

**NEW ISSUE  
BOND ANTICIPATION NOTES**

**RATING: SEE "RATING" HEREIN**

*In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See "TAX MATTERS" herein.)*

*The District WILL NOT designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B) of the Code.*

**PELHAM UNION FREE SCHOOL DISTRICT  
WESTCHESTER COUNTY, NEW YORK**

**\$30,500,000**

**BOND ANTICIPATION NOTES – 2026  
(the "Notes")**

**Date of Issue: July 8, 2026**

**Maturity Date: July 8, 2027**

The Notes are general obligations of the Pelham Union Free School District, in Westchester County, New York (the "District"), and will contain a pledge of the faith and credit of the District for the payment of the principal and interest on the Notes 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 District without limitation as to rate or amount.

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.

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

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

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the 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 District 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-Only System" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Capital Markets Advisors, LLC has served as the Municipal Advisor to the District in connection with the issuance of the Notes. It is anticipated that the Notes will be available for delivery on or about July 8, 2026 through the offices of DTC, or such place agreed to by the purchaser(s) and the District.

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

DATED: June \_\_, 2026

**PELHAM UNION FREE SCHOOL DISTRICT  
WESTCHESTER COUNTY, NEW YORK**

**2025-2026  
Board of Education**

JACKIE DE ANGELIS ..... President  
NATALIE MARRERO ..... Vice President  
SIDNEY BURKE ..... Trustee  
KATHRYN COHEN ..... Trustee  
ANNEMARIE S. GARCIA ..... Trustee  
DARRA GORDON ..... Trustee  
WILL TREVES ..... Trustee

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DR. CHERYL CHAMP ..... Superintendent of Schools  
JAMES F. HRICAY ..... Assistant Superintendent for Business  
JACQUELINE A. VIGIL ..... District Treasurer  
VALERIE MILLER ..... District Clerk

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**BOND COUNSEL**

**HAWKINS DELAFIELD & WOOD LLP**  
New York, New York

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**MUNICIPAL ADVISOR**



**CAPITAL MARKETS ADVISORS, LLC**  
*Long Island \* Western New York*  
**(516) 487-9817**

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 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 District 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 District since the date hereon.

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## **OFFICIAL STATEMENT**

### **PELHAM UNION FREE SCHOOL DISTRICT WESTCHESTER COUNTY, NEW YORK**

#### **Relating To**

**\$30,500,000**

#### **BOND ANTICIPATION NOTES – 2026 (the “Notes”)**

This Official Statement, including the cover page, inside cover page and appendices hereto, presents certain information relating to the Pelham Union Free School District in the County of Westchester, State of New York (the "District," "County" and "State," respectively) in connection with the sale of \$30,500,000 Bond Anticipation Notes – 2026 (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 District 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 District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

## **THE NOTES**

### ***Description***

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

The District will act as Paying Agent for any Notes issued in book-entry form. Paying agent fees, if any, will be paid by the purchaser. The District’s contact information is Mr. James Hricay, Assistant Superintendent for Business, telephone number (914) 738-9140, [jhricay@pelhamschools.org](mailto:jhricay@pelhamschools.org).

### ***Authority for and Purpose of the Notes***

The Notes are issued pursuant to the Constitution and laws of the State, including among others, the Education Law and the Local Finance Law, and two bond resolutions adopted by the Board of Education of the District on May 28, 2025, following the adoption of bond propositions by a majority of the voters present and voting on May 20, 2025 authorizing the issuance of \$56,205,000 serial bonds to finance the construction of alterations and improvements to District school buildings (the “Proposition #1 Project”) and \$42,570,000 serial bonds to finance the construction of alterations and improvements to Siwanoy Elementary School (the “Proposition #2 Project”). The proceeds from the sale of the Notes will be used to provide original financing pursuant to such resolutions.

A \$24,000,000 portion of the proceeds of the Notes will be used to provide original financing for the cost of the Proposition #1 Project and a \$6,500,000 portion of the proceeds of the Notes will be used to provide original financing for the cost of the Proposition #2 Project.

### ***Optional Redemption***

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

## *Nature of Obligation*

The Notes when duly issued and paid for will constitute a contract between the District and the holder thereof.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefore. However, Chapter 97 of the New York Laws of 2011, as amended (“The Tax Levy Limit Law”), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the Notes), or the refinancing or refunding of such bonds or notes. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See “*The Tax Levy Limit Law*” herein.)

## **REMEDIES UPON DEFAULT**

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District’s contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder’s and/or noteholder’s remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. 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. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State’s highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional

moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Bondholders and Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "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. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), 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 the 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 or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the 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.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may 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.

### ***No Past Due Debt***

No principal or interest payment on District indebtedness is past due. The District has never defaulted in the payment of the principal of and/or interest on any indebtedness.

### ***Bankruptcy***

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes 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. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically,

to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any 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 or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

## **DESCRIPTION OF BOOK-ENTRY SYSTEM**

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://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 or note ("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 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 District 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 District, 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 District, 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 District, 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 District. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company.

## **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 District's credit rating could be affected by circumstances beyond the District'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 District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the District's credit rating could adversely affect the market value of the Notes.

If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any Notes. The price or principal value of the Notes is dependent on the prevailing level of interest rates. If interest rates

should increase, the price of a bond or note may decline causing the bond or noteholder to potentially incur a capital loss if such bond or note is sold prior to its maturity.

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality 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. If a significant default or other financial crisis should occur in the affairs of the State or at any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's economy and financial condition and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "*State Aid*" and "*Events Affecting New York School Districts*" 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 District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the District, may affect the market price and/or marketability for the Notes. (See "*Tax Levy Limit Law*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the District could impair the financial condition of such entities, including the District and the ability of such entities, including the District, 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 District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid.

## **CYBERSECURITY**

The District, 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 District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

The District, like many other public and private entities, contracts with third party vendors to provide services to the District. Most, if not all third-party vendors, have their own cybersecurity and operational controls in place. The District provides no assurances that such cybersecurity and operational control measures will be completely successful to guard against cyber threats and attacks.

## **LITIGATION**

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. Except as otherwise set forth herein, the attorneys for the District are unaware of any pending claims or action which, if determined against the District, would have an adverse material effect on the financial condition of the District.

There are currently pending tax certiorari proceedings, the results of which could require the payment of future tax refunds by the District if existing assessment rolls are modified based on the outcome of the litigation proceedings. To the extent that funds are not available in the District's operating budget, or the District's reserve, for the payment of future tax refunds, the District is authorized to issue bonds or notes to fund the payment of tax refunds contained in settlements and judgments of tax certiorari proceedings.

In addition, to the extent that assigned defense counsel by the District's insurance carrier is representing the District in pending litigation, such litigation is not being addressed in this disclosure.

## **TAX MATTERS**

### ***Opinion of Bond Counsel***

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

### ***Certain Ongoing Federal Tax Requirements and Certifications***

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The

District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

### ***Certain Collateral Federal Tax Consequences***

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

### ***Original Issue Discount***

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of the Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Note having OID (a “Discount Obligation”), OID that has accrued and is properly allocable to the owners of the Discount Obligation under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Obligation accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Obligation. An owner’s adjusted basis in a Discount Obligation is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Obligation. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Obligation even though there will not be a corresponding cash payment.

Owners of Discount Obligations should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Obligations.

### ***Note Premium***

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “note premium” on that Note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note, determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Note). An owner of a Premium Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the note premium allocable to

that period. In the case of a tax-exempt Premium Note, if the note premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of note premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of note premium on, sale, exchange, or other disposition of Premium Notes.

### ***Information Reporting and Backup Withholding***

Information reporting requirements will apply to interest on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

### ***Miscellaneous***

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix C.

## **DISCLOSURE UNDERTAKING**

In order to assist the purchaser in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") with respect to the Notes, the District will execute an Undertaking to Provide Notices of Events, the forms of which is attached hereto as Appendix D.

## **RATINGS**

On June 16, 2026, Moody's Investors Service ("Moody's") assigned a rating of 'MIG-1' to the Notes.

On October 21, 2020, S&P Global Ratings ("S&P") affirmed the District's underlying rating of "AAA" with a stable outlook.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of the ratings may have an adverse effect on the market price of such bonds.

## **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 District 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 District 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 District. 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**

Periodic public reports relating to the financial condition of the District, its operations and the balances, receipts and disbursements of the various funds of the District are available for public inspection at the business office of the District.

Additional information may be obtained from the District's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 487-9817 or from the District's Assistant Superintendent for Business, Mr. James Hricay, (914) 738-9140, [jhricay@pelhamschools.org](mailto:jhricay@pelhamschools.org).

The District will act as Paying Agent with respect to the Notes. The Assistant Superintendent for Business noted above should be used as the Paying Agent contact.

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 District 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](http://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 District nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the District 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 District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

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

PELHAM UNION FREE SCHOOL DISTRICT

By: \_\_\_\_\_  
Jackie De Angelis  
President of the Board of Education

DATED: June \_\_, 2026

**APPENDIX A**  
**THE DISTRICT**

## **THE DISTRICT**

### ***General Information***

The District is located in southern Westchester County approximately 15 miles north of midtown Manhattan. The District covers an area of approximately 2.1 square miles and has an estimated population in 2024 of approximately 12,949 people according to the US Census Bureau. The District is coterminous with the Town of Pelham (the "Town") and encompasses the Villages of Pelham and Pelham Manor.

The District is primarily residential in character with some light-industrial and commercial development. Most of the housing units are single-family homes, but there are several apartment and town-house complexes and large estates.

Electric and gas services are provided to District residents by the New York Power Authority and Consolidated Edison. Water service is provided by Veolia Water New York. Fire protection is provided by the Pelham and Pelham Manor Fire Departments. Police protection is provided by the Pelham Police Department, the Pelham Manor Police Department and the New York State Police. Railroad transportation is provided to residents of the District by Metro-North Railroad (Metropolitan Transportation Authority). Highway access to the District is available via Boston Post Road (US 1), the Hutchinson River Parkway and the New England Thruway (Interstate 95), as well as by County roads.

### ***District Organization***

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education (the "Board"). Under current law, an election is held within the District boundaries on the third Tuesday of May each year to elect members to the Board. They are generally elected for a term of three years.

During the first fifteen days in July of each year, the Board meets for the purpose of reorganization. At that time, the Board elects a President and a Vice President.

The major administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by the Board, include the following: Superintendent of Schools, Assistant Superintendent for Business, District Treasurer and District Clerk.

### ***Financial Organization***

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, Assistant Superintendent for Business and the District Treasurer.

### ***Budgetary Procedure***

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated and the first draft of the next year's proposed budget is developed by the central office staff. During the winter and early spring the budget is developed and refined in conjunction with the school building principals and department supervisors. Under the current law, the budget is submitted to voter referendum on the third Tuesday of May each year.

On May 20, 2025, a majority of District voters voting at the Annual District Meeting and Election approved the District's budget for the 2025-2026 fiscal year. On May 19, 2026, a majority of District voters voting at the Annual

District Meeting and Election approved the District’s budget for the 2026-2027 fiscal year. Summaries of the District’s Adopted Budgets for the 2025-2026 and 2026-2027 fiscal years may be found in Appendix B, herein.

***Financial Statements and Accounting Procedures***

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for School Districts. Such accounts are audited annually by independent auditors and are available for public inspection upon request.

***School Enrollment Trends***

The following table presents the past and projected school enrollment for the District.

<b><u>School Enrollment Trends</u></b>			
<u>Fiscal Year Ended June 30:</u>	<u>Actual Enrollment</u>	<u>Fiscal Year Ended June 30:</u>	<u>Projected Enrollment</u>
2022	2,793	2027	2,878
2023	2,756	2028	2,917
2024	2,834	2029	2,939
2025	2,821	2030	2,919
2026	2,819	2031	2,937

Source: District Officials.

***District Facilities***

The District operates 5 schools; statistics relating to each are shown below.

<b><u>School Statistics</u></b>			
<u>Name</u>	<u>Capacity</u>	<u>Year Built/Rebuilt</u>	<u>Grades</u>
Hutchinson School	459	2021	K-5
Siwanoy School	351	1907, 1915, 1925	K-5
Colonial School	378	1926	K-5
Prospect Hill School	405	1929	K-5
Pelham Memorial High School <sup>(1)</sup>	1,514	1919, 1924, 1930, 1962	6-12

(1) Includes Pelham Middle School, which serves grades 6-8

Source: District Officials.

## ***Employees***

The District provides services through approximately 380 employees, some of whom are represented by the following units of organized labor.

### **Employees**

<u>Number of Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
268	Pelham Teachers' Association	06/30/28
50	Clerical/Teaching Assistants (CSEA)	06/30/28
31	Building Service Employees' Unit (CSEA)	06/30/28
15	Pelham Administrators Association	06/30/26 <sup>(1)</sup>

(1) In negotiations.

Source: District Officials.

## ***Employee Pension Benefits***

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System ("TRS"). Employer pension payments to the TRS are generally deducted from State aid payments. All non-NYS certified/civil service employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employee's Retirement System ("ERS"). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. All members of the respective systems hired on or after July 1, 1976 contribute a portion of their gross annual salary toward the cost of retirement programs. In the case of Tier 5 and Tier 6 employees, there is no provision for these employee contributions to cease after a certain period of service.

All employees hired after April 1, 2012 are eligible to become members of the Tier 6 pension tier. Tier 6 has progressive employee contribution rates between 3% and 6% and such employee contributions continue so long as the employee continues to accumulate pension credits; the retirement age for such employees is 63 and includes provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier is 1.75% for the first 20 years of service and 2% thereafter; vesting occurs after 5 years; the time period for calculation of final average salary is five years; and the amount of overtime to be used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. Tier 6 also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

Under current law, the employer pension payments for a given fiscal year are based on the value of the pension fund on the prior April 1 thus enabling the District to more accurately include the cost of the employer pension payment in its budget for the ensuing year. In addition, the District is required 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 payment possible. The annual employer pension payment is due on February 1 of each year.

Legislation has been enacted from time to time that authorizes school districts to amortize or defer a portion of its annual employer pension payments. The District has not amortized any of its employer pension payments pursuant to such legislation and expects to continue to pay all payments in full when due.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who

are members of the TRS paid during the immediately preceding fiscal year. The District established such a fund in 2019 and as of June 30, 2025, it was funded at \$2,226,612.

### ***Other Post Employment Benefits***

The District 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 June 30, 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 District’s total OPEB liability as of June 30, 2025 was \$104,015,678 using a discount rate of 5.20% and actuarial assumptions and other inputs as described in the District’s June 30, 2025 audited financial statements.

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

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

### ***Investment Policy of the District***

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

The District may also invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) transaction accounts (demand deposits) both interest bearing and non-interest bearing that do not require notice of withdrawal placed in a commercial bank authorized to do business in the State of New York, providing the account is collateralized as required by law; (5)

certificates of deposits placed in a commercial bank authorized to do business in the State of New York, providing the certificates are collateralized as required by law; (6) securities purchased pursuant to a repurchase agreement whereby one party purchases securities from a second party and the second party agrees to repurchase those same securities on a specific future date at an agreed rate of return.

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

The Board of Education 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 District are made in accordance with such policy.

## **FINANCIAL FACTORS**

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A Statement of Revenues and Expenditures for the five-year period ending June 30, 2025 is contained in Appendix B. On June 24, 2011, the Chapter 97 of the Laws of 2011 was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. See “*The Tax Levy Limit Law*,” herein. As reflected in Appendix B, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

### ***COVID-19 Stimulus and Uses***

On March 11, 2021, the federal government signed into law The American Rescue Plan (ARP) that addressed issues related to the ongoing COVID-19 pandemic. The ARP Act also created new programs to address continuing pandemic-related crisis and fund recovery efforts. It provided significant funding to local governments and school districts in NYS. All funds were spent and final cost reports filed and accepted.

Specifically, eligible uses of the aid included: (i) revenue replacement for the provision of government services to the extent the reduction in revenue was 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 contained two restrictions on eligible uses: (i) funds could not be used to directly or indirectly offset tax reductions or delay a tax increase; and (ii) funds could not be deposited into any pension fund.

The District received approximately \$84,250 in CARES Act funds that offset school building related expenditures due to the pandemic. The District was also allocated approximately \$830,000 in additional Federal stimulus funding between the American Rescue Plan Act (“ARP”) and the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA”) to address learning loss, mental health needs, to upgrade technology, to improve indoor air quality and support all students' academic needs.

***Real Property Taxes***

The District derives a major portion of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B herein). Property taxes accounted for 79.2% total general fund revenues for the fiscal year ended June 30, 2025 while State aid accounted for 15.4%.

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years and the amounts budgeted for the two most recent fiscal years.

<b><u>Property Taxes</u></b>			
Fiscal Year <u>Ended June 30:</u>	Total <u>Revenues</u> <sup>(1)</sup>	Real Property <u>Taxes</u> <sup>(2)</sup>	Real Property <u>Taxes to Revenues</u>
2021	\$75,809,399	\$65,648,181	86.6%
2022	79,016,345	67,271,881	85.1
2023	83,173,959	68,581,806	82.5
2024	88,186,859	70,002,518	79.4
2025	90,764,065	71,876,815	79.2
2026 (Adopted Budget)	91,855,000	74,375,921	81.0
2027 (Adopted Budget)	95,191,250	77,142,413	81.0

- (1) General Fund.
- (2) Inclusive of Other Real Property Tax Items, which represents STAR aid payments made to the District by the State. (See "STAR - School Tax Exemption," herein).

Source: Audited Financial Statements and Adopted Budgets of the District. This itself is not audited.

***State Aid***

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the School Districts can be paid only if the State has such monies available for such payment.

The following table sets forth total general fund revenues and State aid revenues during the last five audited fiscal years and the amounts budgeted for the two most recent fiscal years.

<b><u>State Aid</u></b>			
Fiscal Year <u>Ended June 30:</u>	Total Revenues <sup>(1)</sup>	State Aid	State Aid to Revenues
2021	\$75,809,399	\$7,419,057	9.8%
2022	79,016,345	8,840,212	11.2
2023	83,173,959	10,720,864	12.9
2024	88,186,859	13,421,384	15.2
2025	90,764,065	13,953,425	15.4
2026 (Adopted Budget)	91,855,000	13,657,725	14.9
2027 (Adopted Budget)	95,191,250	14,042,976	14.8

- (1) General Fund.

Source: Audited Financial Statements and Adopted Budgets of the District. This summary is not audited.

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (See “STAR – School Tax Exemption” herein).

The State’s 2021-22 Enacted Budget and the State’s 2022-23 Enacted Budget included significant amounts of federal funding. The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision. Reductions in federal funding levels could have an a materially adverse impact on the State budget. To date, school districts have received significant funding because of the COVID-19 pandemic from federal stimulus packages and reinstatement of State Foundation Aid, however, the additional federal funding is anticipated to cease after the 2023-24 fiscal year. In addition, the State is reviewing the Foundation Aid formula for potential revisions. Any revisions to the formula may result in a reduction of State aid to the District.

As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged school districts.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. With the exception of State’s current fiscal year budget and the State’s fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State’s budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State’s fiscal year 2024-25 Enacted Budget was adopted on April 22, 2024. The State’s current fiscal year 2025-26 Enacted Budget was adopted on May 9, 2025. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

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

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

### ***Events Affecting New York School Districts***

*School district fiscal year (2022-2023):* For the 2022-2023 school year, the State’s Enacted Budget provided \$31.3 billion in State funding to school districts for the 2022-23 school year the highest level of State aid ever. This represents a year-to-year funding increase of \$2.1 billion or 7.07% and included \$21.4 billion of Foundation Aid

which increased 8.1% from 2021-22. The 2022-23 school year increase in Foundation Aid primarily reflected the second year of the three-year phase-in of full funding of the current Foundation Aid formula. The 2022-23 Budget also increased the State's annual investment in prekindergarten to \$1.1 billion, an increase of \$125 million, or 13%. The Budget also included a total of \$100 million of matching funds over two years to be provided to school districts and BOCES with the highest needs to address student wellbeing and learning loss in response to the trauma brought about by the COVID-19 pandemic. This included support for extended school day or school year programs, afterschool programs, mental health professionals and other locally determined initiatives.

*School district fiscal year (2023-2024):* For the 2023-2024 school year, the Enacted Budget provided \$34.5 billion in State funding to school districts for the 2023-24 school year the highest level of State aid ever. This represented a year-to-year funding increase of \$3.1 billion or 10.00%. and includes \$24.1 billion of Foundation Aid which increased 12.8% from 2022-23. The 2022-23 school year increase in Foundation Aid is to complete the three-year phase-in of full funding of the current Foundation Aid formula. The Enacted Budget also increased the State's annual investment in pre-kindergarten to \$1.2 billion, an increase of \$125 million, or 9.09%. The Budget also included a total of \$20 million in grant funding to support the establishment of new early college high school programs.

*School district fiscal year (2024-2025):* For the 2024-2025 school year, the Enacted Budget provided \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represented an increase of \$1.3 billion compared to the 2023-24 school year and included a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintains the "save harmless" provision, which ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

*School district fiscal year (2025-2026):* For the 2025-2026 school year, the Enacted Budget provides \$37.6 billion in State funding to school districts, the highest level of State aid ever. This represented an increase of \$1.7 billion or 4.9 percent compared to the 2024-25 school year and includes a \$1.4 billion, or 5.9 percent, Foundation Aid increase. Although recommended to be phased-out in the previously mentioned report done by the Rockefeller Institute, the State's 2025-26 Enacted Budget maintains the "save harmless" provision, which ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2025-26 Enacted Budget includes a 2% minimum increase in Foundation Aid to all school districts and makes a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.

Provisions in the State's 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of \$2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

*School district fiscal year (2026-2027):* The State's 2026-2027 Enacted Budget provides \$39 billion in school aid, reflecting a \$1.7 billion increase, and includes \$27.4 billion in Foundation aid with a 2% minimum increase for districts. Additionally, the budget allocates a \$561 million increase for Universal Pre-Kindergarten, aiming for full-day instruction for all four-year-olds by the 2028-2029 school year.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the remainder of the current fiscal year or in future fiscal years. However, the District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues,

appropriating other available funds on hand, and/or by any combination of the foregoing. (See also “RISK FACTORS” herein).

The Smart Schools Bond Act (the “SSBA”) was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of \$2 billion of general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The SSBA requires that a Review Board review and approve districts’ Smart Schools Investment Plan before any funds may be made available for the program.

**Sales Tax.** In July 1991, the State Legislature authorized an additional 1% sales tax for the County to impose in localities, other than cities, which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991. The additional 1% sales tax is to be apportioned among the County (33 1/3%), school districts in the County (16 2/3%), and towns, villages and cities in the County which have not imposed sales taxes (50%). Beginning August 1, 2019, the County increased its local sales and use tax rate from 3% to 4%. This additional 1% sales tax is to be apportioned among the County (70%), local governments (20%) and school districts (10%).

Fiscal Year Ended June 30:	<u>Sales Tax</u>		Sales Tax to Revenues
	Total Revenues <sup>(1)</sup>	Sales Tax	
2021	\$75,809,399	\$1,062,585	1.4%
2022	79,016,345	1,216,066	1.5
2023	83,173,959	1,327,798	1.6
2024	88,186,859	1,385,911	1.6
2025	90,764,065	1,387,336	1.5
2026 (Adopted Budget)	91,855,000	1,400,000	1.5
2027 (Adopted Budget)	95,191,250	1,425,000	1.5

(1) General Fund.  
Source: District Officials. This summary is not audited.

## TAX INFORMATION

### ***Real Property Tax Assessments and Rates***

The following table sets forth the assessed and full valuation of taxable real property, the District's real property tax levy and rates of tax per \$1,000 assessed valuation.

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Assessed Value <sup>(1)</sup>	\$3,564,334,160	\$3,893,365,656	\$4,215,841,126	\$4,469,419,481	\$4,676,549,784
Equalization Rate	100%	100%	100%	100%	100%
Full Value	\$3,564,334,160	\$3,893,365,656	\$4,215,841,126	\$4,469,419,481	\$4,676,549,784
Total Tax Levy	68,581,807	70,002,518	71,876,715	74,375,921	77,142,413
Tax Rate – Homestead <sup>(2)</sup>	18.33	16.89	16.23	15.88	15.70
Tax Rate – Non-Homestead <sup>(2)</sup>	24.81	24.90	22.27	21.42	21.49

(1) Assessed value is comprised of both homestead and non-homestead properties.  
(2) Per \$1,000 Assessed Value.  
Source: New York State Department of Real Property Services and District Officials.

## ***Tax Limit***

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. (See, however, “*Tax Levy Limit Law*” herein).

## ***The Tax Levy Limit Law***

Chapter 97 of the Laws of 2011, as amended, (herein referred to as the “*Tax Levy Limit Law*” or “*Law*”) modified previous law by imposing a limit on the amount of real property taxes that a school district may levy.

Prior to the enactment of the *Law*, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

Under the *Tax Levy Limit Law*, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the *Law*. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district’s budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The *Law* permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the *Notes*) and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the *Law*. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

## ***Tax Collection Procedure***

In the County, the town tax receivers collect property taxes for the school districts, together with town and county taxes. The first half is due and payable without penalty during the month of September and is subject to a 2% penalty if paid during October, 5% if paid during November, 7% if paid during December or January, 10% if paid during February or March and 12% thereafter to the date of sale of tax liens for unpaid taxes. The second half is due and payable without penalty during the month of January and is subject to a 10% penalty if paid during February or March and 12% thereafter to the date of sale of tax liens for unpaid taxes. By law, in Westchester County, the towns are obligated to pay the full amount of the tax levy to the District by April 1. The towns have the power to issue and sell tax anticipation notes in order to reimburse any uncollected taxes to the District.

## ***STAR - School Tax Exemption***

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“*STAR Adjusted Gross Income*”) of \$86,000 or less, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$65,300 for the 2016-17 school year (adjusted annually). Other homeowners with household *STAR Adjusted Gross Income* not in excess of \$500,000 are eligible for a \$30,000 “full value” exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The State 2017-18 Enacted Budget includes changes to Chapter 60. STAR checks are now expected to be mailed out prior to the date that school taxes are payable. The amount of the check will be based on the previous year’s amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used will be factored into the subsequent year’s STAR credit check or taxpayers also may account for those changes in their State income taxes.

The State’s 2020-21 Enacted Budget withholds STAR benefits to taxpayers who are delinquent in the payment of their school taxes and maintains the income limit for the exemption to \$250,000, compared with a \$500,000 limit for the credit.

Approximately 2.1% of the District’s 2024-2025 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 1.7% of the District’s 2025-2026 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. (See “State Aid” herein).

***Ten of the Largest Taxpayers***

The following table presents the taxable assessments of the District’s largest taxpayers for the Town of Pelham’s 2025 assessment roll for 2026 taxes.

<b><u>Largest Taxpayers</u></b>			
<u>Taxpayer Name</u>	<u>Nature Of Business</u>	<u>Total Assessed Valuation</u>	<u>% of Assessed Valuation<sup>(1)</sup></u>
ConEdison	Utility	\$ 119,145,619	2.67%
Post Road Plaza Fee LLC	Commercial	77,015,000	1.72
RPAI Pelham Manor LLC	Commercial	63,960,000	1.43
Suez Water Westchester	Utility	25,388,761	0.57
Caroline Gardens Apt. Corp.	Apartments	12,810,000	0.29
Joseph Rustin’s Inc.	Commercial	10,717,000	0.24
NY Athletic Club	Private Club	10,290,000	0.23
Pico Electronics	Commercial	10,238,000	0.23
Caspi/Pacis Associates Inc.	Commercial	9,064,000	0.20
Sub Brook Ave LLC	Commercial	<u>8,515,000</u>	<u>0.19</u>
		<b><u>\$347,143,380</u></b>	<b><u>7.77%</u></b>

(1) The District's total assessed valuation for the 2025 assessment roll used for 2025-26 school tax is \$4,469,419,481. Source: Town of Pelham, Office of the Assessor.

## DISTRICT INDEBTEDNESS

### *Constitutional and Statutory Requirements*

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

***Purpose and Pledge.*** The District 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 District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest hereon.

***Payment and Maturity.*** Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within 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 period of probable usefulness of the object or purpose determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District 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, bond anticipation notes and capital notes.

***General.*** The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in such law. (See “*The Tax Levy Limit Law*” herein).

### *Statutory Procedure*

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

The Board of Education, as the finance board of the District, has the power to enact tax anticipation note resolutions. Such resolutions may authorize the issuance of tax anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes, previously received by the District.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The District has complied with such procedure with respect to the Notes.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Notes. However, such finance board may delegate the power to sell the Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

**Debt Limit.** Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate amount thereof shall not exceed ten per centum of the full valuation of taxable real estate of the District and subject to certain enumerated exclusions and deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined by such authority.

***Statutory Debt Limit and Net Indebtedness***

The debt limit of the District is \$467,654,978 as of June 17, 2026. This is calculated by taking 10% of the current full value of the District. The following table sets forth the computation of the debt limit of the District and its debt-contracting margin.

**Statutory Debt Limit and Net Indebtedness**

Full Valuation of Taxable Real Property		\$4,676,549,784
Debt Limit (10% of Full Valuation)		467,654,978
Outstanding Indebtedness <sup>(1)</sup>		
Bonds	\$58,335,000	
Refunded Bonds	0	
Bond Anticipation Notes	<u>0</u>	
Total Gross Indebtedness		58,335,000
Less Exclusions and Deductions		
Estimated Building Aid <sup>(2)</sup>		<u>0</u>
Total Net Indebtedness		<u>58,335,000</u>
Net Debt-Contracting Margin		<u>\$409,319,978</u>
Percentage of Debt-Contracting Margin Exhausted		<u>12.47%</u>

- (1) Tax anticipation notes and revenue anticipation notes are not included in the computation of the gross indebtedness of the District.
- (2) The District currently receives State aid on existing indebtedness contracted for school building purposes. The District may exclude from the gross indebtedness estimated State aid for school building purposes pursuant to Section 121.20 of the Local Finance Law. However, because the District has not applied for a Building Aid Estimate certificate from the Commissioner of Education, no exclusion for such aid is listed in the Statutory Debt Limit and Net Indebtedness section above. State building aid is, however, currently estimated by the District to be \$16,923,348 of the total aidable indebtedness shown above.

***Bond Anticipation Notes***

The District currently has no bond anticipation notes outstanding.

***Revenue Anticipation Notes***

The District has not found it necessary to issue revenue anticipation notes in recent years.

***Tax Anticipation Notes***

The District has not found it necessary to issue tax anticipation notes in recent years.

### ***Trend of Outstanding Indebtedness***

The following table provides information relating to direct capital indebtedness outstanding at year end for the last five fiscal years of the District.

	<b><u>Direct Capital Indebtedness Outstanding</u></b>				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds <sup>(1)</sup>	\$80,030,000	\$76,740,000	\$72,435,000	\$67,935,000	\$63,235,000
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Totals</b>	<b><u>\$80,030,000</u></b>	<b><u>\$76,740,000</u></b>	<b><u>\$72,435,000</u></b>	<b><u>\$67,935,000</u></b>	<b><u>\$63,235,000</u></b>

(1) Exclusive of Refunded Bonds.

Source: Audited Financial Statements of the District. This summary is not audited.

### ***Overlapping and Underlying Debt***

In addition to the District, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The real property taxpayers of the District are responsible for a proportionate share of outstanding debt obligations of these subdivisions. Such taxpayers' share of overlapping and underlying debt is based on the amount of the District's equalized property values taken as a percentage of each separate unit's total values. The following table presents the amount of overlapping and underlying debt and the District's estimated share of this debt. Authorized but unissued debt has not been included.

#### **Statement of Direct and Overlapping Indebtedness**

	<u>Net Debt Outstanding</u>	<u>As of</u>	<u>District Share</u>	<u>Amount</u>
Westchester County	\$1,123,533,931	01/31/2026	1.61%	\$18,088,896
Town of Pelham	0	12/31/2024	100.00	0
Village of Pelham	14,711,200	1/20/2026	100.00	14,711,200
Village of Pelham Manor	0	5/31/2025	100.00	<u>0</u>
<b>Total Net Overlapping Debt</b>				<b><u>\$32,800,096</u></b>
<b>Total Net Direct Debt</b>				<b><u>58,335,000</u></b>
<b>Total Net Direct and Overlapping Debt</b>				<b><u>\$91,135,096</u></b>

Source: Data provided by State, County, Town and Village Officials.

### ***Debt Ratios***

The following table presents certain debt ratios relating to the District's indebtedness.

	<u>Amount</u>	<u>Debt Per Capita <sup>(1)</sup></u>	<u>Debt to Full Value <sup>(2)</sup></u>
Net Direct Debt	\$58,335,000	\$4,505	1.25%
Net Direct and Overlapping Debt	91,135,096	7,038	1.95

(1) The population of the District is estimated by District officials to be approximately 12,949.

(2) The District's full value of taxable real property for the 2026-2027 fiscal year is \$4,676,549,784.

### ***Authorized But Unissued Indebtedness***

Two bond resolutions were adopted by the Board of Education of the District on May 28, 2025, following the adoption of bond propositions by a majority of the voters present and voting on May 20, 2025 authorizing the issuance of \$56,205,000 serial bonds to finance the construction of alterations and improvements to District school buildings and \$42,570,000 serial bonds to finance the construction of alterations and improvements to Siwanoy Elementary School. The Notes are the original financings pursuant to these resolutions.

### ***Debt Service Schedule***

The following table shows the debt service requirements to maturity on the District's outstanding bonded indebtedness.

#### **Bond Principal and Interest Maturity Table**

Fiscal Year	Total		
<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2026 <sup>(1)</sup>	\$ 4,900,000	\$ 1,609,681	\$ 6,509,681
2027	4,540,000	1,433,431	5,973,431
2028	4,695,000	1,271,688	5,966,688
2029	4,840,000	1,111,188	5,951,188
2030	5,005,000	951,525	5,956,525
2031	2,450,000	836,875	3,286,875
2032	2,510,000	773,950	3,283,950
2033	2,330,000	720,950	3,050,950
2034	2,375,000	673,900	3,048,900
2035	2,420,000	625,950	3,045,950
2036	2,470,000	577,050	3,047,050
2037	1,640,000	535,950	2,175,950
2038	1,670,000	502,850	2,172,850
2039	1,705,000	469,100	2,174,100
2040	1,735,000	434,700	2,169,700
2041	1,775,000	398,491	2,173,491
2042	1,810,000	360,400	2,170,400
2043	1,650,000	321,575	1,971,575
2044	1,690,000	281,913	1,971,913
2045	1,730,000	241,300	1,971,300
2046	1,775,000	199,678	1,974,678
2047	1,815,000	157,047	1,972,047
2048	1,860,000	113,406	1,973,406
2049	1,900,000	68,756	1,968,756
2050	<u>1,945,000</u>	<u>23,097</u>	<u>1,968,097</u>
Totals	<u>\$63,235,000</u>	<u>\$14,694,451</u>	<u>\$77,929,451</u>

(1) For the entire fiscal year.

Source: Audited Financial Statements of the District. This summary is not audited.

## ECONOMIC AND DEMOGRAPHIC DATA

### *Population*

The following table represents population trends for the villages of Pelham and Pelham Manor, the County, and the State. The information set forth below with respect to the State, the County, the Town, the Village of Pelham, the Village of Pelham Manor is included for informational purposes only and is not necessarily representative of the District.

#### Population Trend

<u>Year</u>	<u>Pelham Village</u>	<u>Pelham Manor Village</u>	<u>Pelham Town</u>	<u>Westchester County</u>	<u>New York State</u>
1990	6,413	5,443	11,856	874,866	17,990,778
1995	6,370	5,426	11,796	891,044	18,190,562
2000	6,400	5,466	11,866	923,459	18,976,457
2010	6,910	5,486	12,396	949,113	19,378,102
2020	7,326	5,752	13,078	1,004,457	20,201,249
2024	7,579	5,613	12,949	1,006,447	19,867,248

Source: New York State Department of Commerce; New York State Department of Economic Development.

### *Income*

The following table presents median household income for the villages of Pelham and Pelham Manor, the County and State, and is not necessarily representative of the District.

#### Median Household Income

	<u>2010</u>	<u>2020</u>	<u>2023</u>	<u>% Change 2010/2020</u>	<u>% Change 2020/2023</u>
Pelham Town	\$131,272	\$168,071	\$211,346	28.0%	25.7%
Pelham Village	111,989	151,397	179,561	35.2	18.6
Pelham Manor Village	154,865	190,427	250,000+	25.0	31.3
County	79,619	99,489	114,457	28.7	15.0
State	55,603	71,117	82,095	27.9	15.4

Source: New York State Department of Commerce; New York State Department of Economic Development.

### *Employment and Unemployment*

Unemployment statistics are not available for the District. The information set forth below with respect to the State and the County is included for informational purposes only and is not necessarily representative of the District.

#### Civilian Labor Force

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
County	207,300	256,300	536,600	538,000	538,700
State	9,592,000	9,682,200	9,849,900	9,928,100	10,009,000

Source: New York State Department of Labor.

**Yearly Average Unemployment Rates**

<u>Year</u>	<u>County</u>	<u>State</u>
2021	4.7%	7.1%
2022	3.0	4.3
2023	3.0	4.0
2024	3.3	4.2
2025	3.4	4.3

Source: New York State Department of Labor.

**Monthly Unemployment Rates**

<u>Month</u>	<u>County</u>	<u>State</u>
May 2025	3.0%	3.8%
June	3.2	4.1
July	3.7	4.8
August	3.9	4.9
September	3.6	4.7
October	N/A	N/A
November	3.3	4.4
December	3.1	4.3
January 2026	3.6	4.7
February	4.2	5.2
March	3.6	4.4
April	3.3	4.2

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

**End of Appendix A**

**APPENDIX B**

**FINANCIAL STATEMENT SUMMARIES**

PELHAM UNION FREE SCHOOL DISTRICT  
 Statement of Budgeted Revenues and Expenditures - General Fund  
 Fiscal Year Ended June 30:

	Adopted Budget <u>2026</u>	Adopted Budget <u>2027</u>
Revenues:		
Real Property Taxes	\$ 74,375,921	\$ 77,142,413
Other Income	3,821,354	4,005,861
State and Federal Aid	13,657,725	14,042,976
Appropriated Fund Balance	<u>4,435,000</u>	<u>3,068,750</u>
 Total Revenues and Appropriated Fund Balance	 <u>\$ 96,290,000</u>	 <u>\$ 98,260,000</u>
 Expenditures:		
General Support	\$ 10,363,872	\$ 10,484,244
Instruction	54,478,850	56,225,892
Public Transportation	2,347,286	2,612,393
Community Services	94,598	100,552
Employee Benefits	22,238,441	22,682,650
Debt Service	217,272	140,838
Transfers Out	40,000	40,000
Debt Service	<u>6,509,681</u>	<u>5,973,431</u>
 Total Expenditures	 <u>\$ 96,290,000</u>	 <u>\$ 98,260,000</u>

Source: Adopted Budgets of the District.

PELHAM UNION FREE SCHOOL DISTRICT  
Comparative Balance Sheets - General Fund  
Fiscal Year Ended June 30:

	<u>2024</u>	<u>2025</u>
<b>Assets:</b>		
Cash and Equivalents	\$ 4,701,875	\$ 6,052,542
Investments	17,242,679	15,689,027
Prepaid Expenditures	2,342,007	2,519,531
<b>Receivables:</b>		
Accounts	63,700	32,274
State and Federal aid	1,483,550	1,366,415
Due from Other Governments	505,960	836,570
Due from Other Funds	<u>1,017,883</u>	<u>913,402</u>
<b>Total Assets</b>	<b><u>\$ 27,357,654</u></b>	<b><u>\$ 27,409,761</u></b>
<b>Liabilities and Fund Balance:</b>		
<b>Liabilities:</b>		
Accrued Liabilities	\$ 979,017	\$ 1,641,153
Accounts Payable	340,012	569,086
Due to Other Funds	-	1,849,010
Deferred Revenues	-	-
Deposits Payable	30,453	34,984
Unearned Revenue	23,410	23,410
Due to Other Governments	-	-
Due to Retirement Systems	<u>4,574,743</u>	<u>4,969,162</u>
<b>Total Liabilities</b>	<b><u>5,947,635</u></b>	<b><u>9,086,805</u></b>
<b>Fund Balance:</b>		
Nonspendable	\$ 2,342,007	\$ 2,519,531
Restricted	12,703,397	10,366,707
Assigned	2,621,413	1,585,113
Unassigned	<u>3,743,202</u>	<u>3,851,605</u>
<b>Total Fund Balance</b>	<b><u>21,410,019</u></b>	<b><u>18,322,956</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 27,357,654</u></b>	<b><u>\$ 27,409,761</u></b>

Source: Audited Financial Statements of the District. This summary is not audited.

PELHAM UNION FREE SCHOOL DISTRICT  
Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund  
Fiscal Year Ended June 30:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Real Property Taxes	\$ 63,266,103	\$ 65,081,174	\$ 66,581,985	\$ 68,315,757	\$ 70,388,643
Other Real Property Tax Items	2,382,078	2,190,707	1,999,821	1,686,761	1,488,072
Non-Property Tax Items	1,062,585	1,216,066	1,327,798	1,385,911	1,387,336
Charges for Services	1,237,123	1,124,601	1,146,149	1,040,913	1,114,476
Use of Money & Property	19,539	34,496	987,306	1,749,944	1,436,720
Sale of Property and Compensation for Loss	1,638	5,644	1,487	7,833	121,177
Miscellaneous	335,532	366,738	401,122	414,403	874,216
State Sources	7,419,057	8,840,212	10,720,864	13,421,384	13,953,425
Federal Sources	85,744	156,707	7,427	163,953	-
<b>Total Revenues</b>	<b>\$ 75,809,399</b>	<b>\$ 79,016,345</b>	<b>\$ 83,173,959</b>	<b>\$ 88,186,859</b>	<b>\$ 90,764,065</b>
Expenditures:					
General Support	\$ 8,219,970	\$ 8,175,442	\$ 8,440,316	\$ 9,241,419	\$ 9,745,504
Instruction	43,706,765	45,569,350	47,735,716	50,157,190	52,908,066
Pupil Transportation	935,946	1,163,732	1,244,873	1,647,160	1,986,528
Community Services	52,199	72,294	65,821	69,550	91,236
Employee Benefits	16,320,792	16,912,698	17,584,495	18,631,310	20,548,240
Debt Service	379,268	82,000	173,175	213,423	172,433
<b>Total Expenditures</b>	<b>\$ 69,614,940</b>	<b>\$ 71,975,516</b>	<b>\$ 75,244,396</b>	<b>\$ 79,960,052</b>	<b>\$ 85,452,007</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,194,459	\$ 7,040,829	\$ 7,929,563	\$ 8,226,807	\$ 5,312,058
Other Financing Sources (Uses)					
Proceeds from serial bonds	-	-	-	-	-
Proceeds from installment purchase debt	-	-	-	-	-
Operating Transfers in	-	-	-	-	-
Operating Transfers out	(3,698,369)	(6,502,726)	(6,573,443)	(9,426,457)	(8,399,121)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,698,369)</b>	<b>(6,502,726)</b>	<b>(6,573,443)</b>	<b>(9,426,457)</b>	<b>(8,399,121)</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures & Other Uses	2,496,090	538,103	1,356,120	(1,199,650)	(3,087,063)
Fund Balance - Beginning of Year as Restate	\$ 18,219,356	\$ 20,715,446	\$ 21,253,549	\$ 22,609,669	\$ 21,410,019
Prior Period Adjustment					
<b>Fund Balance - End of Year</b>	<b><u>\$ 20,715,446</u></b>	<b><u>\$ 21,253,549</u></b>	<b><u>\$ 22,609,669</u></b>	<b><u>\$ 21,410,019</u></b>	<b><u>\$ 18,322,956</u></b>

Source: Audited Financial Statements of the District. This summary is not audited.

**APPENDIX C**

**FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL**

Hawkins Delafield & Wood LLP  
140 Broadway – 42<sup>nd</sup> Floor  
New York, NY 10005

July 8, 2026

The Board of Education of  
Pelham Union Free School District,  
in the County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Pelham Union Free School District (the “School District”), in the County of Westchester, a school district of the State of New York and have examined a record of proceedings relating to the authorization, sale and issuance of the \$30,500,000 Bond Anticipation Note-2026 (the “Note”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such

requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the School District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

**APPENDIX D**

**FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS**

## FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS

### Section 1. Definitions

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

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

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

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

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

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of July 8, 2026.

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

“School District” shall mean Pelham Union Free School District, in the County of Westchester, a school district of the State of New York.

“Securities” shall mean the School District’s **\$30,500,000 Bond Anticipation Note-2026**, dated July 8, 2026, maturing on July 8, 2027, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The School District hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

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

- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the School District;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District 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 School District, 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 School District;

- (13) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

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

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

(c) Nothing herein shall be deemed to prevent the School District from providing notice of the occurrence of certain other events, in addition to those listed above, if the School District determines that any such other event is material with respect to the Securities; but the School District does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

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

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

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

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **July 8, 2026**.

**PELHAM UNION FREE SCHOOL DISTRICT**

By \_\_\_\_\_  
President of the Board of Education