

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 2, 2025

RENEWAL ISSUE

RATING: See “RATING” herein

BOND ANTICIPATION NOTES

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 Notes 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 Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes 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 Notes. See “TAX MATTERS” herein.

The Village WILL NOT designate the Notes as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.

**VILLAGE OF HARRISON
WESTCHESTER COUNTY, NEW YORK**

\$4,870,000

**BOND ANTICIPATION NOTES, 2025 SERIES B
(the “Notes”)**

Delivery Date: December 29, 2025

Maturity Date: December 2, 2026

The Notes are general obligations of the Village of Harrison, in the County of Westchester, New York (the “Village”), and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Village, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the “Tax Levy Limit Law”). (See “*The Tax Levy Limit Law*” herein).

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

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

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

DTC will act as Securities Depository for those Notes issued as book-entry notes. Individual purchases of such Notes may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in said Notes issued as book-entry notes. Principal of and interest on said Notes will be paid in Federal Funds by the Village to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of said Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Village will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See “*Description of Book-Entry System*” herein.)

Capital Markets Advisors, LLC has served as the Municipal Advisor to the Village in connection with the issuance of the Notes.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the final approving opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the offices of DTC on or about December 29, 2025.

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

Dated: December __, 2025

* Preliminary, subject to change.

**VILLAGE OF HARRISON
WESTCHESTER COUNTY, NEW YORK**

**MAYOR
RICH DIONISIO**

BOARD OF TRUSTEES

Mike DiCostanzo..... Trustee

Angela Vaccaro Trustee

Gina Evangelista Trustee

Elizabeth Brown..... Trustee

Maureen MacKenzie Comptroller/Treasurer

Erin Appleton Village Clerk

BOND COUNSEL

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

MUNICIPAL ADVISOR



CAPITAL MARKETS ADVISORS, LLC
*Long Island * Western New York*
(516) 487-9818

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

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OFFICIAL STATEMENT
VILLAGE OF HARRISON
WESTCHESTER COUNTY, NEW YORK

relating to

\$4,870,000
BOND ANTICIPATION NOTES, 2025 SERIES B

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Village of Harrison, in the County of Westchester, in the State of New York (the “Village”, “County” and “State,” respectively) in connection with the sale of \$4,870,000 Bond Anticipation Notes, 2025 Series B (the “Notes”).

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

THE NOTES

Description of the Notes

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

The Village will act as Paying Agent for any Notes issued in book-entry form. The purchaser(s) will serve as paying agent for the Notes registered in the name of the purchaser(s). Paying agent fees, if any, will be paid by the purchaser(s). The Village’s contact information is Maureen MacKenzie, Comptroller/Treasurer, telephone number: (914) 670-3081, email: mmackenzie@harrison-ny.gov.

Authority for and Purpose of the Notes

The Notes are issued pursuant to the Constitution and Laws of the State, including, among others, the General Municipal Law, Village Law, the Local Finance Law, and various bond resolutions duly adopted by the Village on November 6, 2025. The proceeds from the sale of the Notes will be used to provide original financing as detailed in the table below.

<u>Purpose</u>	<u>Authorization</u> <u>Date</u>	<u>New</u> <u>Money</u>	<u>Amount</u> <u>to Notes</u>
Purchase of Equipment for Police Department	11/06/25	\$ 745,000	\$ 745,000
Construction of Freemont St. Parking Lot	11/06/25	1,300,000	1,300,000
Construction of a New Community Center	11/06/25	<u>2,825,000</u>	<u>2,825,000</u>
	Totals:	<u>\$4,870,000</u>	<u>\$4,870,000</u>

Optional Redemption

The Notes will not be subject to redemption prior to maturity.

Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for those Notes issued in book-entry form. Said Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

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

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC

mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

Source: The Depository Trust Company

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE VILLAGE TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE VILLAGE 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 NOTES OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO OWNERS.

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

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR

PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

NATURE OF OBLIGATION

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

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

The Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village, subject to applicable statutory limitations.

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

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

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

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

In addition, the Court of Appeals in the Flushing National Bank 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 bondholders are constitutionally protected against an attempt by the State to deprive the City of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the City to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its 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, 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.

Tax Levy Limitation Law

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. While the Tax Levy Limitation Law was scheduled to expire in 2020, it was made permanent by legislation enacted in 2019. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused

levy limitation from a prior year. Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as 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.

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

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

The rights of the owners of the Notes to receive interest and principal from the Village could be adversely affected by the restructuring of the Village's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Village (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed

by or on behalf of the Village under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

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

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

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

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law, 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 Village.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in the county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims against the municipality, including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which, upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims, including debt service due or overdue, must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing that the

municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

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

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

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

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

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

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

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

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

Several municipalities in the State are presently working with the FRB. The Village has not applied to the FRB and does not reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. (See “General Municipal Law Contract Creditors’ Provision” herein.)

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of noteholders and bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. (See “NATURE OF OBLIGATION” and “State Debt Moratorium Law” herein.)

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

RISK FACTORS

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

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

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

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might

affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Village to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received (“State Aid”). The 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 Village can be paid only if the State has such monies available therefore. Should the Village fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Village is authorized pursuant to the Local Finance Law (“LFL”) to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Village will have market access for any such borrowing on a cost effective basis. (See also “*State Aid*” herein.)

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

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

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

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 Village’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. COVID-19 had spread globally, including to the United States, had been declared a pandemic by the World Health Organization and caused the Federal government to declare a national state of emergency. The State also initially declared a state of emergency and the Governor took 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 negatively impacted the State’s economy and financial condition. (See “*State Aid*” herein).

CYBERSECURITY

The Village, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Village faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. The results of any such attack could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial.

LITIGATION

Various notices of claim have been filed with the Village. The allegations set forth in the claims relate to various circumstances, including personal injury, condemnation proceedings, civil rights violations, property damage, and

administrative determinations by Village officials. Certain claims assert money damages while others seek a specific action or forbearance on the part of the Village.

Presently, there is an ongoing Eminent Domain proceeding concerning the valuation of a condemned country club (Index Number: 54116/2021). The subject property was taken by the Town of Harrison (the “Town”) and constitutes an operating golf course. Title vested in the Town upon filing the acquisition map with the Westchester County Land Records Division on June 23, 2021, pursuant to an Order of the Supreme Court of Westchester County, New York. The Order also required the Town of Harrison to make an advance payment to Willow Ridge Country Club in the amount of \$13,650,000, which was completed on June 23, 2021. Willow Ridge Country Club is challenging the Town’s valuation of the property and is asserting the significantly higher total value of \$55,600,000. The Town is vigorously defending this lawsuit and we believe it is very unlikely that a decision would be rendered near the valuation proposed by Willow Ridge. This belief is based on information provided by the Town’s appraiser who is well qualified to provide an opinion on the actual value of the property, which is \$13,230,000. The parties have completed a trial to determine the value and are awaiting a decision. The judge will ultimately determine the value of the property and whether the Town will be required to pay additional compensation, interest and attorney’s fees pursuant to Section 701 of the Eminent Domain Procedure Law. It is impossible at this stage to predict the precise outcome of the trial. The judge’s decision will be subject to appeal. While the Village is not a named Defendant in this action, the Town of Harrison and Village of Harrison are coterminous.

In the opinion of the Village Attorney, other than the aforesaid, the resolution of such various other claims presently pending against the Village will not have an adverse material effect on the Village’s financial position. Many of the matter are immaterial. Regardless, pursuant to the Local Finance Law, the Village is authorized to issue debt to finance judgments and claims, if necessary, for matters of a material nature which are not covered by budgetary appropriations.

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 Notes 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 Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel are set forth in “APPENDIX D”.

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

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

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

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

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

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes 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.

DISCLOSURE UNDERTAKING

Disclosure Undertaking for the Notes

This Official Statement is in a form "deemed final" by the Village for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Notes, the Village will provide an executed copy of its "Undertaking to Provide Notice of Certain Material Events" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Village for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, timely notice not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Notes:

(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 Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Village; (xiii) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, 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; (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 Village, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Village, if any such event reflects financial difficulties.

Event (iii) is included pursuant to a letter from 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 Notes.

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

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 Village 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 Village, 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 Village.

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 Village 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 Notes; but the Village does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The Village’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Village, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Village to comply with the Undertaking will not constitute a default with respect to the Notes.

The Village reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in consultation with nationally recognized bond counsel in a manner consistent with Rule 15c2-12 as then in effect.

RATING

The Village has not applied to Moody’s Investors Service, Inc. (“Moody’s”) for a rating on the Notes.

Moody’s has assigned a rating of “Aaa” to the Village’s outstanding uninsured general obligation bonds.

Such ratings reflect only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency, at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 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 such bonds or the availability of a secondary market for those Notes.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Great Neck and New York, New York, (the "Municipal Advisor") is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the Village in connection with this transaction.

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

ADDITIONAL INFORMATION

Additional information, including the Village's most recent audited financial statements, may be obtained from Maureen MacKenzie, Comptroller/Treasurer, 1 Heineman Place, Harrison, New York, (914) 670-3081 or from the Village's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 487-9818.

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

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

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

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

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

VILLAGE OF HARRISON
WESTCHESTER COUNTY, NEW YORK

By: _____
Maureen MacKenzie
Comptroller/Treasurer

DATED: December __, 2025

APPENDIX A

THE VILLAGE

THE VILLAGE

General Information

The Village of Harrison, with a land area of 18 square miles and an estimated population of 27,721, according to the 2022 Census, is located in the southern portion of Westchester County approximately 25 miles north of New York City. The Village is adjacent to the cities of Rye and White Plains and the towns of North Castle and Mamaroneck. The Village is divided into three principal sections: Purchase, West Harrison (Silver Lake) and Harrison proper.

Although primarily residential in nature, the Village is the site of the corporate headquarters of Morgan Stanley, Pepsico Incorporated and Mastercard Incorporated. The Village is also the site of 6 country clubs, the most prominent of which is the Westchester Country Club.

The Village is traversed by New York State Route 127, the Hutchinson River Parkway and Interstates 287, 684 and 95 (New England Thruway). The Metropolitan Transportation Authority ("MTA"), Metro-North Division, which operates a station in the Village, provides Village residents with electrified rail service south to New York City and to points north. Westchester County Airport, also in the Village, accommodates many corporate aircraft as well as daily scheduled flights by U.S. Airways, American Airlines, JetBlue and United Airlines.

Manhattanville College, Purchase College of the State of New York, Fordham University Graduate Center and St. Vincents Hospital are located within the Village. Also located nearby to the Village is White Plains Hospital.

Police protection is provided by the Village. Fire protection is provided by the Village as well as local fire districts.

Form of Government

Harrison is both a Village and a Town. Usually a village is only a part of a town, but in Harrison the boundaries of the Village and the Town of Harrison are coterminous. This situation results in convenient and less expensive government, since the same people act both as Village authorities solely to administer local municipal affairs and as Town authorities to administer Town affairs as prescribed by State Law. (For example, members of the Village Board of Trustees serve as the Town Board as well). The Village Clerk is also the Town Clerk. This is an elected position, with a two year term.

The chief executive officer of the Village is the Mayor who is elected for a term of two years and is eligible to succeed himself. He is also a member of the Board of Trustees. In addition to the Mayor, there are four Trustees who are elected for four year terms. Each term is staggered so that every year, two Trustees run for election. The Mayor runs every second year. The Mayor and Trustees are elected at large.

The Village Board of Trustees appoints a Treasurer to a two year term. The members of the Board of Trustees act as Commissioners for the various Town/Village departments.

The Comptroller/Treasurer is the chief fiscal officer, account officer and budget officer of the Town/Village. She acts as a fiscal advisor to the Board of Trustees and is responsible for the accounting of expenditures and revenues. The Village Treasurer may or may not be selected as Budget Officer to the Board of Trustees; however, the Treasurer usually serves in an advisory capacity.

The Town government is responsible for the operation of various Town departments, assessment of land and buildings, the sale of tax liens and the issuance of marriage licenses. The Town/Village Receiver of Taxes collects Village and County taxes as well as the school taxes.

The Town Assessor fixes the value of each parcel of property for the purpose of computing real estate taxes, with the exception of utility franchise companies such as Con Edison and Verizon. Such properties are assessed by the State and such assessments are utilized by the Town in determining the tax. The Assessor prepares the Town assessment roll, which is then adopted as the Village roll by the Village Board of Trustees sitting as the Village Board of Assessors. Taxes for the County, sewer and school district are also based on these assessments.

Employees

The Village provides services through approximately 261 full-time and 57 part-time employees. The majority of full-time Village employees are represented by the following five labor organizations:

<u>Number of Employees</u>	<u>Labor Organization</u>	<u>Contract Expiration Date</u>
16	United Fire Fighters	December 31, 2027
68	Police Benevolent Association	December 31, 2028
78	Teamsters (Local #456)	December 31, 2026
62	Civil Service Employees' Association (CSEA)	December 31, 2026
5	Civil Service Mid-Management	December 31, 2026

Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"). (Both systems are referred to together hereinafter as the "Retirement Systems" where appropriate). These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer 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. As of April 9, 2022, Tier 5 and 6 members only need five years of service credit to be vested. This affects members of both ERS and PFRS. Previously, Tier 5 and 6 members needed 10 years of service to be eligible for a service retirement benefit. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976, with less than 10 years of service must contribute 3% of gross annual salary toward the cost of retirement programs.

On December 10, 2009, then Governor Paterson signed in to law a new Tier 5. The law is effective for new ERS employees hired after January 1, 2010 through March 31, 2012. Tier 5 ERS employees will contribute 3% of their salaries and there is no provision for these contributions to cease after a certain period of service. Overtime pay in excess of \$15,000 is not subject to the ERS either in contribution from the Village or the employee.

On March 16, 2012, Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS and PFRS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after five years of employment and will continue to make employee contributions throughout employment.

With regard to the ERS, a pension reform bill, Chapter 49 of the Laws of 2003 changes the cycle of billing to match budget cycles of the Village. Under the previous method, the Village was unsure of how much it paid to the system until after its budget was implemented. Under the new system the contribution for a given fiscal year is based on the value of the pension fund on the prior April 1 instead of the following April 1 so that the Village is able to more accurately include the cost of the contribution into its budget. Chapter 49 requires the Village to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contributions for the State's Retirement System continue to be higher than the minimum contribution rate established by Chapter 49. Legislation was enacted that permits local governments and school districts to borrow a

portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts that amortize their pension obligations pursuant to the regulation to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Village does not currently amortize any pension payments.

In Spring 2013, the State and ERS approved a Stable Contribution Option (“SCO”), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage spikes in Actuarially Required Contribution rates (“ARCs”). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount. The Village pays its ERS contributions on a pay as you go basis and does not expect to participate in the SCO in the foreseeable future.

On September 1, 2022, the State Comptroller announced for Fiscal Year 2023-24, the average contribution rate for ERS increasing from 11.6% to 13.1%. Projections for required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among six retirement tiers. The employer contribution rates announced will apply to each employer’s salary base during the period of April 1, 2023 through March 31, 2024. Payments based on those rates are due by February 1, 2024, but may be prepaid by December 15, 2023.

For the year ended December 31, 2016, the Village implemented the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date," which established improved the accounting and financial reporting requirements relating to pensions. For further information relating to the provisions of GASB Statement No. 68 and GASB Statement No. 71, see “Notes to the Financial Statements” in audited financial statements for the year ended December 31, 2016.

Payments by the Village to the Retirement Systems for the past five years and the upcoming budget are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>PFRS</u>
2021	\$2,499,431	\$3,082,481
2022	2,021,028	3,441,263
2023	2,066,723	3,478,469
2024	2,393,669	3,831,204
2025	2,835,534	4,267,358
2026 (Budget)	3,235,892	4,965,516

Other Post-Employment Benefits

The Village 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 Village’s total OPEB liability as of December 31, 2024 was \$178,001,645 using a discount rate of 4.16% and actuarial assumptions and other inputs as described in the Village’s actuarial report.

Should the Village be required to fund the total OPEB liability, it could have a material adverse impact upon the Village's finances and could force the Village to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the Village to 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 Village will continue funding this expenditure on a pay-as-you-go basis.

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

Economic Development

Transportation Oriented Development: After several years of negotiations, the Village has entered into a Joint Development Agreement ("IDA") with Avalon Bay Communities, Inc. ("Developer") and the Metro-North Commuter Railroad Company ("MTA/MNR") that will result in the construction of approximately 147 luxury apartments, 27,000 square feet of retail space and two pedestrian plazas at the Metro-North Railroad station in the Central Business District of Downtown Harrison. The project will increase parking availability for commuters by 85%. The Village broke ground in June 2019, with three buildings and a garage completed and occupied.

There are three retail spaces currently occupied. Building A is occupied by Chase Bank and Starbucks, which has outdoor space between Buildings A and B. Building Bis occupied by Color Connie Nails.

The Playhouse Lofts, a 42-unit luxury apartment complex, built on the site of a former movie theatre that had been vacant for decades, was completed in April 2022. Other construction plans that are recently completed or currently underway include: Toll Brothers luxury housing, which consists of 421 units completed in January 2022, Wegman's Supermarket, which opened its new 121,000-square foot retail facility in July 2020, Montefiore Hospital, which will be adding a 125,000-square foot medical facility and Marcus Partners, which has proposed a 450-unit, 2-building apartment complex which would also add Main Street shops and retail. Construction is currently under way.

The Webb Avenue Residential Development. The Project was approved by the Planning Board on January 24, 2023, and site work has begun.

The new five (5) story residential apartment building over two (2) levels of podium parking, one level of which is partially below grade. The residential levels will include a total of two hundred (200) units consisting of 32 studios, 78 one (1) bedroom units, and 90 two (2) bedroom apartment units with additional amenities and leasing spaces. The building will offer a suite of amenity spaces including a resident fitness center, "package concierge" for secure and organized delivery collection, dog washing station, private workspaces, bike maintenance room and rentable lounge/dining area for special events. Exterior amenities include a courtyard that includes gas-fired fire pits, grills, a pool and associated amenities. Approximately 2,000 feet of public walking paths are proposed that interconnect with the existing walking trails on the adjacent 800 Westchester Avenue property. An approximately 20,000 square foot community garden is also proposed that would be available to the residents and the public. The garden will be managed and operated by the owners of the development, supported by "Our New Way Garden, Inc" or similar organization. The building will be designed to LEED Silver Certified standards through an integrative process that values Energy and Atmosphere, Water Efficiency, Materials and Resources, and Indoor Environmental Air Quality. The design of this building will also meet all adopted energy codes for the state of New York. A solar photovoltaic (PV) array will be installed on the flat roof of the building and feed energy back to the grid, subject to local utility provider rules, requirements and guidelines. High-efficiency electric split systems will provide heating and cooling in the apartments. Apartment units' range in size from six hundred square feet (600 s.f.) for a studio to over twelve hundred square feet (1200 s.f.) for a two (2) bedroom apartment. All paints, primers, and adhesives used

will be low Volatile Organic Compounds (VOCs).

The Harrison Grand - Multi-Family Residential Building: The new five-story, 31-unit multi-family building containing 9 one-bedroom, 14, two bedroom and 8 three-bedroom units. 2 of the units will be established as "workforce housing." Building amenities include a fitness center, bike storage room and pet spa, work/study and conference room space, storage areas and a rooftop terrace. 40 at-grade off-street parking spaces are provided including electric vehicle charging stations. New stormwater management facilities, utility infrastructure, landscaping and associated site improvements are also included. Access to the parking area is provided from Macy Road, and two driveways are provided onto Halstead Avenue for site egress and short-term vehicle trips. Site work is completed and the building construction has begun.

123 Halstead Avenue - Mixed-Use Building: The new four-story mixed-use building containing 12 units containing 6 one-bedroom, 3 two-bedroom and 3 three-bedroom units over commercial space and parking on grade. Site work has begun.

Renaissance Harrison - Residential Mixed-Use Community: Renaissance Harrison is the transformation of the 28-acre former Renaissance Westchester Hotel into a residential centric mixed-use community including public retail and cultural venues. Sponsored by long-term friends and partners, Rose Equities and Garden Communities envision a connected and thriving Teardrop neighborhood, with Renaissance Harrison as its crown jewel. Two residential quads, anchored by large gathering places, to be known as The Grove and The Mansion, all nestled against 7+ acres of minimally disturbed woods, will add to the emerging "live work play" environment of the Teardrop section in Harrison. Two parcels of 12.9 and 15.3 acres, respectively, will be developed in two (2) residential phases, including work force housing, that celebrate the classic Tudor and Arts & Crafts architecture in a series of timeless multi-family residences of rental homes and villas interconnected by abundant amenities, authentic placemaking, gathering places and natural/strong landscaping.

3 Westchester Park Drive – New Multi-Family Buildings and Retail/Retail Service/Restaurant Uses: Demolition of the existing vacant 160,000 square foot, five-story office building built in 1982, to accommodate two new mixed-use, multi-family buildings containing 450 dwelling units, approximately 7,800 square feet of retail oriented space, including a total of approximately 6,040 square feet of enclosed retail space in two farmhouse buildings (approximately 3,520 square feet in Building A and approximately 2,520 square feet in Building B) and 1,800 square feet of outdoor space available to the retail uses. The 450 dwelling units consist of approximately 35 studios, 150 one-bedrooms, 254 two-bedrooms and 11 three-bedroom units. In addition to individual unit amenities, residents of the development would also have access to interior communal amenity spaces, such as work-from-home spaces, meeting rooms, game/recreation rooms, coffee bar, fitness center and resident lounges. Approximately 697 enclosed off-street parking spaces are provided (351 spaces in Building A and 346 spaces in Building B), as well as 37 at-grade parking spaces which are accessed from a new central drive. An access drive shall connect the Project Site to The Carraway site to ensure unrestricted public access through both sites, allowing for a direct connection between Westchester Park Drive and Corporate Park Drive. The project includes outdoor courtyards, associated outdoor recreation areas including a multi-use pedestrian path, stormwater management facilities, landscaping and associated site improvements. The project also involves the subdivision the parcel to create two new lots of approximately 5.56 acres (Parcel A) and 5.07 acres (Parcel B). Although it is not a requirement of the Town of Harrison, a minimum of 5% of the total units (or 23 units) will be set aside for households earning 80% of area median income (AMI), where housing costs will not exceed 30% of 80% AMI. The two buildings are completed and occupied.

2700 Westchester Avenue – Townhouses: Demolish the current 2700 Building and construct 69 new, high-end townhouses on the 2700 Lot. The 2500 Building and associated parking will remain as-is on the 2500 Lot, creating a true mixed-use community on the Property. The new townhouses will be located in largely the same area as the current development at 2700 Westchester Avenue and will incorporate landscaping and modern stormwater management improvements, associated parking, utility, infrastructure and amenity areas. The project was approved by the Planning Board on November 19, 2024.

FINANCIAL FACTORS

Financial Statements

The Town/Village has retained independent certified public accountants to audit its financial affairs. The last audit covers the year ending December 31, 2024. In addition, the financial affairs of the Town/Village are subject to periodic review by the State Comptroller.

The accounting policies of the Town/Village conform to generally accepted accounting principles as they are applicable to governments. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A summary of Revenues, Expenditures and Fund Balance, Budget Results, Balance Sheets and Changes in Fund Balances for the Town/Village are included as Appendix B.

Investment Policy

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

The Village has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the Village are made in accordance with such policy.

Budgetary Procedures

Department heads prepare operating budgets for the ensuing fiscal year. Pursuant to applicable Town and Village law, the Treasurer/Comptroller must submit the tentative budget to the Town/Village Clerk no later than October 30 of each year. The Clerk then must present the tentative budget to the Town/Village Board and the Supervisor/Mayor for review at a regular or special Board meeting held on or before November 10. In most instances, a public information meeting is also held in order to review the budget. The tentative budget with any changes is then presented as the preliminary budget at a public hearing held on or before December 10, as required by law. The Town/Village Board must then adopt the budget on or before December 20. The budget is not subject to referendum.

Individual departments can make budget changes within line account items at any point during the year. However, if funds are transferred from one account item to another, the transfer must be approved and formally changed by the Town/Village Board. This is a continuing process.

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

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

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

The most current applicable report of the State Comptroller designates the Village as "No Designation" for the fiscal year ended December 31, 2024, with a fiscal score of 5.0 and an environmental score of 0.0.

The financial affairs of the Village are subject to periodic compliance reviews by OSC to ascertain whether the Village has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on February 22, 2019. The purpose of the audit was to determine whether the revenue and expenditure projections in the budget and fund balance were reasonable for the period January 1, 2016 through April 2, 2018. The complete report can be obtained from OSC's website.

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

Real Property Taxes

The Village derives a major portion of its revenues from a tax on real property. (See "Combined Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein). Property taxes accounted for 58.0% of total general fund revenues for the fiscal year ended December 31, 2024. On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Village. (See "*Tax Levy Limit Law*" herein).

The following table sets forth total General Fund revenues and real property taxes received for each of the last five audited fiscal years and the amount budgeted for the current fiscal year.

General Fund Revenues & Real Property Taxes

Fiscal Year <u>Ended December 31:</u>	Total <u>Revenues⁽¹⁾</u>	Real Property <u>Taxes</u>	Ratio of Real Property Taxes to <u>Total Revenues</u>
2020	\$56,862,275	\$39,230,103	69.0%
2021	61,324,445	38,921,884	63.5
2022	70,287,851	39,300,668	55.9
2023	64,593,785	39,716,288	61.5
2024	69,907,154	40,567,718	58.0
2025 (Adopted Budget)	64,352,254	40,622,848	63.1

(1) General Fund.

Source: Audited Financial Statements and Adopted Budget of the Village. Summary is not audited.

State Aid

The Village receives minimal financial assistance from the State. In its combined Town and Village general fund budgets for the 2025 fiscal year, approximately 2.0% of the revenues of the Village are estimated to be received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in any year, the Village 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 Village, 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 Village. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Village requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (see also “Market and Risk Factors”).

While the Village has received State aid in recent years, both the determination of the amount of State aid and the apportionment of State aid are legislative acts and the State Legislature may amend or repeal the statutes relating to State aid and the formulas which determine the amount of State aid payable to the Village. The current or future financial condition of the State may affect the amount of State aid appropriated by the State Legislature.

The following table sets forth total General Fund revenues and State aid revenues received for each of the last five audited fiscal years and the amount budgeted for the current fiscal year.

General Fund Revenues & State Aid Revenues

<u>Fiscal Year</u> <u>Ended December 31:</u>	<u>Total</u> <u>Revenues</u>	<u>State Aid</u>	<u>State Aid</u> <u>to Revenues</u>
2020	\$56,862,275	\$1,645,277	2.9%
2021	61,324,445	2,544,961	4.2
2022	70,287,851	3,196,883	4.6
2023	64,593,785	1,703,148	2.6
2024	69,907,154	1,526,631	2.2
2025 (Adopted Budget)	64,352,254	1,284,055	2.0

(1) General Fund.

Source: Audited Financial Statements and Adopted Budget of the Village. Summary is not audited.

Impacts of COVID-19

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

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

The Village received \$2,968,504 in ARPA funding. The Village utilized the funds for the purchase and installation of equipment and furniture at the Town-owned Harrison Meadows Country Club and a new recreation center.

TAX INFORMATION

Valuations and Tax Data

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

Valuations and Tax Data (For the Fiscal Years Ending December 31:)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Value	\$ 127,316,842	\$ 126,558,029	\$ 125,335,903	\$126,137,469	\$ 126,311,610
Equal. Rate	1.47%	1.42%	1.29%	1.17%	1.13%
Full Value	8,661,009,660	8,912,537,254	9,715,961,473	10,780,980,256	11,178,018,584
Tax Levy:					
Town: General Fund	28,692,538	30,092,989	30,991,854	32,086,307	32,337,090
Highway Fund	5,978,193	6,035,553	6,270,997	6,270,165	6,367,074
Library Fund	2,613,123	2,722,090	2,793,829	2,882,500	2,975,585
General Village	9,923,034	9,422,559	8,562,525	8,064,643	8,285,758
Tax Rate ⁽¹⁾	\$370.78	\$381.43	\$387.86	\$390.87	\$395.57

(1) Per \$1,000 assessed valuation of the Town.

Constitutional Taxing Power

Fiscal Year Ending December 31:	<u>2024</u>	<u>2025</u>
Five-Year Average Full Valuation	\$9,388,880,735	\$9,849,701,445
Tax Limit (2%)	187,777,615	196,994,029
Add: Total Exclusions	<u>7,433,962</u>	<u>11,389,903</u>
Total Taxing Power	195,211,577	208,383,932
Total Levy	<u>8,064,643</u>	<u>8,285,758</u>
Tax Margin	<u>\$ 187,146,934</u>	<u>\$ 200,098,174</u>

Tax Collection Procedure

First half taxes are due on February 1st and are payable during the month of February without penalty. Penalties on first half taxes are 2% in March, 5% in April and May, 6% in June and July and 7% in August. Second half taxes are due in the month of June without penalty. Penalties on second half taxes are 2% in July, 5% in August, 7% in September, 10% in October, November and December and 12% thereafter. The Town collects taxes for Town, Town Special Districts, Village, School District, County and County Special District purposes, and is responsible for the collection of such taxes. The Town/Village guarantees the full payment of the County and School District warrants and assumes the responsibility for uncollected taxes. The County and County Special District taxes are due and payable during the month of April without penalty. The first half of School District taxes are due and payable during the month of September without penalty with the second half being due and payable during the month of January without penalty.

The Town/Village functions in both a fiduciary and guarantor relationship with the County and the School District with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. School District taxes are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January 31st. The County Charter provides for the Town/Village to collect County and School District taxes and remit them as collected. The Town must remit to the County sixty percent of the amount levied by May 25th and the balance on October 15th. With respect to School District taxes, the Charter provides that

the Town satisfy the warrant of the School District by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation to the County and School District regardless of the amounts collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town/Village taxes. The collection of School District taxes is deemed a financing transaction until the warrants are satisfied.

Real Estate Taxes and Tax Collection Record

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽¹⁾</u>
Tax Levy & Collections:					
Town and Village ⁽²⁾	\$55,577,581	\$56,971,745	\$57,625,106	\$58,537,984	\$59,448,525
County	<u>34,375,466</u>	<u>34,033,024</u>	<u>34,656,106</u>	<u>35,825,032</u>	<u>36,994,434</u>
Total	\$89,953,047	\$91,004,769	\$92,281,212	\$94,363,016	\$96,442,959
Additions (Cancellations)	<u>(7,166)</u>	<u>(18,234)</u>	<u>(6,332)</u>	<u>(208,764)</u>	<u>(143,523)</u>
Net Taxes	<u>\$89,945,881</u>	<u>\$90,986,535</u>	<u>\$92,274,880</u>	<u>\$94,154,252</u>	<u>\$96,299,436</u>
Less: Collections During Year ⁽²⁾	<u>89,084,798</u>	<u>90,612,787</u>	<u>92,007,263</u>	<u>93,888,627</u>	<u>95,408,186</u>
Total Uncollected Taxes	<u>\$ 861,083</u>	<u>\$ 373,748</u>	<u>\$ 267,617</u>	<u>\$ 265,625</u>	<u>\$ 891,250</u>
% Uncollected at End of Year	0.97%	0.41%	0.29%	0.28%	0.93%
School District Tax Levy and Collections:					
Taxes On Roll ⁽³⁾	\$110,294,672	\$113,733,620	\$116,206,027	\$121,671,546	\$125,747,490
Additions (Cancellations)	<u>(53,619)</u>	<u>(80,075)</u>	<u>(4,958)</u>	<u>(17,246)</u>	<u>(12,974)</u>
Net Taxes	<u>\$110,241,053</u>	<u>\$113,653,545</u>	<u>\$116,201,069</u>	<u>\$121,654,300</u>	<u>\$125,734,516</u>
Less: Collections During Year ⁽⁴⁾	<u>109,652,999</u>	<u>69,250,350</u>	<u>115,611,029</u>	<u>121,208,797</u>	<u>56,739,331</u>
Total Uncollected Taxes	<u>\$ 588,054</u>	<u>\$44,403,195</u>	<u>\$ 590,040</u>	<u>\$ 445,503</u>	<u>\$ 68,995,185</u>
% Uncollected at End of Year	0.54%	64.12%	0.51%	0.37%	54.87%

(1) Collections through October 9, 2025.

(2) Includes Town/Village General, Highway, Library and special districts fund levies.

(3) Years ending June 30, 2021-2025. School District fiscal year is from July 1 to June 30. See "Tax Collection Procedure."

(4) The school warrant for fiscal year ending June 30, 2025 was issued in August 2025 with first half payments due by September 30, 2025 and the second half payments due by January 31, 2026.

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Largest Taxpayers

The following table presents the taxable assessments of the Town's ten largest taxpayers for the 2025 fiscal year:

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation⁽¹⁾</u>
Consolidated Edison Co.	Utility	\$ 4,259,364	3.37%
MS Harrison LLC	Corporate	1,550,000	1.23
OCC Purchase LLC	Commercial	1,386,000	1.10
Pepsico, Inc. ⁽²⁾	Corporate	1,355,560	1.07
Mastercard International	Corporate	1,245,000	0.99
Carraway Apartments	Residential	1,191,041	0.94
3 WPD Apartments LLC	Residential	1,130,848	0.90
Westchester County	Airport Hanger	1,064,473	0.84
AVB Harrison LLC	Residential	769,350	0.61
Harrison Members LLC	Corporate	639,775	0.51
	Total:	<u>\$14,591,411</u>	<u>11.55%</u>

(1) The total 2025 assessed value of the Village's is \$126,311,610.

(2) This taxpayer currently has a PILOT with the Village.

Real property subject to Town/Village taxation is assessed by the Town. Veterans' and Senior Citizens' exemptions are available for those who qualify.

Tax Certiorari Matters

The following schedule is a compilation of the amounts budgeted and expenditures incurred by the Village, for the refund of real property taxes.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Original Budget	\$565,639	\$900,000	\$700,000	\$700,000	\$600,000
Final Budget	929,434	900,000	700,000	700,000	600,000
Expenditures	929,434	314,207	625,559	326,670	582,773

VILLAGE INDEBTEDNESS

Constitutional Requirements

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

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

The Village may contract indebtedness only for a village purpose and shall pledge its faith and credit for the payment of principal of and interest thereon; however, as a Town/Village, the Village, acting in its capacity as Town Comptroller, has authority to issue debt for town purposes.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness

shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose (as determined by statute) or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment unless the Village determines to issue debt amortized on the basis of substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real property of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real property as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedure

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

Pursuant to the Local Finance Law, the Village authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the Village Board, the finance board of the Village. Customarily, the Village Board has delegated to the Village Treasurer, as chief fiscal officer of the Village, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the Village is not authorized to expend money,
or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity is commenced within twenty days after the date of such publication, or,
- (3) Such obligations are authorized in violation of the provisions of the constitution.

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

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

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

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See “Payment and Maturity” under “Constitutional Requirements” herein, and “Details of Outstanding Indebtedness” herein).

In general, the Local Finance Law contains provisions providing the Village with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes, deficiency notes and budget notes (see “Details of Outstanding Indebtedness” herein).

Constitutional Debt-Contracting Limitation

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

<u>Fiscal Year Ended December 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Ratio⁽¹⁾</u>	<u>Full Valuation</u>
2021	\$127,316,842	1.47%	\$ 8,661,009,660
2022	126,558,029	1.42	8,912,537,254
2023	125,335,903	1.29	9,715,961,473
2024	126,137,469	1.17	10,780,980,256
2025	126,311,610	1.13	<u>11,178,018,584</u>
Total Five-Year Full Valuation			\$49,248,507,227
Average Five-Year Full Valuation			\$ 9,849,701,445
Debt Contracting Limitation - 7% of Average Full Valuation			<u>\$ 689,479,101</u>

(1) Equalization rates are established by the New York State Board of Real Property Services.

Debt Statement Summary

Summary of indebtedness, debt limit and net debt-contracting margin as of December 2, 2025.

Debt Limit		\$689,479,101
<u>Inclusions:</u> ⁽¹⁾		
Outstanding Bonds	\$111,785,000	
Bond Anticipation Notes	<u>11,259,960</u>	
Total Inclusions		<u>\$123,259,960</u>
<u>Exclusions:</u>		
Water Debt	\$39,957,341	
Sewer Debt	10,214,720	
Appropriations.....	<u>1,710,000</u>	
Total Exclusions		<u>51,882,061</u>
Total Net Indebtedness		<u>71,377,899</u>
Net Debt-Contracting Margin.....		<u>\$618,101,202</u>

The percent of debt contracting power exhausted 11.4%.

(1) Does not include outstanding lease purchase obligations of the Village. (See “*Installment Purchase Obligations*” herein).

Trend of Outstanding Indebtedness

As of December 31:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$85,564,535	\$91,237,335	\$116,185,400	\$108,898,200	\$126,346,000
Bond Anticipation Notes	<u>0</u>	<u>24,125,000</u>	<u>0</u>	<u>0</u>	<u>14,400,000</u>
Total Debt Outstanding	<u>\$85,564,535</u>	<u>\$115,357,335</u>	<u>\$106,495,000</u>	<u>\$108,898,200</u>	<u>\$140,746,000</u>

Source: Audited Financial Statements of the Village. Summary itself is not audited.

Estimated Overlapping Indebtedness

In addition to the Village, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Village. The estimated outstanding indebtedness as of the close of the latest available fiscal year of the respective municipalities is as follows:

Statement of Direct and Estimated Overlapping Indebtedness

Gross Direct Indebtedness				\$123,259,960
Exclusions and Deductions				<u>51,882,061</u>
Net Direct Indebtedness				<u>\$ 71,377,899</u>
<u>Overlapping Debt</u>				
<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>Village Share</u>	<u>As of</u>	<u>Amount Applicable To Town</u>
Westchester County	\$1,071,341,812	5.21%	12/31/24	\$ 55,816,908
Harrison CSD	74,380,000	100.00	06/25/25	74,380,000
Fire Districts	8,930,000	100.00	12/31/24	<u>8,930,000</u>
Total Net Overlapping Debt				\$139,126,908
Total Net Direct Debt				<u>71,377,899</u>
Total Net Direct and Overlapping Debt				<u>\$210,504,807</u>

Debt Ratios

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

Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita⁽¹⁾</u>	<u>Debt to Full Value⁽²⁾</u>
Net Direct Debt	\$ 71,377,899	\$2,493	0.64%
Net Direct and Overlapping Debt	210,504,807	7,351	1.88

(1) The population of the Village is 28,635 according to the U.S. Census Bureau.

(2) The full value of real property located in the Village for the 2025 fiscal year is \$11,178,018,584.

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Debt Service Schedule

The following table sets forth all principal and interest payments currently required on all outstanding long-term bond indebtedness of the Village, exclusive of economically defeased obligations.

Fiscal Year Ending <u>December 31st</u>	<u>Principal</u>	<u>Interest</u>	Total Principal & <u>Interest</u>
2025 ⁽¹⁾	\$ 7,230,000	\$ 4,159,903	\$ 11,389,903
2026	7,130,000	3,909,670	11,039,670
2027	7,365,000	3,636,095	11,001,095
2028	6,745,000	3,365,895	10,110,895
2029	6,495,000	3,114,670	9,609,670
2030	6,715,000	2,865,364	9,580,364
2031	6,945,000	2,619,339	9,564,339
2032	6,830,000	2,383,114	9,213,114
2033	6,160,000	2,168,439	8,328,439
2034	5,775,000	1,983,719	7,758,719
2035	5,960,000	1,802,350	7,762,350
2036	4,410,000	1,625,713	6,035,713
2037	3,925,000	1,471,300	5,396,300
2038	4,070,000	1,326,869	5,396,869
2039	4,215,000	1,179,063	5,394,063
2040	4,350,000	1,022,988	5,372,988
2041	4,215,000	861,688	5,076,688
2042	3,170,000	700,138	3,870,138
2043	2,755,000	579,938	3,334,938
2044	2,855,000	476,475	3,331,475
2045	1,860,000	368,588	2,228,588
2046	1,930,000	300,625	2,230,625
2047	1,995,000	230,050	2,225,050
2048	2,065,000	157,000	2,222,000
2049	<u>2,140,000</u>	<u>79,950</u>	<u>2,219,950</u>
Totals	<u>\$117,305,000</u>	<u>\$42,388,943</u>	<u>\$159,693,943</u>

(1) For the entire fiscal year.

Authorized But Unissued Items

The Village has the following listed items authorized but unissued.

<u>Purpose</u>	<u>Amount</u>
Water District Improvements	\$113,980,000
Recreation Equipment ⁽¹⁾	23,000
Townwide Drainage Projects	150,000
Equipment for Harrison Meadows Country Club	<u>800,000</u>
Total	<u>\$114,953,000</u>

(1) The Village does not plan on borrowing against this authorization.

Installment Purchase Obligation

The following table sets forth all principal and interest payments required on the outstanding lease purchase obligations of the Village.

Lease Purchase Obligations Principal and Interest Maturity

Fiscal Year Ending			Total Annual
<u>December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2025	\$342,283	\$36,394	\$ 378,677
2026	260,831	22,340	283,171
2027	190,774	12,026	202,800
2028-2032	<u>165,597</u>	<u>3,404</u>	<u>169,001</u>
Totals:	<u>\$959,485</u>	<u>\$74,164</u>	<u>\$1,033,649</u>

(1) For the entire fiscal year.

Source: Audited Financial Statements. Summary itself is not audited.

ECONOMIC AND DEMOGRAPHIC DATA

Population

Population Trends

<u>Year</u>	<u>Village of Harrison</u>	<u>Westchester County</u>	<u>New York State</u>
1990	23,308	874,866	17,990,445
2000	24,154	923,459	18,976,457
2010	27,472	949,113	19,378,102
2020	28,652	1,004,457	20,201,249
2022	27,721	997,904	19,994,379

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

Comparative Housing, Income and Population Data

	<u>Village</u>	<u>County</u>	<u>State</u>	<u>U.S.</u>
<u>Housing:</u>				
Median Value Housing	\$954,600	\$619,000	\$384,100	\$281,900
<u>Income:</u>				
Per Capita Income	76,274	67,776	47,173	41,261
Median Family Income	182,099	147,091	100,846	92,646

Source: 2022 American Community Survey 5-year estimates.

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Employment and Unemployment

<u>Employer</u>	<u>Type</u>	<u>Approximate No. of Employees</u>
Morgan Stanley	Corporate Headquarters	1,800
Pepsico, Inc.	Corporate Headquarters	1,500
U.S. Postal Service	Postal Mailing Facility	825
Mastercard, Inc.	Corporate Headquarters	800
Dansk International Designs	Distributor and Retailer	600
Diversified Investment Advisor	Investing Services	555
Consolidated Edison Co. of NY, Inc.	Utility	500
Citigroup	Corporate Headquarters	500

Source: Village Officials

Civilian Labor Force

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Village	13,400	14,500	15,200	16,200	16,200
County	500,400	505,500	524,800	537,500	538,800
State	9,569,500	9,540,700	9,620,700	9,773,400	9,834,600

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

Year Average

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Village	6.3%	4.1%	2.9%	3.0%	3.2%
County	7.9	4.7	3.0	3.0	3.3
State	9.8	7.1	4.3	4.1	4.3

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

Monthly Unemployment Rates

<u>Month</u>	<u>Village</u>	<u>County</u>	<u>State</u>
September 2024	3.0%	2.9%	4.0%
October	3.0	3.0	4.2
November	3.1	3.0	4.2
December	3.0	3.0	4.2
January 2025	3.2	3.6	4.6
February	3.5	3.9	4.3
March	3.2	3.4	4.1
April	2.5	2.6	3.7
May	2.6	2.7	3.5
June	3.0	2.9	3.8
July	3.5	3.4	4.6
August	3.7	3.7	4.7

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

Other Information

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

The Village is in the process of complying with the procedure for the validation of the Notes provided in Title 6 of Article 2 of the Local Finance Law. Such procedure will be complied with and the estoppel period will lapse prior to the closing date.

Except to the extent shown in "Estimated Overlapping Indebtedness," this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Village.

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

The fiscal year of the Village is January 1 to December 31.

End of Appendix A

APPENDIX B

FINANCIAL STATEMENT SUMMARIES

TOWN/VILLAGE OF HARRISON
Summary of Budgeted Revenues & Expenditures
General Fund
Fiscal Years Ending December 31:

	2024 Adopted <u>Budget</u>	2025 Adopted <u>Budget</u>
REVENUES		
Real Property Taxes	\$ 40,150,950	\$ 40,622,848
Other Tax Items	2,225,831	2,270,451
Non-Property Tax Items	7,150,000	7,500,000
Departmental Income	2,980,000	3,048,000
Use of Money and Property	1,645,000	1,920,000
Licenses and Permits	3,968,600	4,728,600
Fines and Forfeitures	1,650,000	1,100,000
Sale of Property and Compensation for Loss	20,000	20,000
Miscellaneous	373,300	458,300
State Aid	1,184,055	1,284,055
Appropriated Fund Balance	<u>-</u>	<u>1,400,000</u>
 Total Revenues	 <u>\$ 61,347,736</u>	 <u>\$ 64,352,254</u>
 EXPENDITURES		
General Government Support	\$ 11,618,983	\$ 12,511,589
Public Safety	27,003,007	28,126,312
Health	442,240	437,000
Transportation	511,165	516,665
Economic Assistance and Opportunity	170,953	188,145
Culture and Recreation	4,105,233	4,076,825
Home and Community Services	3,102,212	3,189,395
Employee Benefits	<u>9,446,548</u>	<u>9,682,723</u>
 Total Expenditures	 <u>\$ 56,400,341</u>	 <u>\$ 58,728,654</u>
 Excess of Revenues Over (Under)		
Expenditures	<u>\$ 4,947,395</u>	<u>\$ 5,623,600</u>
 OTHER FINANCING SOURCES (USES)		
Operating Transfers In		
Operating Transfers Out	<u>(4,947,395)</u>	<u>(5,623,600)</u>
 Total Other Financing Sources (Uses)	 <u>(4,947,395)</u>	 <u>(5,623,600)</u>
 FUND BALANCE		
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Source: Budgets of the Town/Village of Harrison.

This summary itself has not been audited.

TOWN/VILLAGE OF HARRISON
Comparative Balance Sheets
General Fund
Fiscal Years Ended December 31:

	<u>2023</u>	<u>2024</u>
ASSETS		
Cash and Equivalents	\$ 41,995,590	\$ 36,975,467
Taxes Receivable, Net	2,651,159	2,600,412
Accounts Receivable	754,269	766,575
State and Federal Aid Receivables	2,253,491	2,501,114
Due From Component Unit	226,628	153,821
Due From Other Funds	1,856	1,918
Due From Other Governments	6,872	7,705
Advance to Other Funds	2,246,741	2,524,417
Prepaid Expenditures	<u>2,335,842</u>	<u>2,524,937</u>
TOTAL ASSETS	<u>\$ 52,472,448</u>	<u>\$ 48,056,366</u>
LIABILITIES		
Accounts Payable	\$ 833,700	\$ 1,342,774
Due to Other Governments	31,991	11,968
Employee Payroll Tax Deductions	16,165	19,356
Unearned Revenues	1,699,737	98,975
Deferred Revenues	2,606,392	2,351,593
Deposits Payable	<u>7,419,826</u>	<u>8,153,676</u>
TOTAL LIABILITIES	<u>\$ 12,607,811</u>	<u>\$ 11,978,342</u>
FUND BALANCE		
Nonspendable	\$ 4,809,211	\$ 5,203,175
Restricted	7,639,190	2,133,691
Assigned	269,068	1,553,448
Unassigned	<u>27,147,168</u>	<u>27,187,710</u>
TOTAL FUND BALANCE	<u>39,864,637</u>	<u>36,078,024</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 52,472,448</u></u>	<u><u>\$ 48,056,366</u></u>

Source: Annual audited financial statements of the Town/Village of Harrison.

This summary itself has not been audited.

TOWN/VILLAGE OF HARRISON
Combined Statement of Revenues,
Expenditures and Changes in Fund Balances
General Fund
Fiscal Years Ended December 31:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES					
Real Property Taxes	\$ 39,230,103	\$ 38,921,884	\$ 39,300,668	\$ 39,716,288	\$ 40,567,718
Other Tax Items	2,410,019	2,488,429	2,515,809	3,173,354	3,120,337
Non-Property Taxes	6,327,795	7,291,481	7,923,481	7,889,909	8,211,363
Departmental Income	1,615,980	2,833,002	3,685,814	2,837,310	2,927,398
Use of Money and Property	462,274	262,039	779,141	2,263,052	3,123,459
Licenses and Permits	3,275,300	5,398,951	9,595,230	4,338,006	5,658,709
Fines and Forfeitures	463,285	394,568	1,118,307	1,233,618	1,166,503
Sale of Property and Compensation for Loss	11,072	22,156	13,420	19,267	24,519
State Aid	1,645,277	2,544,961	3,196,883	1,703,148	1,526,631
Federal Aid	1,678	13,150	1,233,678	652,020	2,800,484
Miscellaneous	1,419,492	1,153,824	925,420	767,813	780,033
Total Revenues	<u>\$ 56,862,275</u>	<u>\$ 61,324,445</u>	<u>\$ 70,287,851</u>	<u>\$ 64,593,785</u>	<u>\$ 69,907,154</u>
EXPENDITURES					
General Government Support	\$ 9,254,167	\$ 9,943,756	\$ 12,276,062	\$ 10,505,499	\$ 12,155,028
Public Safety	22,297,983	23,814,581	25,205,204	25,931,525	28,230,274
Health	510,259	516,457	536,211	436,361	429,015
Transportation	304,724	334,453	403,824	505,313	465,056
Economic Assistance and Opportunity	106,375	109,603	159,903	153,620	160,593
Culture and Recreation	2,927,725	3,292,740	3,554,632	3,724,498	3,839,154
Home and Community Services	2,934,565	3,108,946	3,139,007	2,980,792	3,172,851
Employee Benefits	9,153,553	9,626,094	8,847,123	8,761,303	10,032,432
Debt Service	-	-	-	-	-
Total Expenditures	<u>\$ 47,489,351</u>	<u>\$ 50,746,630</u>	<u>\$ 54,121,966</u>	<u>\$ 52,998,911</u>	<u>\$ 58,484,403</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>9,372,924</u>	<u>10,577,815</u>	<u>16,165,885</u>	<u>11,594,874</u>	<u>11,422,751</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Serial Bonds	\$ -	\$ 338,163	\$ -	\$ -	\$ -
Issuance premium	-	45,837	-	-	-
Insurance recoveries	23,031	15,613	4,575	73,569	15,985
Sale of equipment	165,978	130,350	13,478	65,865	81,616
Operating Transfers In	-	30,000	-	-	8,081
Operating Transfers Out	(8,765,957)	(8,204,642)	(12,566,401)	(12,085,296)	(15,315,046)
Total Other Financing Sources (Uses)	<u>(8,576,948)</u>	<u>(7,644,679)</u>	<u>(12,548,348)</u>	<u>(11,945,862)</u>	<u>(15,209,364)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>795,976</u>	<u>2,933,136</u>	<u>3,617,537</u>	<u>(350,988)</u>	<u>(3,786,613)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	27,168,976	27,964,952	30,898,088	34,515,625	39,864,637
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,700,000</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 27,964,952</u>	<u>\$ 30,898,088</u>	<u>\$ 34,515,625</u>	<u>\$ 39,864,637</u>	<u>\$ 36,078,024</u>

Source: Annual audited financial statements of the Town/Village of Harrison.

This summary itself has not been audited.

TOWN/VILLAGE OF HARRISON
Combined Statement of Revenues,
Expenditures and Changes in Fund Balances
Special Revenue Fund⁽¹⁾
Fiscal Years Ended December 31:

	2020	2021	2022	2023	2024
REVENUES					
Real Property Taxes	\$14,809,046	\$14,916,951	\$15,334,780	\$15,724,078	\$15,989,684
Departmental Income	2,588,050	3,325,124	2,915,643	4,479,382	5,313,962
Use of Money and Property	264,681	167,294	(18,614)	916,202	1,207,957
Sale of Property & Compension of Loss	0	0	8,000	0	0
Miscellaneous	732,868	1,512,436	468,737	1,179,525	1,583,835
Federal, State and Local Aid	122,307	269,452	2,074,164	481,366	914,491
Total Revenues	\$18,516,952	\$20,191,257	\$20,782,710	\$22,780,553	\$25,009,929
EXPENDITURES					
General Government Support	\$72,308	\$64,341	\$82,441	\$120,947	\$32,819
Public Safety	3,301,021	3,395,743	3,276,624	3,365,009	3,581,869
Transportation	4,011,643	4,954,347	4,549,103	4,411,418	4,507,263
Culture and Recreation	1,785,625	1,797,054	1,900,936	1,972,529	2,306,835
Home and Community Services	605,898	639,128	712,586	508,891	1,901,079
Employee Benefits	4,493,291	4,675,377	5,151,484	5,208,225	5,711,282
Total Expenditures	\$14,269,786	\$15,525,990	\$15,673,174	\$15,587,019	\$18,041,147
Excess (Deficiency) of Revenues Over Expenditures	4,247,166	4,665,267	5,109,536	7,193,534	6,968,782
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	0	0	0	0	75,000
Operating Transfers Out	(3,295,075)	(2,973,393)	(3,874,764)	(3,743,591)	(7,223,997)
Total Other Financing Sources (Uses)	(3,295,075)	(2,973,393)	(3,874,764)	(3,743,591)	(7,148,997)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	952,091	1,691,874	1,234,772	3,449,943	(180,215)
FUND BALANCE					
Fund Balance - Beginning of Year	15,819,340	16,771,431	18,463,305	19,698,077	23,148,020
Fund Balance - End of Year	<u>\$16,771,431</u>	<u>\$18,463,305</u>	<u>\$19,698,077</u>	<u>\$23,148,020</u>	<u>\$22,967,805</u>

(1) Consists of the Highway, Special Districts, Public Library and Special Purpose Funds.

Source: Annual audited financial statements of the Town/Village of Harrison.

This summary itself has not been audited.

APPENDIX C

**FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED DECEMBER 31, 2024***

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website of the
Municipal Securities Rulemaking Board (“MSRB”) at the following link:**

<https://emma.msrb.org/P21948532.pdf>

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

*** Such Financial Statements and opinion are intended to be representative only as of the
date thereof. PKF O’Conner Davies, LLP, has not been requested by the Village 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 APPROVING OPINION OF BOND COUNSEL

December 29, 2025

Village of Harrison,
County of Westchester,
State of New York

Re: Village of Harrison, Westchester County, New York
\$4,870,000 Bond Anticipation Notes, 2025 Series B

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$4,870,000 Bond Anticipation Notes, 2025 Series B (the "Obligation"), of the Village of Harrison, Westchester County, New York (the "Obligor"), dated December 29, 2025, numbered ____, of the denomination of \$4,870,000, bearing interest at the rate of _____% per annum, payable at maturity, and maturing December 2, 2026.

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 Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation 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 Obligation 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 Obligation 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 Obligation 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 Obligation, including the form of the Obligation. 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 Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (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 Obligation; 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 Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Obligation.

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 Obligation) 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 Obligation 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 Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation 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 Obligation 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 Obligation as the same respectively become due and payable. Reference should be made

to the Official Statement prepared by the Obligor in relation to the Obligation 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 Obligation, 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