieve substantially level or declining annual debt service as provided in the Local Finance Law.

** 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 SOMERS
WESTCHESTER COUNTY, NEW YORK**

TOWN BOARD

**Rick Morrissey
Supervisor**

Thomas A. Garrity, Jr. Deputy Supervisor

Anthony J. Cirieco Councilman

Richard G. Clinchy Councilman

William Faulkner Councilman

Robert Kehoe Director of Finance

Patricia Kalba..... Town Clerk

BOND COUNSEL

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

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(516) 570-0340**

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

TOWN OF SOMERS
WESTCHESTER, NEW YORK

relating to

\$3,000,000*

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2021

(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 Somers, in the County of Westchester, in the State of New York (the "County" and "State", respectively), in connection with the sale of \$3,000,000* Public Improvement (Serial) Bonds, 2021 (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.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the Town's overall economic situation and outlook (and all of the specific Town-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. (See "*Risk Factors*" and herein.)

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 May 1, 2022, November 1, 2022, and semiannually thereafter on May 1 and November 1 in each year until maturity. The Bonds will mature annually on May 1 in each year until maturity, as shown on the inside cover page hereof. The Bonds are not subject to optional redemption prior to maturity.

The Bonds will be issued as registered bonds, registered to the Depository Trust Company ("DTC").

The Bonds will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, 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. 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.

* Preliminary, subject to change.

Authority for and Purpose of the Bonds

The Bonds are issued pursuant to the Constitution and Laws of the State, including, among others, the General Municipal Law, Town Law, the Local Finance Law, and a bond resolution duly adopted by the Town Board on May 14, 2020 authorizing the issuance of \$3,000,000 serial bonds to pay the cost of the reconstruction and resurfacing of various roads throughout and in and for the Town (the “Project”). The proceeds from the sale of the Bonds will provide original financing for the Project.

No Optional Redemption

The Bonds are not subject to optional redemption prior to maturity.

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 PARTICPANTS 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, the impact to the State's economy and financial condition due to the COVID-19 outbreak 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 "*State Aid*" 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 Limitation 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. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor has taken and continues to take steps designed to mitigate the spread and impacts of COVID-19. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact on the Town's operations and finances as a result of COVID-19 is extremely difficult to predict due to uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurface later in the year could have a material adverse

effect on the State and municipalities, including the Town. The Town is continuously monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

Cybersecurity

The Town, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. To mitigate the risks of impact on the Town operations and/or damage from cyber incidents or cyber-attacks, the Town has invested in cybersecurity and other operational controls. While the Town continues to review its policies and practices in this regard, there can be no assurances that such security and operational control measures will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks.

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 alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix D hereto.

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 insure that interest on the Bonds will not be included in federal gross income. 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 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 will depend upon the particular tax status of the Owner or the Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been made in recent years that would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any

such legislative proposals, or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any the potential impact of pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected expresses no opinion.

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. The Town is also defendant in various claims by taxpayers for redetermination of assessed valuation and special franchises. The settlement of such claims could result in the payment of refunds by the Town. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from such claims will be funded in the year the payment is made.

Risk Management. The Town purchases various insurance policies to limit its exposure to loss. The general liability, public officials' liability, commercial automobile and police professional liability policies each provide coverage up to \$1 million. The Town also maintains an excess liability policy with a limit of \$20 million over general liability, automobile, police professional and public officials' liability. 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 is self-insured for property damage as it relates to glass damage not covered by conventional insurance and deductibles. The Town purchases health insurance from the New York State Health Insurance Program.

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 June 24, 2021 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, 2021, 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, 2021; 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 June 9, 2021, Moody's Investors Service, Inc. ("Moody's") upgraded the Town's rating from "Aa1" to "Aaa" and applied such rating to the uninsured, outstanding bonded indebtedness of the Town.

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

This Official Statement does not include the financial data of any political subdivision of the State of New York having power to levy taxes within the Town, except as expressed in the calculation of estimated "*Overlapping and Underlying Debt*", herein.

Additional information may be obtained from Robert Kehoe, Director of Finance, 335 Route 202, Somers, New York 10589, (914) 277-4394, e-mail: finance@somersny.com or from the Town's Municipal Advisor, Capital Markets Advisors, LLC at (516) 570-0340.

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.

This Official Statement has been prepared 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.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Town, expresses no opinion as to the accuracy or completeness of the 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 light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Town.

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

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 has been duly executed and delivered by the Town Supervisor.

TOWN OF SOMERS
WESTCESTER COUNTY, NEW YORK

By: _____
Rick Morrissey
Town Supervisor

DATED: June __, 2021

APPENDIX A

THE TOWN

THE TOWN

There follows in this Filing Statement a brief description of the Town together with certain information concerning its governmental organization, revenues and expenditures, indebtedness and economy.

General Information

The Town encompasses approximately 30.1 square miles in the north central portion of the County and is located 50 miles north of the City of New York. The State of Connecticut is approximately 10 miles east of the Town. The Town is a suburban community with many rural areas.

The Town is situated in the New York City watershed, including reservoirs making up the Croton Aqueduct System. New York City is the third largest taxpayer. Although the Town is primarily residential and has seen significant new home construction take place during seven of the last 10 years, commercial property is an important part of the Town's tax base.

International Business Machines ("IBM") and PepsiCo ("Pepsi") previously held office properties within the Town's limits. However, both IBM and Pepsi independently restructured certain internal business structures which resulted in both firms vacating properties located within Town limits. The Pepsi property was purchased on March 1, 2015 by One P Way LLC. During 2016 IBM announced a plan to vacate their property and on September 29, 2016, the IBM property was sold to 294 Route 100 LLC. Presently, tax certiorari claims are pending on the One P Way, LLC and 294 Route 100 LLC properties. Further details relating to the properties previously occupied by Pepsi and IBM can be obtained by contacting the Town or their Financial Advisor. (See "REAL PROPERTY TAXES," and "ECONOMIC AND DEMOGRAPHIC DATA" for additional details relating to the Town's demographics and tax base.)

Form of Government

The Town was established in March 1788 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 three 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 County Tax Law, a basic feature of which requires that the Town guarantee and enforce the real property 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.

Elected and Appointed Officials

The Town Board is the legislative, appropriating, governing and policy determining body of the Town and consists of four councilmen, elected at large to serve a four-year term, plus the Supervisor. Board 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 town indebtedness is subject to approval by the Town Board.

The Supervisor is the chief executive and chief financial officer of the Town and is elected for a two-year term of office with the right to succeed himself. In addition, the Supervisor is a full member of and the presiding officer of the Town Board. Duties of the Supervisor include: the administration of the Town's daily functions, budget preparation and control, and debt issuance.

The Town Clerk, who is elected to serve a four-year term of office, 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 Receiver of Taxes and Assessments is elected to serve a four-year term of office, the number of terms is not limited by law. It is the responsibility of the Receiver of Taxes and Assessments to receive and collect all state, county, town and school taxes, and all assessments levied or assessed in the Town.

The Director of Finance, who functions as the Town's chief accounting officer, is appointed by such Supervisor and serves at his pleasure. 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 and debt management and auditing vendor claims for payment.

The Town Assessor is appointed by the Town Board, on the Supervisor's recommendation, 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 New York State Office of Real Property Tax Services ("ORPTS"). ORPTS 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 is responsible for providing most of the government services to its residents. Water, sewer and street lighting services are furnished by various special districts which have been formed within the Town. Highway construction and the maintenance of roads is also a Town function. In addition, recreation is provided and parks are maintained through the Town government. Other services performed at the Town level include: property assessment, police protection, zoning administration and planning.

Primary and secondary education is provided by three central school districts which are as follows: Lakeland, Somers and North Salem (each district is independent of the Town and has separate taxing and debt authority).

Refuse collection services to residential and commercial are provided by private carters. Fire protection is provided by four fire companies in the Town which are associated with the Somers and Goldens Bridge Fire Districts. The Fire Districts have independent taxing and debt issuance powers.

The County is responsible for providing social and mental health services. Sewage treatment is a County function and serves the Town's only sewer district. There is an extensive network of parks, golf courses and other, recreational amenities provided by the County including two County parks situated in the Town. The Muscoot Farm is a 777 acre facility which depicts farm life in the early 1900's. There are also seven miles of hiking trails available to visitors of the Farm. Lasdon Park and Arboretum is a park featuring 234 acres of open fields, woodlands and gardens. The park is also home to the County's veterans memorial, a tribute to the men and women who have served in the armed forces of this Country.

Employees

The Town employs 64 full-time and approximately 88 part-time or seasonal workers. Employees are represented by the following collective bargaining organizations.

Union	Members	Contract Expiration
CSEA, Local 1000 AFSCME, AFL-CIO International Brotherhood of Teamsters, Local 456	23 15	12-31-20 ⁽¹⁾ 12-31-20 ⁽¹⁾

(1) In negotiation.
Source: Town Officials.

Employee Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS" or the "Retirement System"). The Retirement System is a cost-sharing multiple public employee 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. 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. Members hired on or after January 1, 2010 must contribute toward the costs of retirement programs throughout employment.

On December 10, 2009, a Tier V pension was signed into law. The law is effective for new ERS employees hired after January 1, 2010 and before April 2, 2012. Tier V ERS employees contribute 3% of their salaries; however, there is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a Tier VI for employees hired after April 1, 2012. The new pension tier has progressive contribution rates between 3% and 6% which must be made throughout employment, it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more. No current employees were affected by this legislation.

The New York State Retirement System allows municipalities to make employer contribution payments in December, 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 poor performance of the investment portfolio of the State Retirement System ("SRS"), the employer contribution rates for required pension contributions to the SRS have increased. To help mitigate the impact of such increases, legislation was enacted that permitted local governments to amortize a portion of such contributions. Under such legislation, local governments that choose to amortize will be required to set aside and reserve funds with the SRS for certain future rate increases. The Town has not and does not reasonably expect to amortize such contributions in the foreseeable future.

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.

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. For ERS, the 2013-14 SCO rate is 12%. The Town did not participate in the SCO program.

ERS and PFRS Contributions. The current retirement expenditures presented in the Town's financial statements for each of the last five years and the amounts budgeted for the current fiscal year are shown in the following table:

Fiscal Year	ERS	PFRS
2016	\$586,631	\$23,116
2017	589,667	20,159
2018	568,730	18,978
2019	581,908	19,582
2020	599,266	20,297
2021 (Adopted Budget)	687,744	15,000

Source: The Audited Financial Statements and the Adopted 2021 Budget 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, 2020 was \$28,584,096 using a discount rate of 3.00% and actuarial assumptions and other inputs as described in the Town's December 31, 2020 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 had been introduced in prior legislative sessions to create an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State's OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. Such legislation has not been considered for a full legislative approval and the Town cannot predict whether such legislation will be reintroduced and enacted into law in the foreseeable future.

Source: The Audited Financial Statement for the year ended December 31, 2020.

FINANCIAL FACTORS

Budgetary Procedure

The head of each administrative unit of the Town is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the budget officer on or before 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 or her 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 Supervisor. 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 adopted budget for the year ending December 31, 2021 is presented as a part of this Filing Statement. The Town did not override the State imposed tax cap.

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 ended December 31, 2020. Appendix B, attached hereto, presents excerpts from the Town's most recent audited reports covering the last five fiscal years. The summary itself in Appendix B has not been audited.

State Audits. 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 (see "The State Comptroller's Fiscal Stress Monitoring System," below).

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

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

The 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 23.3%.

See the State Comptroller’s official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

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 Supervisor, 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 two bank 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 allowed under State law.

Collateral Requirements. All Town deposits in excess of the applicable insurance coverage provide 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 2016-2020 is presented in Appendix B, hereto. Information for said fiscal years has been excerpted from the Town's audited financial reports and the 2021 Adopted Budget.

Real Property Taxes. For the fiscal year ended December 31, 2020 real property taxes accounted for approximately 28.3% of General Fund revenue, excluding other financing sources.

General Fund - Real Property Taxes

Fiscal Year	General Fund Revenue ⁽¹⁾	Real Property Taxes	Real Property Taxes as a % of General Fund Revenue
2016	\$ 9,246,130	\$2,935,182	31.7%
2017	9,063,087	2,626,704	29.0
2018	10,657,283	3,793,303	35.6
2019	10,003,033	2,702,210	27.0
2020	10,081,512	2,856,285	28.3
2021 (Adopted Budget)	9,336,526	3,092,769	33.1

(1) Excludes other financing sources.

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

State Aid. For 2020, the Town received approximately 9.9% of its General Fund revenue, excluding other financing sources, from the State. For 2021, as noted below, General Fund State aid is budgeted at 8.1%. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. There can be no assurance that the State's financial position will not change materially and adversely from current projections. 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 also "RISK FACTORS" herein.)

The Governor's Executive Budget for the State's 2019-2020 fiscal year included the elimination of State Aid and Incentives for Municipalities ("AIM") for certain municipalities, including the Town. However, in the State's final 2019-2020 Executive Budget, additional sales tax revenue from the elimination of the internet tax advantage was used to keep towns and villages whole. The Governor's Executive Budget for the State's 2020-2021 fiscal year maintains the Aid and Incentives for Municipalities ("AIM") Related Revenue Sharing consistent with the 2019-2020 Enacted

Budget.

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 federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2019-2020 Budget continued authorization for a process by which the State would manage significant reductions in federal aid during Federal fiscal year 2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by \$850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by \$850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

The State's 2020-2021 Adopted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation ... and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicable or by specific appropriations as needed." The legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically.

On October 30, 2020, the New York State Division of the Budget released the fiscal year ending 2021 First Quarterly State Budget Financial Plan Update, which projects a \$14.9 billion General Fund revenue decline and a 15.3% decline in tax receipts from prior budget forecasts. The State further projects a total revenue loss of \$63 billion through the State's fiscal year ending 2024 as a direct consequence of the COVID-19 pandemic. The State has announced that in the absence of Federal funding to offset this revenue loss, the State has begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. According to the State, all or a portion of such temporary reductions in aid payments may be converted to permanent reductions, depending on the size and timing of any new Federal aid. Such reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State.

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

The amount of State aid to municipalities, including the Town, and school districts in the State is dependent in part upon the financial condition of the State. Due to the outbreak of COVID-19, the State has declared a state of emergency and the Governor has taken and continues to take steps designed to mitigate the spread and impacts of COVID-19. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have negatively impacted the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will be required to take certain gap-closing actions. Such actions may include but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local

governments in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of local governments in the State, including the Town.

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

The following table sets forth the percentage of General Fund revenue of the Town comprised of State aid for each of the fiscal years ended December 31, 2016 through 2020 and the amount of State aid estimated in the 2021 Adopted Budget.

<u>Fiscal Year</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>State Aid</u>	<u>State Aid as a Percentage of General Fund Revenue</u>
2016	\$ 9,246,130	\$ 928,351	10.0%
2017	9,063,087	910,009	10.0
2018	10,657,283	1,030,365	9.7
2019	10,003,033	773,367	7.7
2020	10,081,512	999,408	9.9
2021 (Adopted Budget)	9,336,526	752,915	8.1

(1) Excludes other financing sources.

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

Sales and Use 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 December 31, 2023. 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 February of 2004, the State Legislature authorized an increase of ½% to the additional 1% 1991 sales tax. The County retains 70% of this amount, the municipalities 20% and the school districts 10%. This increase became effective March 1, 2004 and expires on December 31, 2023.

In 2019 Westchester County instituted an additional 1% local sales tax beginning in August of that year.

The Town is currently projecting a positive variance in Sales Tax revenue versus the original budget for the fiscal year ending 2021.

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The following table sets forth the percentage of General Fund revenue of the Town comprised of sales tax for each of the fiscal years ended December 31, 2016 through 2020 and the amount of sales tax estimated in the 2021 Adopted Budget.

Fiscal Year	<u>General Fund - Sales Tax</u>		State Aid as a Percentage of General Fund Revenue
	General Fund Revenues ⁽¹⁾	Sales Tax	
2016	\$ 9,246,130	\$2,983,643	32.3%
2017	9,063,087	3,117,718	34.4
2018	10,657,283	3,271,493	30.7
2019	10,003,033	3,738,935	37.4
2020	10,081,512	4,235,756	42.0
2021 (Adopted Budget)	9,336,526	3,576,000	38.3

(1) Excludes other financing sources.

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

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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 and collections thereof, general purpose tax rates and certain information concerning tax liens.

<u>Valuations, Tax Levies and Collections 2017-2021</u>					
Fiscal Year Dec. 31:	2017	2018	2019	2020	2021
Valuations:					
Taxable Value ⁽¹⁾	\$ 495,685,231	\$ 498,165,539	\$ 498,603,305	\$ 498,912,953	\$ 499,701,460
Equalization Rate (%) ⁽²⁾	13.25%	12.67%	12.21%	11.97%	11.61%
Full Value	<u><u>\$3,741,020,611</u></u>	<u><u>\$3,931,851,136</u></u>	<u><u>\$4,083,565,152</u></u>	<u><u>\$4,168,028,012</u></u>	<u><u>\$4,304,060,809</u></u>
Tax Levies:					
Town Tax Levy					
General ⁽³⁾	\$ 7,229,937	\$ 7,294,581	\$ 7,442,983	\$ 7,573,168	\$ 7,573,447
Special Dist. ⁽⁴⁾	3,325,978	3,369,382	3,449,304	3,711,436	4,339,548
County Tax Levy ⁽⁵⁾	12,413,883	12,839,418	13,146,445	13,062,077	13,301,277
Total	<u><u>\$22,969,798</u></u> ⁽⁶⁾	<u><u>\$23,503,381</u></u> ⁽⁶⁾	<u><u>\$24,038,732</u></u> ⁽⁶⁾	<u><u>\$24,346,681</u></u> ⁽⁶⁾	<u><u>\$25,214,272</u></u> ⁽⁶⁾
Tax Rate:					
Town ⁽⁷⁾	\$14.56	\$14.62	\$14.90	\$15.14	\$15.13
County	24.66	25.37	25.90	25.71	\$26.22
Taxes Collected:					
Current Year's Taxes					
Collected	<u><u>22,859,466</u></u>	<u><u>23,298,190</u></u>	<u><u>23,905,938</u></u>	<u><u>24,222,262</u></u>	N/A
Collections					
To Levy (%) ⁽⁸⁾	<u><u>99.52%</u></u>	<u><u>99.66%</u></u>	<u><u>99.45%</u></u>	<u><u>99.49%</u></u>	N/A

(1) Taxable value as reported by the Westchester County Tax Commission and Town Officials.

(2) The New York State Office of Real Property Tax Services (the "ORPTS").

(3) Includes general, highway, library and debt service funds.

(4) Special Districts include taxes for independent fire districts, lighting districts, and water and sewer districts including re-levies.

(5) Includes assessments for County Sewer districts.

(6) Includes \$19,740, \$18,582, \$26,453, \$27,229 and \$28,046 PILOT payments for 2017 through 2021, respectively.

(7) Tax rate per \$1,000 assessed value for General purposes as reported by the Westchester County Tax Commission.

(8) Amount collected before conversion to Lien.

Source: The Office of the Town Assessor.

Tax Collection Procedures

The assessment and collection of real property taxes is governed by the Real Property Tax Law of the State and the Westchester County Tax Code. Towns and cities in the County are responsible to assess all real property within their boundaries and to 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 Law. 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 through notification and may also foreclose on delinquent properties.

Town, County, and special district taxes or 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. During the year following the tax levy, the penalty rate is 12% for the months January through April, 13% for the month of May and 14% for the month of June.

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 sale. The second installment of school taxes is payable without penalty until January 31st. The penalty rate is 10% for February and March, then 12% through April, 13% for the month of May and 14% for the month of June.

Ten of the Largest Taxpayers

Larger Taxable Properties in the Town (2019 Tax Roll for the Collection of 2020 Taxes)

Taxpayer's Name	Nature of Business	Taxable Assessed Valuations ⁽¹⁾	% of Total Assessed Valuation
294 Route 100 LLC	Office Buildings	\$14,937,300	2.99%
City of New York	Municipal	11,573,750	2.32
One P Way LLC	Office Buildings	9,100,000	1.82
Avalon Somers, LLC	Apartments	3,997,450	0.80
Heritage Hills of Westchester	Utilities	3,293,753	0.66
NYSEG	Electric Utility	2,855,006	0.57
UB Somers, Inc.	Shopping Centers	2,489,100	0.50
Con Edison of NY	Electric Utility	2,158,681	0.43
Somers Manor Nursing Home, Inc.	Health Care	2,247,610	0.45
Schwartz, Barry	Various	2,082,150	0.42
		\$54,734,800	10.95%

(1) Total taxable assessed values for 2021 are \$499,701,460.
Source: The Office of the Town Assessor.

TOWN INDEBTEDNESS

Constitutional Requirements

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

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

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

principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which it is contracted. No installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town determines to issue a particular debt obligation amortizing 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 such required annual installments on its notes.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven percentum of the average full valuation of taxable real estate of the Town, subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the rate which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Tax Services (the “ORPTS”). The State Legislature is required to prescribe the manner by which such rate shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

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.

The Local Finance Law also provides for a twenty-day statute of limitations after publication of a bond resolution (in summary or in full), together with a statutory notice which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution, except for alleged constitutional violations. The Town has complied with such procedure for the validation of the bond resolutions adopted in connection with this issuance.

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

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (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.)

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 revenue anticipation notes, tax anticipation notes, capital notes, deficiency notes and budget notes.

Constitutional Debt-Contracting Limitation

The 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 "Tax Levy Limitation Law" and "Constitutional Requirements" herein.)

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 Constitutional Debt Contracting Limitation As of June 16, 2021

Assessment Roll Filed	Years Ended December 31:	Assessed Valuation	State Equalization Rate ⁽¹⁾	Full Valuation
2016	2017	\$495,685,231	13.25%	\$ 3,741,020,611
2017	2018	498,165,539	12.67	3,931,851,136
2018	2019	498,603,305	12.21	4,083,565,152
2019	2020	498,912,953	11.97	4,168,028,012
2020	2021	499,701,460	11.61	4,304,060,809
Total Five-Year Full Valuation				<u>\$20,228,525,720</u>
Five-Year Average Full Valuation				<u>\$ 4,045,705,144</u>
Debt Contracting Limitation: 7% of Five-Year Average Full Valuation				<u><u>\$ 283,199,360</u></u>

(1) Final rates as established by the New York State ORPTS.

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Statutory Debt Limit and Net Indebtedness

Statement of Debt Contracting Power As of June 16, 2021

	<u>Amount</u>	<u>Percentage</u>
Debt Contracting Limitation	<u>\$283,199,360</u>	<u>100.00%</u>
Gross Debt: Serial Bonds	<u>3,626,810</u>	<u>1.28</u>
Less Exclusions and Deductions: Water Debt (1)	441,810	0.16
Unexpended Appropriations for Non-Exempt Principal Debt	0	0.00
	<u>441,810</u>	<u>0.16</u>
Net Indebtedness	<u>3,185,000</u>	<u>1.12</u>
Debt Contracting Margin	<u>\$280,014,360</u>	<u>98.88</u>

(1) Water debt is paid entirely from water rents and is not supported by real property taxes. However, the Town is required by the State Constitution to pledge its faith and credit to pay debt service on the water obligations in case the rents prove to be insufficient for this purpose.

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 in the Regulations issued under the U.S. Internal Revenue Code. Notes may be renewed from time to time 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 in the last five years and does not anticipate an operational borrowing in the foreseeable future.

Budget 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 in the last five years and does not anticipate an operational borrowing in the foreseeable future.

Bond Anticipation Notes and Capital Notes

Bond anticipation notes may be sold to provide moneys for capital projects once an enabling 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 up to five years. Notes may not be renewed after the second year unless there is a principal payment on such notes from a source other than the proceeds of bonds or notes. In no event, may bond anticipation notes 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 does not currently have any bond anticipation notes or capital notes 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 years:

Bonded Debt 2016-2020

Years Ended December 31:	Amount
2016	\$9,073,613
2017	7,866,305
2018	6,640,344
2019	5,376,404
2020	4,320,604

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.

Direct and Overlapping Indebtedness As of June 16, 2021

Gross Direct Indebtedness	\$ 3,626,810
Exclusions and Deductions	441,810
Net Direct Indebtedness	<u>\$ 3,185,000</u>

Statement of Overlapping Debt

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Total Net Indebtedness</u>	<u>Percent Applicable</u>	<u>Applicable Net Indebtedness</u>
County	03-31-21	\$903,852,566	2.23%	\$20,155,912
School District:				
Lakeland	08-04-20	23,735,947	0.73	173,272
North Salem	05-28-20	12,165,000	9.21	1,120,397
Somers	07-28-20	34,315,000	100.00	<u>34,315,000</u>
Total				<u>\$58,949,581</u>

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Debt Ratios

The following table presents certain ratios relative to the Town's capital indebtedness as of June 16, 2021.

Direct and Overlapping Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Debt to Estimated Full Value ⁽²⁾</u>
Net Direct Debt	\$ 3,185,000	\$ 147.63	0.07%
Net Direct and Overlapping Debt	58,949,581	2,732.44	1.37

(1) The population of the Town for 2019 was estimated at 21,574 according to estimates of the U.S. Census Bureau.
 (2) The real property full valuation for 2021 is 4,304,060,809.

Authorized but Unissued Debt

Following the issuance of the Bonds, the Town will have \$1,265,000 in authorized but unissued debt, most of which pertains to the resurfacing of Town roads.

Debt Service Schedule

The following table sets forth the debt service requirements on the Town's outstanding bonds, exclusive of the Bonds.

Years Ending Dec. 31:	Principal	Interest	Total Debt Service
2021 ⁽¹⁾	\$1,088,105	\$108,293	\$1,196,398
2022	402,499	80,491	482,990
2023	360,000	72,225	432,225
2024	365,000	64,156	429,156
2025	150,000	58,363	208,363
2026	160,000	54,769	214,769
2027	155,000	50,734	205,734
2028	160,000	46,500	206,500
2029	165,000	42,031	207,031
2030	175,000	37,356	212,356
2031	175,000	32,325	207,325
2032	180,000	27,000	207,000
2033	190,000	21,450	211,450
2034	195,000	15,675	210,675
2035	200,000	9,625	209,625
2036	200,000	3,250	203,250
Totals	\$4,254,309	\$724,243	\$5,044,847

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ECONOMIC AND DEMOGRAPHIC DATA

The Town is situated in the north central portion of the County, which continues to rank among the most affluent counties in the United States. The Town encompasses approximately 30 square miles and is primarily suburban residential or rural in nature. However, the Town has a significant commercial base, which includes offices for PBG and IBM. According to the 2019 U.S. Census estimates, the population of the Town for 2019 is approximately 21,574 persons. Income levels in the Town exceed County and State averages as shown herein.

Population

**Population
2000-2019**

	2000	2010	2019	% Change	
				2000-2010	2010-2019
Town	18,346	20,434	21,574	11.4%	5.6%
County	923,459	949,113	967,506	2.8	1.9
State	18,976,457	19,378,102	19,453,561	2.1	0.4

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

Income

Per Capita Money Income

	2010	2018	% Change
Town	\$55,441	\$63,649	14.8%
County	47,814	57,049	19.3
State	30,948	39,326	27.1

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

Employment

Unemployment statistics are not maintained for the Town.

**Average Employed Civilian Labor Force
2000 - 2020**

	2000	2010	2020	% Change	
				2000-2010	2010-2020
County	446,700	443,100	437,800	(0.8)%	(1.2)%
State	8,727,500	8,790,600	8,361,000	0.7	(4.9)

Source: New York State Department of Labor.

Average Unemployment Rates (%)
2016 - 2020

Year	County	State
2016	4.4%	4.9%
2017	4.5	4.6
2018	3.9	4.1
2019	3.6	3.8
2020	8.4	10.0

Source: New York State Department of Labor

A large percentage of the working force commutes to jobs in New York City or the White Plains area located approximately 25 miles south of the Town. Many of the Town's residents hold top level management or professional positions. The following table lists the major employers in the County.

Major Private Sector Employers in the County

Name Of Business	Nature Of Business
Westchester Medical Center	Hospital and health care services
IBM Corp.	Computer hardware and software
White Plains Hospital	Acute health care services, preventative medical care
Regeneron Pharmaceuticals Inc.	Pharmaceuticals
St. John's Riverside Hospital	Hospital and health care services
PepsiCo Inc.	Soft drink manufacturing
St. Joseph's Medical Center	Hospital and health care services
FDR VA Hospital	Hospital and health care services
Northern Westchester Hospital	Hospital and health care services
Montefiore New Rochelle	Hospital and health care services

Source: Official Statement for Westchester County dated April 2020. Information was compiled by Data Axle Reference Solutions as of February 2021.

Educational, Cultural and Medical Institutions

Education. There are numerous colleges, universities and vocational schools located throughout the County. Among the four-year institutions in the County are: Iona College and the College of New Rochelle, located in the City of New Rochelle, Pace University with campuses in Pleasantville and White Plains (including a law school), Mercy College in Dobbs Ferry, Marymount in Tarrytown and SUNY Purchase in Purchase. Westchester Community College is a publicly supported two-year institution with an open enrollment policy for high school graduates meeting certain residency requirements.

Cultural. The Somers Library, which is chartered by the Board of Regents of the State University of New York, provides library services to residents of the Town. The Library houses more than 60,000 books and over 5,000 videos or DVDs. In addition, the Library has in excess of 6,000 audio recordings. The Library subscribes to approximately 122 nationally recognized magazines and 13 newspapers are received on a regular basis. As one of five Caregiver Resource Centers in the County, the Library has a collection of information and materials to support the caregiver of older adults as well as for the care of children under the age of 18 by older adults. The Library is a member of the Westchester Library System which provides Town residents with additional resources. The Library offers a variety of children's, teen and adult educational and recreational programs. In 2009 the Library offered over 560 programs that were used by 232,104 people. The Library has computer and WiFi use for the public.

The Town is known as the "Cradle of the American Circus" based on the contributions of Hachaliah Bailey who lived in Town in the early part of the nineteenth century. Hachalih Bailey is credited with bringing the first elephant to

North America and built the “Elephant Hotel” in 1820. The Town’s administrative offices and the Somers Historical Society and Museum of the Early Circus are both located in the Hotel. One of the finest collections of circus memorabilia may be found at the Museum.

Health Care. Town residents have convenient access to two hospitals. Northern Westchester Hospital (“NWH”) is located approximately 15 miles south of the Town in Mt. Kisco. NWH is a 259-bed facility with a staff of more than 500 physicians. A complete range of diagnostic, medical and surgical services are available on an inpatient and outpatient basis. The Putnam Hospital Center (“PHC”) is located in the Town of Carmel, Putnam County, which borders the Town to the north. PHC is a 164-bed acute-care facility offering medical, surgical, psychiatric, pediatric and obstetrical/gynecological care. Emergency services are available 24 hours a day. PHC has more than 290 practicing physicians and 950 nurses, technicians and support staff. Town residents have extensive health care services available at the County Medical Center located in Valhalla 25 miles south of the Town.

Somers Manor Nursing Home is a 300-bed facility located on 112 acres in the Town. The Nursing Home provides comprehensive health and other patient services through a staff of approximately 300 employees. Short-term rehabilitation care is also provided by this facility.

Financial Institutions

Various banking facilities are available in the Town and adjacent areas including branch offices of JPMorgan Chase Bank, Citibank, and M&T Bank are all located within the Town. In addition, there are two savings banks in the Town: Astoria Bank and Putnam County Savings Bank.

Transportation

The Town is served by all major forms of transportation. Highway facilities include U.S. Interstate 684, which connects to I-84 to the north and I-287 to the south. U.S. Routes 6 and 202 traverse the Town in an east/west direction. Rail and Bus Service are provided by the Harlem Division of the MetroNorth Railroad and the Westchester Bee 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 New York Electric & Gas provide electric services to homes and businesses in the Town. Verizon provides local and long distance telephone services as well as other communication services in the Town. The Town and other public agencies in the Town purchase electricity from the State Power Authority. The Town provides municipal water through four water districts. Sewage in the Town is disposed of primarily by septic systems. However, the Town has one sewer district which connects to a County sewer treatment plant.

END OF APPENDIX A

APPENDIX B

FINANCIAL STATEMENT AND BUDGET SUMMARIES

**TOWN OF SOMERS
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION**

AS OF DECEMBER 31:

	2016	2017	2018	2019	2020
ASSETS					
Cash	\$ 8,641,910	\$ 21,226,657	\$ 3,361,517	\$ 5,873,131	\$ 6,477,223
Taxes Receivables (Net)	29,197,101	18,220,373	24,937,398	822,751	945,137
Investments	0	0	10,707,374	40,813	1,016
Other Receivables:					
Accounts	168,245	177,850	157,166	153,881	143,612
State And Federal Aid	52,576	53,908	55,732	58,022	42,970
Due From Other Governments	817,316	831,306	861,685	1,133,677	1,194,217
Due From Other Funds	238,991	41,165	17	491,579	704,475
Prepaid Expenditures	92,103	279,483	313,170	295,450	372,501
Total Assets	<u>\$ 39,208,242</u>	<u>\$ 40,830,742</u>	<u>\$ 40,394,059</u>	<u>\$ 8,869,304</u>	<u>\$ 9,881,151</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 293,152	\$ 293,002	\$ 275,835	\$ 306,051	\$ 234,469
Accrued Liabilities	12,389	17,455	140,111	114,556	150,281
Due To School Districts	31,263,920	31,727,120	32,702,114	0	0
Due To Other Funds	0	571,031	0	59,438	17,614
Deposits	0	0	0	780,737	720,783
Employee Payroll Deductions	0	0	0	9,150	8,560
Unearned Revenue	19,188	9,525	5,019	0	0
Unearned Tax Revenues	0	0	21,017	0	0
Total Liabilities	<u>\$ 31,588,649</u>	<u>\$ 32,618,133</u>	<u>\$ 33,144,096</u>	<u>\$ 1,269,932</u>	<u>\$ 1,131,707</u>
Deferred Inflows of Resources:					
Deferred Tax Revenues	\$ 1,022,071	\$ 2,295,146	\$ 585,283	\$ 786,374	\$ 895,473
Total Liabilities and Deferred Inflows of Resources:	<u>\$ 32,610,720</u>	<u>\$ 34,913,279</u>	<u>\$ 33,729,379</u>	<u>\$ 2,056,306</u>	<u>\$ 2,027,180</u>
Fund Equity:					
Nonspendable	\$ 92,103	\$ 279,483	\$ 313,170	\$ 295,450	\$ 372,501
Restricted	192,533	192,766	193,061	197,101	198,210
Assigned	2,218,000	3,200,348	3,864,851	4,006,846	4,758,272
Unassigned	4,094,886	2,244,866	2,293,598	2,313,601	2,524,988
Total Fund Equity	<u>\$ 6,597,522</u>	<u>\$ 5,917,463</u>	<u>\$ 6,664,680</u>	<u>\$ 6,812,998</u>	<u>\$ 7,853,971</u>
Total Liabilities, Deferred Tax Revenues and Fund Equity	<u>\$ 39,208,242</u>	<u>\$ 40,830,742</u>	<u>\$ 40,394,059</u>	<u>\$ 8,869,304</u>	<u>\$ 9,881,151</u>

The financial data presented on this page has been excerpted from the audited financial statements of the Town.
Complete copies of the Town's audited financial statements are available upon request to the Town.

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

AS OF DECEMBER 31:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUES:					
Real Property Taxes	\$ 2,935,182	\$ 2,626,704	\$ 3,793,303	\$ 2,702,210	\$ 2,856,285
Other Tax Items	249,026	240,309	462,584	285,290	457,503
Non-Property Tax	3,454,521	3,618,699	3,760,015	4,223,223	4,695,642
Departmental Income	907,264	828,700	746,460	885,671	179,139
Intergovernmental Charges	40,000	34,905	30,000	53,213	48,176
Use Of Money And Property	16,905	49,734	127,820	259,347	107,117
Licenses and Permits	399,358	397,921	309,927	344,637	347,456
Fines and Forfeitures	117,843	147,550	150,090	127,247	75,272
Sale Of Property And Compensation For Loss	40	862	48	4,414	32
Interfund Revenues	71,391	82,567	134,061	97,990	98,797
State Aid	928,351	910,009	1,030,365	773,367	999,408
Federal Aid	65,132	55,743	52,985	60,245	57,119
Miscellaneous	61,117	69,384	59,625	186,179	159,566
Total Revenues	<u>9,246,130</u>	<u>9,063,087</u>	<u>10,657,283</u>	<u>10,003,033</u>	<u>10,081,512</u>
EXPENDITURES:					
Current:					
General Government Support	2,203,870	2,263,703	2,434,393	2,424,521	2,479,786
Public Safety	1,043,820	1,111,291	1,150,027	1,178,236	1,420,953
Health	339,048	367,103	376,943	391,910	465,715
Transportation	286,971	270,125	336,967	317,654	305,346
Economic Opportunity And Development	473,848	470,860	474,656	490,141	531,775
Culture And Recreation	1,095,775	1,163,641	1,239,221	1,254,284	854,228
Home And Community	225,466	251,269	209,842	218,947	213,552
Employee Benefits	2,226,608	2,301,133	2,350,245	2,358,915	2,319,744
Total Expenditures	<u>7,895,406</u>	<u>8,199,125</u>	<u>8,572,294</u>	<u>8,634,608</u>	<u>8,591,099</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,350,724</u>	<u>863,962</u>	<u>2,084,989</u>	<u>1,368,425</u>	<u>1,490,413</u>
OTHER FINANCING SOURCES (USES):					
Insurance Recoveries	82,348	36,467	1,140	152	32,378
Transfers - In	0	4,874	18,090	0	0
Transfers - Out	(313,745)	(1,585,362)	(1,357,002)	(1,220,259)	(481,818)
Total Other Financing Sources (Uses)	<u>(231,397)</u>	<u>(1,544,021)</u>	<u>(1,337,772)</u>	<u>(1,220,107)</u>	<u>(449,440)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>1,119,327</u>	<u>(680,059)</u>	<u>747,217</u>	<u>148,318</u>	<u>1,040,973</u>
Fund Balance - Beginning of Year	<u>5,478,195</u>	<u>6,597,522</u>	<u>5,917,463</u>	<u>6,664,680</u>	<u>6,812,998</u>
Fund Balance - End of Year	\$ 6,597,522	\$ 5,917,463	\$ 6,664,680	\$ 6,812,998	\$ 7,853,971

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**TOWN OF SOMERS
HIGHWAY FUND
BALANCE SHEET
UNAUDITED PRESENTATION**

AS OF DECEMBER 31:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
ASSETS					
Cash	\$ 1,326,221	\$ 1,125,916	\$ 256,240	\$ 1,447,872	\$ 2,087,170
Investments	0	0	1,203,289	7,069	0
Other Receivables:					
Accounts	6,543	630	403	200	227
State And Federal Aid	0	34,373	91,058	91,083	0
Due From Other Funds	286,807	571,031	0	0	0
Prepaid Expenditures	28,790	27,114	35,989	26,749	29,666
Total Assets	<u>\$ 1,648,361</u>	<u>\$ 1,759,064</u>	<u>\$ 1,586,979</u>	<u>\$ 1,572,973</u>	<u>\$ 2,117,063</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 93,912	\$ 121,429	\$ 53,695	\$ 86,455	\$ 85,928
Accrued Liabilities	16,662	30,985	21,858	30,619	44,960
Due To Other Funds	142,729	12,886	0	0	0
Unavailable Revenues	0	0	0	91,083	0
Total Liabilities	<u>253,303</u>	<u>165,300</u>	<u>75,553</u>	<u>208,157</u>	<u>130,888</u>
Fund Equity:					
Nonspendable	28,790	27,114	35,989	26,749	29,666
Assigned	<u>1,366,268</u>	<u>1,566,650</u>	<u>1,475,437</u>	<u>1,338,067</u>	<u>1,956,509</u>
Total Fund Equity	<u>1,395,058</u>	<u>1,593,764</u>	<u>1,511,426</u>	<u>1,364,816</u>	<u>1,986,175</u>
Total Liabilities and Fund Equity	\$ 1,648,361	\$ 1,759,064	\$ 1,586,979	\$ 1,572,973	\$ 2,117,063

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

YEARS ENDED DECEMBER 31:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUES:					
Real Property Taxes	\$ 3,189,196	\$ 3,340,939	\$ 3,331,579	\$ 3,499,869	\$ 3,511,833
Intergovernmental Charges	48,313	91,822	167,735	47,205	57,542
Use Of Money And Property	1,365	2,049	17,671	37,761	19,331
Sale Of Property And Compensation For Loss	10,068	27,540	5,070	16,696	158,733
Interfund Revenues	1,120	55	0	460	282
State Aid	292,644	218,805	301,731	123,414	394,553
Miscellaneous	3,328	7,417	4,370	3,401	2,719
Total Revenues	<u>3,546,034</u>	<u>3,688,627</u>	<u>3,828,156</u>	<u>3,728,806</u>	<u>4,144,993</u>
EXPENDITURES:					
Current:					
Transportation	1,775,514	1,815,913	2,262,523	2,221,263	2,127,177
Employee Benefits	800,884	884,841	927,728	925,338	899,271
Total Expenditures	<u>2,576,398</u>	<u>2,700,754</u>	<u>3,190,251</u>	<u>3,146,601</u>	<u>3,026,448</u>
Excess of Revenues Over Expenditures	<u>969,636</u>	<u>987,873</u>	<u>637,905</u>	<u>582,205</u>	<u>1,118,545</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers - In	0	0	14,817	0	0
Operating Transfers - Out	(703,507)	(789,167)	(735,060)	(728,815)	(497,186)
Total Other Financing Sources (Uses)	<u>(703,507)</u>	<u>(789,167)</u>	<u>(720,243)</u>	<u>(728,815)</u>	<u>(497,186)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>266,129</u>	<u>198,706</u>	<u>(82,338)</u>	<u>(146,610)</u>	<u>621,359</u>
Fund Balance - Beginning of Year	<u>1,128,929</u>	<u>1,395,058</u>	<u>1,593,764</u>	<u>1,511,426</u>	<u>1,364,816</u>
Fund Balance - End of Year	\$ <u>1,395,058</u>	\$ <u>1,593,764</u>	\$ <u>1,511,426</u>	\$ <u>1,364,816</u>	\$ <u>1,986,175</u>

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**TOWN OF SOMERS
LIBRARY FUND
BALANCE SHEET
UNAUDITED PRESENTATION**

AS OF DECEMBER 31:

ASSETS	2016	2017	2018	2019	2020
Cash	\$ 707,525	\$ 573,659	\$ 225,700	\$ 268,803	\$ 807,651
Investments	0	0	300,822	337,463	0
Receivables:					
Accounts	0	593	0	0	0
Prepaid Expenditures	<u>18,146</u>	<u>13,110</u>	<u>20,108</u>	<u>14,619</u>	<u>14,846</u>
Total Assets	<u><u>\$ 725,671</u></u>	<u><u>\$ 587,362</u></u>	<u><u>\$ 546,630</u></u>	<u><u>\$ 620,885</u></u>	<u><u>\$ 822,497</u></u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 30,200	\$ 26,398	\$ 32,997	\$ 31,787	\$ 34,971
Accrued Liabilities	2,281	1,620	17,121	14,258	14,758
Due To Other Funds	<u>146,118</u>	<u>176</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u><u>178,599</u></u>	<u><u>28,194</u></u>	<u><u>50,118</u></u>	<u><u>46,045</u></u>	<u><u>49,729</u></u>
Fund Equity:					
Nonspendable	18,146	13,110	20,108	14,619	14,846
Restricted	20,229	20,229	20,229	20,229	20,236
Assigned	<u>508,697</u>	<u>525,829</u>	<u>456,175</u>	<u>539,992</u>	<u>737,686</u>
Total Fund Balance	<u><u>547,072</u></u>	<u><u>559,168</u></u>	<u><u>496,512</u></u>	<u><u>574,840</u></u>	<u><u>772,768</u></u>
Total Liabilities and Fund Balance	\$ 725,671	\$ 587,362	\$ 546,630	\$ 620,885	\$ 822,497

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

YEARS ENDED DECEMBER 31:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUES:					
Real Property Taxes	\$ 998,532	\$ 1,008,805	\$ 1,008,805	\$ 1,051,963	\$ 1,101,974
Departmental Income	13,420	11,034	9,280	7,784	1,994
Use Of Money And Property	484	981	3,522	11,990	6,287
State Aid	7,834	9,023	5,989	7,893	18,691
Miscellaneous	2,912	2,763	1,016	886	10,355
Total Revenues	<u>1,023,182</u>	<u>1,032,606</u>	<u>1,028,612</u>	<u>1,080,516</u>	<u>1,139,301</u>
EXPENDITURES:					
Current:					
Culture And Recreation	747,493	772,498	774,991	788,960	749,762
Employee Benefits	227,912	248,012	245,845	213,228	205,483
Total Expenditures	<u>975,405</u>	<u>1,020,510</u>	<u>1,020,836</u>	<u>1,002,188</u>	<u>955,245</u>
Excess of Revenues Over Expenditures	<u>47,777</u>	<u>12,096</u>	<u>7,776</u>	<u>78,328</u>	<u>184,056</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers - In	0	0	0	0	13,872
Operating Transfers - Out	0	0	(70,432)	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(70,432)</u>	<u>0</u>	<u>13,872</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>47,777</u>	<u>12,096</u>	<u>(62,656)</u>	<u>78,328</u>	<u>197,928</u>
Fund Balance - Beginning of Year	<u>499,295</u>	<u>547,072</u>	<u>559,168</u>	<u>496,512</u>	<u>574,840</u>
Fund Balance - End of Year	\$ 547,072	\$ 559,168	\$ 496,512	\$ 574,840	\$ 772,768

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**TOWN OF SOMERS
WATER FUND
BALANCE SHEET
UNAUDITED PRESENTATION**

AS OF DECEMBER 31:

ASSETS	2016	2017	2018	2019	2020
Cash	\$ 125,490	\$ 80,620	\$ 85,260	\$ 99,461	\$ 345,794
Investments	0	0	0	30,817	30,522
Receivables:					
Accounts	5,135	0	0	0	0
Water Rents	238,692	238,468	275,406	276,346	325,375
Due From Other Funds	4,012	4,270	4,166	0	0
Prepaid Expenditures	6,164	5,231	6,284	6,754	6,883
Total Assets	<u>\$ 379,493</u>	<u>\$ 328,589</u>	<u>\$ 371,116</u>	<u>\$ 413,378</u>	<u>\$ 708,574</u>

LIABILITIES AND FUND BALANCE

Liabilities:					
Accounts Payable	\$ 54,291	\$ 46,475	\$ 32,439	\$ 39,932	\$ 35,272
Accrued Liabilities	0	0	6,946	4,621	4,041
Due To Other Funds	34,008	29,251	4,166	0	0
Unearned Revenues	0	0	0	10,594	0
Total Liabilities	<u>88,299</u>	<u>75,726</u>	<u>43,551</u>	<u>55,147</u>	<u>39,313</u>
Fund Equity:					
Nonspendable	6,164	5,231	6,284	6,754	6,883
Assigned	<u>285,030</u>	<u>247,632</u>	<u>321,281</u>	<u>351,477</u>	<u>662,378</u>
Total Fund Balance	<u>291,194</u>	<u>252,863</u>	<u>327,565</u>	<u>358,231</u>	<u>669,261</u>
Total Liabilities and Fund Balance	\$ 379,493	\$ 328,589	\$ 371,116	\$ 413,378	\$ 708,574

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**TOWN OF SOMERS
WATER DISTRICT FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION**

YEARS ENDED DECEMBER 31:

	2016	2017	2018	2019	2020
REVENUES:					
Real Property Taxes	\$ 409,091	\$ 440,410	\$ 440,410	\$ 445,173	\$ 448,190
Departmental Income	830,079	804,422	933,151	974,223	1,199,254
Use Of Money And Property	358	411	3,063	5,553	2,243
Interfund Revenues	67,240	81,401	93,898	94,104	130,719
Miscellaneous	0	79,646	0	2,235	
Total Revenues	<u>1,306,768</u>	<u>1,326,644</u>	<u>1,550,168</u>	<u>1,519,053</u>	<u>1,782,641</u>
EXPENDITURES:					
Current:					
Home and Community Services	970,116	823,801	923,600	926,574	913,985
Employee Benefits	101,002	100,764	110,735	116,643	109,440
Total Expenditures	<u>1,071,118</u>	<u>924,565</u>	<u>1,034,335</u>	<u>1,043,217</u>	<u>1,023,425</u>
Excess of Revenues Over Expenditures	<u>235,650</u>	<u>402,079</u>	<u>515,833</u>	<u>475,836</u>	<u>759,216</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers - In	0	0	0	0	0
Operating Transfers - Out	(434,138)	(440,410)	(441,131)	(445,170)	(448,186)
Total Other Financing Sources (Uses)	<u>(434,138)</u>	<u>(440,410)</u>	<u>(441,131)</u>	<u>(445,170)</u>	<u>(448,186)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(198,488)</u>	<u>(38,331)</u>	<u>74,702</u>	<u>30,666</u>	<u>311,030</u>
Fund Balance - Beginning of Year	<u>489,682</u>	<u>291,194</u>	<u>252,863</u>	<u>327,565</u>	<u>358,231</u>
Fund Balance - End of Year	\$ 291,194	\$ 252,863	\$ 327,565	\$ 358,231	\$ 669,261

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TOWN OF SOMERS
SUMMARY OF BUDGET
YEAR ENDING DECEMBER 31, 2020

	General Fund	Highway Fund	Library Fund	Debt Service	Lighting District	Water Districts	Sewer Districts	Combined Totals
ESTIMATED REVENUES:								
Real Property Taxes	\$ 2,959,361	\$ 3,511,833	\$ 1,101,974	\$ 0	\$ 22,880	\$ 448,190	\$ 0	\$ 8,044,238
Real Property Taxes Items	205,000	0	0	0	0	0	0	205,000
Non-Property Tax Items	4,101,000	0	0	0	0	0	0	4,101,000
Departmental Income	727,800	0	10,750	0	0	981,595	171,997	1,892,142
Intergovernmental Charges	30,000	51,302	0	0	0	0	0	81,302
Use Of Money And Property	141,112	17,500	5,000	0	20	65,625	175	229,432
Licenses And Permits	255,000	0	0	0	0	0	0	255,000
Fines And Forfeitures	130,000	0	0	0	0	0	0	130,000
Sale Of Property And Compensation For Loss	0	4,900	0	0	0	0	0	4,900
Interfund Revenues	81,797	1,000	0	1,185,866	0	130,765	0	1,399,428
State Aid	752,915	219,000	5,334	0	0	0	0	977,249
Federal Aid	49,641	0	0	0	0	0	0	49,641
Miscellaneous	45,108	0	1,400	0	0	0	0	46,508
Total Estimated Revenues	9,478,734	3,805,535	1,124,458	1,185,866	22,900	1,626,175	172,172	17,415,840
APPROPRIATIONS:								
	6,519,373							
Current:								
General Government Support	2,706,877	4,200	0	0	0	825	0	2,711,902
Public Safety	1,330,508	0	0	0	0	0	0	1,330,508
Health	421,121	0	0	0	0	0	0	421,121
Transportation	334,237	2,272,729	0	0	22,900	0	0	2,629,866
Economic Assistance And Opportunity	575,265	0	0	0	0	0	0	575,265
Culture And Recreation	1,336,041	0	847,908	0	0	0	0	2,183,949
Home And Community Services	229,325	0	0	0	0	1,018,780	172,172	1,420,277
Employee Benefits	2,674,400	1,136,407	276,550	0	0	606,570	0	4,693,927
Debt Service	0	0	0	1,185,866	0	0	0	1,185,866
Total Appropriations	9,607,774	3,413,336	1,124,458	1,185,866	22,900	1,626,175	172,172	17,152,681
Excess (Deficiency) Of Estimated Revenues Over Appropriations	(129,040)	392,199	0	0	0	0	0	263,159
OTHER FINANCING SOURCES (USES):								
Operating Transfers - In	0	0	0	0	0	0	0	0
Operating Transfers - Out	(240,477)	(497,199)	0	0	0	0	0	(737,676)
Total Other Financing Sources (Uses)	(240,477)	(497,199)	0	0	0	0	0	(737,676)
Excess (Deficiency) of Estimated Revenues and Other Financing Sources Sources Over Appropriations and Other Financing Uses	(369,517)	(105,000)	0	0	0	0	0	(474,517)
APPROPRIATED FUND BALANCE	\$ 369,517	\$ 105,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 474,517

TOWN OF SOMERS
SUMMARY OF BUDGET
YEAR ENDING DECEMBER 31, 2021

	General Fund	Highway Fund	Library Fund	Debt Service	Lighting District	Water Districts	Sewer Districts	Combined Totals
ESTIMATED REVENUES:								
Real Property Taxes	\$ 3,102,268	\$ 3,419,131	\$ 1,051,966	\$ 0	\$ 17,483	\$ 454,467	\$ 0	\$ 8,045,315
Real Property Taxes Items	205,000	0	0	0	0	0	0	205,000
Non-Property Tax Items	4,052,000	0	0	0	0	0	0	4,052,000
Departmental Income	518,400	0	10,750	0	0	988,995	171,997	1,690,142
Intergovernmental Charges	44,000	85,883	0	0	0	0	0	129,883
Use Of Money And Property	91,112	6,000	5,000	0	17	65,625	175	167,929
Licenses And Permits	255,000	0	0	0	0	0	0	255,000
Fines And Forfeitures	130,000	0	0	0	0	0	0	130,000
Sale Of Property And				0	0	0	0	
Compensation For Loss	0	4,900	0	0	0	0	0	4,900
Interfund Revenues	81,797	1,000	0	1,192,175	0	130,765	0	1,405,737
State Aid	752,915	219,000	5,334	0	0	0	0	977,249
Federal Aid	58,926	0	0	0	0	0	0	58,926
Miscellaneous	45,108	0	1,400	0	0	0	0	46,508
Total Estimated Revenues	9,336,526	3,735,914	1,074,450	1,192,175	17,500	1,639,852	172,172	17,168,589
APPROPRIATIONS:								
	6,234,258							
Current:								
General Government Support	2,808,078	3,800	0	0	0	825	0	2,812,703
Public Safety	1,354,673	0	0	0	0	0	0	1,354,673
Health	450,978	0	0	0	0	0	0	450,978
Transportation	342,498	0	0	0	17,500	0	0	359,998
Economic Assistance And Opportunity	523,813	2,094,479	0	0	0	0	0	2,618,292
Culture And Recreation	1,239,811	0	845,933	0	0	0	0	2,085,744
Home And Community Services	212,611	0	0	0	0	1,026,180	172,172	1,410,963
Employee Benefits	2,797,900	0	0	0	0	612,847	0	3,410,747
Debt Service	0	1,154,071	253,517	1,192,175	0	0	0	2,599,763
Total Appropriations	9,730,362	3,252,350	1,099,450	1,192,175	17,500	1,639,852	172,172	17,103,861
Excess (Deficiency) Of Estimated Revenues Over Appropriations	(393,836)	483,564	(25,000)	0	0	0	0	64,728
OTHER FINANCING SOURCES (USES):								
Operating Transfers - In	0	0	0	0	0	0	0	0
Operating Transfers - Out	(242,107)	(495,601)	0	0	0	0	0	(737,708)
Total Other Financing Sources (Uses)	(242,107)	(495,601)	0	0	0	0	0	(737,708)
Excess (Deficiency) of Estimated Revenues and Other Financing Sources Sources Over Appropriations and Other Financing Uses	(635,943)	(12,037)	(25,000)	0	0	0	0	(672,980)
APPROPRIATED FUND BALANCE	\$ 635,943	\$ 12,037	\$ 25,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 672,980

APPENDIX C

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020***

**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/P11578621.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

DRAFT

July 9, 2021

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

Re: Town of Somers, Westchester County, New York
\$3,000,000 Public Improvement (Serial) Bonds, 2021

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$3,000,000 Public Improvement (Serial) Bonds, 2021 (the "Obligations"), of the Town of Somers, County of Westchester, State of New York (the "Obligor"), dated July 9, 2021, 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 _____ hundredths per centum (____%) per annum as to bonds maturing in each of the years 2022 to _____, both inclusive, and at the rate of _____ hundredths per centum (____%) per annum as to bonds maturing in each of the years _____ to _____, both inclusive, payable on May 1, 2022 and semi-annually thereafter on November 1 and May 1, and maturing in the amount of \$_____ on May 1, 2022, \$_____ on May 1, 2023, \$_____ on May 1, 2024, \$_____ on May 1, 2025, \$_____ on May 1, 2026, \$_____ on May 1, 2027, \$_____ on May 1, 2028, \$_____ on May 1, 2029, \$_____ on May 1, 2030, \$_____ on May 1, 2031.

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, without limitation as to rate or amount; 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 are 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 Obligations is not a specific preference item for purposes of the federal 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 revenues or moneys of the Obligor legally available 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