

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 9, 2021

**RENEWAL ISSUE
SERIAL BONDS**

RATINGS: See “RATINGS” herein

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law and (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code and (ii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see “Tax Matters” herein.

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

**\$6,485,000
PUBLIC IMPROVEMENT SERIAL BONDS, SERIES 2021A
(the “Bonds”)**

Date of Issue: Date of Delivery

Maturity Dates: September 15, 2022-2041

The Bonds are general obligations of the Town of Rye, Westchester County, New York (the “Town”), and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to the applicable provisions of Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limit Law”). See “Nature of Obligation” and “Tax Levy Limit Law,” herein.

The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), Jersey City, New Jersey. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal of and interest on the Bonds will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. (See “Book-Entry-Only System” herein).

The Bonds will be dated their Date of Delivery, will bear interest from such date payable on September 15, 2022 and semiannually thereafter on each March 15 and September 15 until maturity and will mature on September 15 in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity. (See “Optional Redemption” herein).

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the final approving opinion of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery in Jersey City, New Jersey on or about September 30, 2021.

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

Dated: September __, 2021

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

The Bonds mature on September 15 in each year, subject to optional redemption, as set forth below:

<u>Date</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number***</u>
2022	\$305,000			
2023	300,000			
2024	300,000			
2025	300,000			
2026	305,000			
2027	305,000			
2028	305,000			
2029	310,000			
2030**	315,000			
2031**	315,000			
2032**	320,000			
2033**	325,000			
2034**	330,000			
2035**	335,000			
2036**	340,000			
2037**	345,000			
2038**	350,000			
2039**	355,000			
2040**	360,000			
2041**	365,000			

* The principal maturities of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale to achieve substantially level or declining annual debt service as provided in the Local Finance Law and to permit the Town to comply with the applicable provisions of Federal tax law relating to overissuance.

** Subject to optional redemption prior to maturity.

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

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

TOWN COUNCIL

Gary J. Zuckerman
Supervisor

Thomas F. Nardi Deputy Supervisor

Jill Axelrod..... Councilwoman

Pamela Jaffee Councilwoman

Lindsay A. Jackson Councilwoman

David Byrnes Town Comptroller

Debbie Reisner..... Town Administrator

Hope Vespia..... Town Clerk

BOND COUNSEL



Squire Patton Boggs (US) LLP
New York, New York

INDEPENDENT AUDITOR

PKF O'Connor Davies, LLP
Harrison, New York

MUNICIPAL ADVISOR



Capital Markets Advisors, LLC
Long Island * Hudson Valley * Southern Tier * Western New York
(516) 487-9817

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

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OFFICIAL STATEMENT

TOWN OF RYE WESTCHESTER COUNTY, NEW YORK

relating to

\$6,485,000

PUBLIC IMPROVEMENT SERIAL BONDS, SERIES 2021A (the “Bonds”)

This Official Statement, which includes the cover page and appendices attached hereto, presents certain information relating to the Town of Rye, Westchester County, in the State of New York (the “Town,” “County,” and “State,” respectively). It has been prepared by the Town in connection with the sale and delivery of its \$6,485,000 Public Improvement Serial Bonds, Series 2021A (the “Bonds”).

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

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

THE BONDS

Description

The Bonds will be dated their Date of Delivery, will bear interest from such date payable on September 15, 2022 and semiannually thereafter on each March 15 and September 15 until maturity and will mature on September 15 in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity. (See “Optional Redemption” herein).

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds.

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

Authority for and Purpose of the Bonds

Authorization. The Bonds are issued pursuant to the State Constitution and statutes of the State, including among others, the Town Law and the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State, and bond resolutions adopted by the Town Council on various dates as detailed below.

Purpose. The proceeds from the sale of the Bonds, together with \$615,000 in Town funds, will be used to redeem the Town's \$7,100,000 Bond Anticipation Notes, Series 2020A maturing on October 1, 2021 for the projects listed in the following table:

<u>Date of Authorization</u>	<u>Original Issue Date</u>	<u>Purpose</u>	<u>Amount Outstanding</u>	<u>Principal Paydown</u>	<u>Amount of the Bonds</u>
06/18/19	10/03/19	Construction of Improvements to Crawford Park Community Center	\$4,900,000	\$110,000	\$4,790,000
06/18/19	10/03/19	Construction and Reconstruction of Facilities of the Rye Town Park Commission	2,000,000	500,000	1,500,000
06/18/19	10/03/19	Reconstruction of and Improvements to Hillside Avenue Bridge	200,000	5,000	195,000
			<u>\$7,100,000</u>	<u>\$615,000</u>	<u>\$6,485,000</u>

Optional Redemption

The Bonds maturing on or before September 15, 2029 will not be subject to redemption prior to maturity. The Bonds maturing on or after September 15, 2030 will be subject to redemption prior to maturity, on any date, at the option of the Town, on September 15, 2029 and thereafter, in whole or in part, at par plus accrued interest to the redemption date.

Call Notification. If less than all of the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot in any customary manner of selection as determined by the Town. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date (See "Book-Entry-Only System" for additional information concerning redemptions).

Book-Entry-Only System

The Depository Trust Company ("DTC"), Jersey City, New Jersey, will act as securities depository for the Bonds issued in book-entry form. Said Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each Bond bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds

and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

Redemption notices shall be sent to DTC. If less than all of the 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 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

Source: The Depository Trust Company

NATURE OF OBLIGATION

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

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

The Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town, subject to applicable provisions of Chapter 97 of the Laws of 2011, as amended.

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

Tax Levy Limit Law

On June 24, 2011, Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law" or "TLLL") was enacted. The Tax Levy Limit Law imposes a tax levy limitation on the Town for any fiscal year each commencing after January 1, 2012 without providing an express exclusion for real property taxes levied for payment of principal of and interest on general obligations issued by the Town under the Local Finance Law. Accordingly, the power of the Town to levy real property taxes on all taxable real property within the Town without limitation as to rate or amount in furtherance of the pledge of its faith and credit as required in the New York Constitution is subject to statutory limitations pursuant to formulae set forth in the Tax Levy Limit Law.

The Tax Levy Limit Law restricts the increase in the amount of a succeeding year's tax levy to no more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. The TLLL also provides for certain adjustments for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. The 2% limit can be increased and overridden annually through a local law enacted by a 60% supermajority vote by the Town Council subject to referenda requirements, if any, set forth in the Municipal Home

Rule Law. Express exclusions from the 2% limit of TLLL include (i) funds needed to pay judgments in excess of 5% of the prior year's tax levy, and (ii) retirement systems growth in the average actuarial contribution rate in excess of 2%. The Town is also permitted to carry forward a certain portion of its unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the Office of the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

Nonetheless, the TLLL does not provide an express exclusion from the tax levy limitation for payment of principal and interest on general obligations authorized and issued by the Town under the Local Finance Law. A plain English reading of the TLLL compared with the applicable and corresponding provisions of Article VIII of the New York Constitution (Local Government Finance) could lead to the conclusion that the TLLL is contrary to and violative of certain provisions of Article VIII the New York Constitution.

In the opinion of bond counsel, under current law, the limitations imposed by TLLL on real property tax levies do not diminish the prior lien on the first revenues of the Town set forth in the New York State Constitution and established by the aforesaid pledge of the Town's faith and credit requiring the Town to raise the necessary moneys and to exceed normal real estate tax limitations to pay the principal of and interest on the Bonds. Bond counsel expresses no opinion on the validity of Chapter 97 of the Laws of 2011 under the applicable provisions of Article VIII of the New York Constitution.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

The rights of the owners of Bonds to receive interest and principal from the Town could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Town (including the Bonds) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

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

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

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

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law, as described below, enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

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

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

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

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

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

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

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

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

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer

grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

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

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene, such as the public benefit corporations established by special acts as described above. Several municipalities in the State are presently working with the FRB. The Town has not applied to the FRB and does not reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

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

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

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

Cybersecurity

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

MARKET FACTORS

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

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

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

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

The Town is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefore. Should the Town fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Town is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Town will have market access for any such borrowing on a cost effective basis. (See also "State Aid" herein.)

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

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

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

Impact of COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19,

including closing schools and non-essential businesses for an extended period. Efforts to contain the spread of COVID-19 has reduced the spread of the virus and the state of emergency declared by the Governor in the State lapsed on June 24, 2021. Many of the restrictions put in place following the initial outbreak have been relaxed. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the Town's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence in the future could have a material adverse effect on the State and municipalities and school districts located in the State, including the Town. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

LITIGATION

Various notices of claim have been filed with the Town. The allegations set forth in the claims relate to various circumstances including personal injury, civil rights violations and administrative determinations by Town officials. Certain claims assert money damages while others seek a specific action or forbearance on the part of the Town.

In the opinion of the Town Attorney, the resolution of such various other claims presently pending against the Town will not have an adverse material effect on the Town's financial position. Such matters are immaterial or adequately covered by existing insurance coverage. Pursuant to the Local Finance Law, the Town is authorized to issue debt to finance judgments and claims, if necessary.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code, and (ii) interest on the Bonds is exempt from personal income taxes imposed by the State and political subdivisions thereof, including The Town of New York and the Town of Yonkers. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Town contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Town's certifications and representations or the continuing compliance with the Town's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Town may cause loss of such status and result in the interest on the Bonds being included in gross income for

federal income tax purposes retroactively to the date of issuance of the Bonds. The Town has covenanted to take the actions required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market value of the Bonds.

Interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Town or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Prospective purchasers of the Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, the recent federal tax legislation that was enacted on December 22, 2017 reduces corporate tax rates, modifies individual tax rates, eliminates many deductions, repeals the corporate alternative minimum tax (for taxable years beginning after December 31, 2017) and eliminates tax-exempt advance refunding Bonds, among other things. This legislation may increase, reduce or otherwise change the financial benefits currently provided to certain owners of state and local government Bonds. Additionally, investors in the Bonds should be aware that future legislative actions may retroactively change the treatment of all or a portion of the interest on the Bonds for

federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Bonds (the “Discount Bonds”) may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the issue price (described above) for that Discount Bond who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds (“Premium Bonds”) may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, 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 that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement, who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount Bonds or Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to Discount or Premium Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel to the Town. Such opinion will be available at the time of delivery of and payment for the Bonds and will be to the effect that the Bonds are valid and legally binding general obligations of the Town, for the payment of which the Town has validly pledged its faith and

credit, and all the real property within the Town subject to taxation by the Town, is subject to the levy by the Town of ad valorem taxes, without limitation as to rate or amount, subject to the applicable statutory limitations of Chapter 97 of the Laws of 2011. Chapter 97 of the Laws of 2011 imposes a statutory limit on the power of the Town to increase its annual real property tax levy based on formulae set forth therein, including such taxes to pay principal of and interest on the Bonds. However, in the opinion of Bond Counsel, under current law, the limitations imposed by Chapter 97 of the Laws of 2011 do not diminish the prior lien on the first revenues of the Town set forth in the New York Constitution and established by the aforesaid pledge of the Town's faith and credit requiring the Town to raise the necessary moneys and to exceed normal real estate tax limitations to pay the principal of and interest on the Bonds. Bond Counsel expresses no opinion on the validity of Chapter 97 of the Laws 2011 under the applicable provisions of Article VIII of the New York Constitution.

Said opinion will also contain further statements to the effect that assuming continuing compliance with certain covenants and the accuracy of certain representations of the Town contained in the record of proceedings relating to the authorization and issuance of the Bonds, (a) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code, (b) interest on the Bonds is exempt from personal income taxes imposed by the State and political subdivisions thereof, including The City of New York and the City of Yonkers, (c) interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations, and (d) the enforceability of the Bonds is subject to bankruptcy and other laws affecting creditors' rights and the exercise of judicial discretion.

Closing Certificates

Upon delivery of and payment for the Bonds, the purchaser of the Bonds will also receive, without cost, in form satisfactory to Bond Counsel the following, dated as of the date of delivery of and payment for the Bonds: (a) a certificate or certificates evidencing execution, delivery and receipt of payment for the Bonds; (b) a certificate or certificates executed by the officer of the Town who executed the Bonds on behalf of the Town stating that (1) no litigation is then pending or, to the knowledge of such officer, threatened to restrain or enjoin the issuance or delivery of the Bonds, (2) no authority or proceedings for the issuance of the Bonds has or have been repealed, revoked or rescinded, and (3) the statements contained in this Official Statement, on the date hereof and on the date of delivery of and payment for the Bonds, were and are true in all material respects and did not, and do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (c) the unqualified legal opinion as to the validity of the Bonds of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel, as more fully described under "Legal Matters" herein; (d) a Tax Compliance Certificate executed by the Supervisor of the Town; and (e) a continuing disclosure agreement executed by the Supervisor of the Town for purposes of SEC Rule 15c2-12, as described under the caption "Disclosure Undertaking" herein.

DISCLOSURE UNDERTAKING

This Official Statement is in a form "deemed final" by the Town for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Bonds, the Town will provide an executed copy of its "Undertaking to Provide Notices Certificate" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Town for the benefit of holders of and owners of beneficial interests in the Bonds. In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Town has agreed to provide, or cause to be provided,

(1) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement anticipated to be dated September 21, 2021 of the Town relating to the Bonds under the headings "Litigation" and in Appendix A under the headings "The Town",

“Financial Factors”, “Real Property Taxes”, “Town Indebtedness” and “Economic and Demographic Data” and Appendix B by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ended December 31, 2021, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ended December 31, 2021; such audit (prepared in accordance with the accounting principles the Town may be required to employ pursuant to State law or regulation), if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Town of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

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

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

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

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

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

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

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

The Town's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12") which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Town, and no person or entity, including a Holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Town to comply with the Undertaking will not constitute a default with respect to the Bonds.

The Town reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that any such amendment or modification will be done in a manner consistent with Rule 15c2-12, as amended.

MUNICIPAL ADVISOR

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

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

RATING

The Town has applied to Moody's Investor Service ("Moody's") for a rating on the Bonds. Such application is pending at this time.

On September 26, 2017, Moody's Investor Service ("Moody's") assigned the Town an underlying credit rating of "Aa1".

Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from Moody's at the following address: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Bonds or the availability of a secondary market for the Bonds.

ADDITIONAL INFORMATION

Additional information may be obtained from Debbie Reisner, Chief of Staff, 222 Grace Church Street, Suite 302, Port Chester, New York 10573, (914) 939-5205, e-mail: dreisner@townofryeny.com, or from the Town's Municipal

Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 487-9817.

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

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

Estimates and Forecasts. The statements contained in this Official Statement and the appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “illustrate,” “example,” and “continue,” or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the Town 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 Bonds by the Town and may not be reproduced or used in whole or in part for any other purpose.

Squire Patton Boggs (US) LLP expresses no opinion on the accuracy or completeness of any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, including this Official Statement.

TOWN OF RYE,
WESTCHESTER COUNTY, NEW YORK

By: _____
Gary J. Zuckerman
Supervisor

DATED: September __, 2021

APPENDIX A

THE TOWN

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THE TOWN

General Information

The Town of Rye (the “Town”), in southern Westchester County, is located approximately 28 miles north of New York City. It is bordered on the east by the Long Island Sound, on the north by the Connecticut border and on the west by the Blind Brook River. There are no unincorporated areas left in the Town. The Town encompasses the villages of Port Chester, the Village of Rye Brook and the Rye Neck Section of the Village of Mamaroneck.

The primary roads running through the Town include I-95, I-287, US Route 1, Westchester Avenue (Route #120-A) and King Street (Route 120). Rail service is provided by Metro-North, with stations in the City of Rye and Villages of Port Chester and Mamaroneck, including service to and from New York City and points north. The Westchester County Department of Transportation has scheduled bus service available along Westchester Avenue and US-1.

Form of Government

The Town was established as a municipal government in 1660 and is vested with the powers and responsibilities inherent in the operation of a municipal government including the authority to tax real property and incur debt. Governmental operations of the Town are subject to the provisions of the State constitution and various statutes affecting local governments including Town Law, General Municipal Law and the Local Finance Law. Real property assessment and tax collection procedures are determined by the Westchester County Tax Law, a basic feature of which requires that the Town guarantee and enforce the real property taxes levied by the County as well as school districts situated in the Town. The Real Property Tax Law, in part, also governs certain assessment and taxing procedures for the Town. Under Article 3-A of the Town Law, the Town is classified as a suburban town.

Elected and Appointed Officials

The Town Council is the legislative, appropriating, governing and policy determining body of the Town and consists of four Councilmembers plus the Town Supervisor – all elected at large to serve four-year terms. Councilmembers may serve an unlimited number of terms. It is the responsibility of the Town Council to enact, by resolution, all legislation including ordinances and local laws. The Town’s annual operating and capital budgets are subject to approval by the Town Council; all modifications and transfers between budgetary appropriations are also subject to approval by the Council on the recommendation of the Supervisor. The authorization of all Town indebtedness is subject to approval by the Town Council.

The Town Supervisor is the chief executive, administrative and financial officer of the Town and is elected for a four-year term of office. The Supervisor is a full member of and the presiding officer of the Town Council. There are no term limits on electing the Town Supervisor.

The Town Clerk acts as the custodian of the Town’s records as well as the clerk to the Town Council. Duties of this office include: recording and maintaining the minutes of the proceedings of the Town Council, issuing certain licenses and permits, and coordinating Town elections. The Town Clerk is elected to a four-year term. There are no term limits on electing the Town Clerk.

The Town’s Receiver of Taxes receives and collects all State, County, Town Village and School taxes, and all assessments levied or assessed in the Town. The Receiver of Taxes is also elected to a four-year term. There are no term limits on electing the Town Receiver of Taxes.

The Comptroller and Town Attorney are appointed by the Town Council.

The Town Assessor is appointed by the Town Council, on the Supervisor’s recommendation, to serve a six-year term. It is the Assessor’s responsibility to appraise real property in the Town for the purpose of preparing and maintaining tax assessment rolls in the form prescribed by the State Board of Assessment and Equalization (“State Board”). The State Board is required annually to determine the assessment of each special franchise in the Town that is subject to assessment. In addition, the State Board provides an advisory service to assist with the assessment of certain forested lands, public utilities or unusually complex properties. Assessment review procedures include examination of the tentative assessment roll in the Assessor’s presence, a public hearing before an independent board of assessment review and, finally, judicial review in State Supreme Court.

Services and Programs

The Town does not provide its residents with many of the services traditionally provided by Town governments, including sewer, street maintenance and lighting, snow removal and recreational activities, as these services are provided by the Town's residents respective Villages. Education is provided by the Port Chester, Blind Brook, and Rye Neck School Districts. In addition, the County furnishes certain other services.

Fire protection is provided through the respective Villages of Port Chester, Rye Brook and the Village of Mamaroneck. The fire district is governed by four fire captains and has over 300 volunteers who operate five firehouses. Police protection is provided through the respective villages. Police in the Villages of Port Chester, Rye Brook and the Village of Mamaroneck is provided by their own police forces. Planning and zoning are provided by the respective Villages. The financing of Town Courts are provided by the Town. As of May 2021, the Town court is responsible for all judiciary matters pertaining to the Town and the villages of Port Chester and Rye Brook. Regulation of building construction and licensing of trades and occupations along with the usual municipal services of recreational facilities and street lighting are all Village functions.

Pursuant to State Law, the County, not the Town, is responsible for funding and providing various social service and health care programs such as Medicaid, aid to families with dependent children, home relief and mental health programs.

Investment Policy

The temporary investment of monies held by the Town pending their use for Town purposes is permitted by law. The accumulation of Town funds for the purpose of investing in and of itself, however, is not permitted by law. Pursuant to the statutes of the State of New York, the Town is permitted to invest only in the following investments: (1) special time deposit accounts or certificates of deposits issued by a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where principal and interest is guaranteed by the by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the town; (6) obligations of a New York public benefit corporation which are made lawful investments by the Town pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Town moneys held in certain reserve funds established pursuant to law, obligations issued by the Town. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by the either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

The Town is in compliance with the above permitted investments.

Employees

The Town provides services through approximately 21 non-union full-time employees and 41 non-union part-time employees.

Employee Pension Benefits

The Town participates in the New York State and Local Employees' Retirement System ("ERS") ("System"). The System is a cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3%

and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

At December 31, 2020, the Town reported a liability of \$495,880 for its proportionate share of the net pension liability of ERS. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2019. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At December 31, 2020, the Town's proportion was .0021433%, which is a decrease of .0000610% from the proportion at December 31, 2019.

For the year ended December 31, 2020, the Town recognized pension expense in the government-wide financial statements of \$228,757 for ERS. Pension expenditures of \$140,790 for ERS was recorded in the fund financial statements in the General Fund.

Employer contributions to ERS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2020 represent the employer contribution for the period of April 1, 2019 through December 31, 2019 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2020 were \$110,105.

The Town also offers a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Town will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Post Employment Benefits

Accounting rule, GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB") has been replaced by GASB Statement No. 75 ("GASB 75"), which requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Under GASB 75, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements. There is no longer an amortized liability like under GASB 45, but now reflects the full liability.

GASB 75 does not require that the unfunded liabilities actually be funded, only that the Town account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation will be required every 2 years for the Town.

The Town is in compliance with the requirements of GASB 75 as was required by the end of the Town's 2020 fiscal year. It has been determined that The Town's total OPEB liability as of December 31, 2020 was \$5,404,993 using a discount rate of 2.02% and actuarial assumptions and other inputs as described in the Town's December 31, 2020 audited financial statements.

FINANCIAL FACTORS

Budgetary Procedure

The Town generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) Between November 10th and December 5th, the Town Council shall prepare and approve a preliminary budget. The preliminary budget includes the estimated revenues and expenditures for the ensuing fiscal year.
- b) Immediately after the preliminary budget has been prepared and approved, the Town Council shall file the original copy with the Town Clerk where it shall be available for inspection by the public. In addition, the Town Council shall adopt a resolution specifying the time and place of a public hearing, which shall be held on or before December 10th.
- c) At the public hearing, taxpayers may comment on the preliminary budget.
- d) Within five days after the hearing, the Town Council shall adopt the preliminary budget as originally compiled or it may, by a majority vote, diminish or reject certain items contained therein as prescribed by law.
- e) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- f) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis.
- g) The Town Council has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Council. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also requires a majority vote by the Council.
- h) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Town Council.

Independent Audits

The financial statements of the Town are audited by the firm of ODPKF O'Connor Davies, independent certified public accountants. Appendix B to this Official Statement presents a summary of the audited financial statements for the fiscal years ended December 31, 2016 through 2020.

Fund Structures and Accounts

The financial reporting entity consists of a) the primary government, which is the Town, b) organizations for which the Town is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASS.

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town's reporting entity was made by applying the criteria set forth by GASS, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements

The Town participates in a joint venture for the operation of the Rye Town Park ("Park"). The Park was established in 1907 by the New York State Legislature pursuant to Chapter 711 of the Laws of 1907. The Park provides recreational activities to the public, and is governed by a Commission, which has full charge and supervision over the capital improvements, operations, and maintenance of the Park. The Commission consists of six members: the Supervisor of the Town of Rye, the Mayor of the City of Rye, the Mayor of the Village of Port Chester, the Mayor of the Village of Rye Brook, one Commissioner appointed by the City Council of the City of Rye, and one Commissioner appointed by the Town Council of the Town of Rye. The Town has an ongoing financial responsibility in that the annual loss (if any) resulting from the Park's activities is shared proportionally by the Town of Rye and the City of Rye, using a calculation based on their equalized assessed valuation. Complete separate

financial statements for the Park may be obtained from the Town of Rye, 222 Grace Church Street, 3rd Floor, Port Chester, New York 10573.

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

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

The Town maintains the following governmental funds: General Fund and Capital Projects Fund.

Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety-day availability period is generally used for revenue recognition for most other governmental fund revenues. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Real Property Taxes

The Town derives a 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 28.21% of total General Fund revenues, for the fiscal year ended December 31, 2020. (See also “*Tax Levy Limit Law*” herein).

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

Fund Revenues & Real Property Taxes

Fiscal Year <u>Ended December 31:</u>	Total <u>Revenues⁽¹⁾</u>	Real <u>Property Taxes⁽¹⁾</u>	Taxes to <u>Revenues</u>
2016	\$3,671,073	\$362,160	9.87%
2017	2,795,286	114,926	4.11
2018	3,003,506	259,579	8.64
2019	4,236,023	359,413	8.48
2020	3,727,130	1,051,490	28.21
2021 (Adopted Budget)	5,472,208	2,274,995	41.57

(1) General and Town Funds.

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

State Aid

The Town receives a major portion of its financial assistance from the State. Based on audited results, State Aid accounted for approximately 30.67% of the total General Fund revenues of the Town in the 2020 fiscal year. In its budget for the current year, approximately 4.70% of the revenues of the Town are estimated to be received in the form of State aid. If the state should develop difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in this year or future years, the Town may be affected by the delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the state, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. Currently, due to the outbreak of COVID-19, the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or the delay, elimination or substantial reduction in payments to municipalities, school districts or other recipients of State aid in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also “Market Factors” herein.)

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

It is anticipated that the State Budget Director’s powers discussed herein will be activated and across-the-board and targeted reductions to local aid programs will be taken to close a substantial portion of the State fiscal year 2021 budget gap caused by the receipts shortfall. On April 25, 2020, the New York State Division of the Budget announced that the State fiscal year 2021 Enacted State Budget Financial Plan (the “Financial Plan”), projects a \$13.3 billion shortfall as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions are expected to significantly reduce State spending in several areas, including “aid-to-localities,” a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems,

and not-for-profits. Reduced receipts are expected to carry through each subsequent year of the four-year Financial Plan through State fiscal year 2024. Reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State.

The amount of State aid to municipalities, including the Town, and school districts in the State is dependent in part upon the financial condition of the State. Currently, due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will be required to take certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of local governments in the State, including the Town.

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

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

Fund Revenues & State Aid Revenues

Fiscal Year <u>Ended December 31</u>	Total <u>Revenues ⁽¹⁾</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2016	\$3,671,073	\$1,151,364	31.36%
2017	2,795,286	1,156,735	41.38
2018	3,003,506	1,278,633	42.57
2019	4,236,023	1,076,591	25.42
2020	3,727,130	1,142,993	30.67
2021 (Adopted Budget)	5,472,208	257,213	4.70

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

Sales Tax The County presently imposes a 1 1/2% County-wide sales and use tax on all retail sales. This, in addition to the present 4% State sales tax and 3/8% sales tax levied in the Metropolitan Transportation Authority District, provides a minimum combined sales tax in the County of 5 7/8%. In addition, the cities in the County have the power under State law to impose by local law and State legislative enactment their own sales and use taxes. At present, such taxes are imposed at a rate of 2.5% in the Cities of White Plains, Mount Vernon, New Rochelle, and Yonkers. The cities of Rye and Peekskill do not impose such a sales tax.

In July 1991, the State Legislature authorized an additional 1% sales tax for the County to impose in localities other than cities, which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991 and has been extended through November 30, 2020. The additional 1% sales tax is to be apportioned between the County (33 1/3%), school districts in the County (16 2/3%) and towns, villages and cities in the County that have imposed sales taxes (50%).

Effective March 1, 2004, the State Legislature authorized an additional 1/2% sales tax for the County to impose in localities other than cities which have their own sales tax. The additional 1/2% sales tax is apportioned between the County (70%), school districts in the County (10%), and towns, villages, and cities in the County, which have not imposed sales taxes (20%). The legislation authorizing the additional 1/2% sales tax was made permanent in 2019.

In April of 2019, the State Legislature authorized an increase of 1% to the County sales tax, raising the rate to 8.375% in County localities other than cities. The rate increase is effective as of August 1, 2019 and expires on November 30, 2023.

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

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

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

The most current applicable report of the State Comptroller designates the Town as “No Designation.”

See the State Comptroller’s official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

The financial affairs of the Town are subject to periodic compliance reviews by OSC to ascertain whether the Town has complied with the requirements of various State and federal statutes. The Town has not been audited by the State.

TAX INFORMATION

Valuations and Tax Data

The Town derives its power to levy an ad valorem real property tax from Article 8, Section 10 of the Constitution of the State of New York. The Town is responsible for levying taxes for operating purposes and debt service.

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assessed Value	\$6,998,219,038	\$7,282,409,097	\$7,389,279,131	\$7,562,355,652	\$8,358,657,568
Equalization Ratio	100%	100%	100%	100%	100%
Full Value	6,998,219,038	7,282,409,097	\$7,389,279,131	\$7,562,355,652	\$8,358,657,568
Town Tax Levy ⁽¹⁾	\$248,433	\$248,433	\$764,745	\$776,245	\$2,274,995
Tax Rate for Town	\$0.0355	\$0.0341	\$0.1035	\$0.1026	\$0.2721

(1) Per \$1,000 assessed valuation.

Tax Collection Procedures

The assessment and collection of real property taxes is governed by the Westchester County Tax Law as well as by the Real Property Tax Law of New York State. Towns and cities in Westchester County are responsible to assess all real property within their boundaries, with the exception of franchised utility companies, and to collect all real property taxes. The Town collects the taxes imposed by the Westchester County, the Town of Rye, the Villages of Port Chester and Rye Brook and the Blind Brook, Port Chester and Rye Neck School Districts. It receives warrants for the collection of taxes from the County and from each of the villages and school districts. The Town then remits the amount of the County and individual villages and school district warrants at times set forth in the Westchester County Tax Law. The Town is required to remit the full amount of each warrant presented by the County or the individual village or school districts, whether or not these sums are actually collected by the Town. The Town also has the responsibility for conducting tax lien sales and in rem foreclosure proceedings.

Town and County taxes for the period from January 1 to December 31 are due in a single payment on April 1. Payment may be made without penalty until April 30, after which the penalty is 2% during May, 5% during June and July, 7% during August and September, 10% during October, November and December, 12% during January to April, and 13% thereafter to the date of the tax lien sale.

School taxes for the period from July 1 to June 30 are due on September 1, with the first half payable without penalty until September 30th, after which the penalty is 2% during October, 5% during November, 7% during December and January, 10% during February and March, 12% in April and 13% thereafter to the date of the tax lien sale. Second half school taxes are payable without penalty until January 31st, after which the penalty is 10% during February and March, 12% during April and 13% thereafter to the date of the tax lien sale.

The first installment of the taxes for the Village of Port Chester are due in June with a 2% penalty in July and an additional 1% per month thereafter to date of redemption or in-rem foreclosure. The second installment is due in December with a 2% penalty in January and an additional 1% per month thereafter to date of redemption or in-rem foreclosure.

The first installment of the taxes for the Village of Rye Brook are due in June with a 2% penalty in July and an additional 1% per month thereafter to date of redemption or in-rem foreclosure. The second installment is due in February with a 2% penalty in March and an additional 1% per month thereafter to date of redemption or in-rem foreclosure.

As a result of the COVID-19 pandemic, in certain counties in the State during the 2020 fiscal year, the deadline to pay property taxes, without interest or penalty, was extended. No assurance can be given that similar extensions with respect to the deadlines to pay property taxes, without interest or penalty, may occur during the 2021 fiscal year. Any such extensions may result in a delay in the receipt of taxes collected and paid to municipalities.

The following table sets forth the amount of taxes levied and collected by the Town for the last five fiscal years as of each year.

Real Property Tax Levies and Collections

<u>Fiscal Year</u> <u>Ended December 31:</u>	<u>Gross</u> <u>Tax Levy</u>	<u>Current Taxes</u> <u>Uncollected</u>	<u>Percentage</u> <u>Current Taxes</u> <u>Collected⁽¹⁾</u>
2021	\$2,274,995	\$79,297 ⁽²⁾	98.23% ⁽²⁾
2020	776,245	14,962	98.08
2019	764,745	10,606	98.62
2018	248,433	2,993	98.80
2017	248,433	2,952	98.81

(1) County/Town taxes are levied and collected in the calendar year.

(2) Collections as of July 31, 2021.

Source: Town Officials.

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Ten of the Largest Taxpayers

The following table presents the tentative taxable assessments of ten of the Town's largest taxpayers for the 2021 fiscal year.

<u>Taxable Assessments</u>			
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Assessed Valuation</u> ⁽¹⁾
Consolidated Edison Company	Utility	\$148,937,929	1.78%
DPPC Holding, LP	Commercial	78,252,700	0.94
760-800 Owner, LLC	Offices	59,997,800	0.72
Win Ridge Shopping Center, DE LLC	Commercial	54,401,600	0.65
1100 King Associates, LLC	Airport	48,788,600	0.58
Westchester County Airport	Commercial	46,330,780	0.56
SC Rye Brook Partners, LLC	Commercial	41,248,273	0.49
VTR Rye Brook, LLC	Assisted Living	33,565,400	0.40
Suez Water Westchester	Utility	33,540,800	0.40
NA Castle, LLC	Apartment Building	<u>32,052,000</u>	<u>0.38</u>
	Total:	<u>\$577,115,882</u>	<u>6.90%</u>

(1) The Town's 2021 total assessed valuation is \$8,358,657,568.

Source: Town Officials.

TOWN INDEBTEDNESS

Constitutional and Statutory Requirements

The New York State Constitution and Local Finance Law limit the power of the Town (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 Town.

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. As has been noted under "*Nature of Obligation*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

Purpose and Pledge. The Town shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation. The Town may contract indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. No installment may be more than fifty per centum in excess of the smallest prior installment unless the Town authorized the issuance of bonds with substantial level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

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

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

Statutory Procedure

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

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

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

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

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

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

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

Constitutional Debt-Contracting Limitation

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay interest on or principal of indebtedness theretofore contracted.

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

<u>Debt Contracting Limitation</u>			
<u>Fiscal Year Ended</u> <u>December 31</u>	<u>Assessed</u> <u>Valuation</u>	<u>Equalization</u> <u>Ratio⁽¹⁾</u>	<u>Full</u> <u>Valuation</u>
2017	\$6,998,219,038	100.00	\$ 6,998,219,038
2018	7,282,409,097	100.00	7,282,409,097
2019	7,389,279,131	100.00	7,389,279,131
2020	7,562,355,652	100.00	7,562,355,652
2021	8,358,657,568	100.00	<u>8,358,657,568</u>
Total Five-Year Full Valuation			37,590,920,486
Average Five-Year Full Valuation			7,518,184,097
Debt Contracting Limitation - 7% of Average Full Valuation			<u>\$ 526,272,886</u>

(1) Equalization rates are established by the New York State Board of Equalization and Assessment.
Source: New York State Board of Equalization and Assessment.

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

<u>Statement of Debt-Contracting Power</u>		
(As of September 9, 2021)		
Debt-Contracting Limitation:		\$526,272,886
Gross Direct Indebtedness:		
Bonds:		
General Purpose	\$6,390,000	
Water	0	
Sewer	<u>0</u>	
		\$6,390,000
Bond Anticipation Notes (“BANs”):		
General Purpose	7,100,000	
Water	0	
Sewer	<u>0</u>	
		<u>7,100,000</u>
Total Gross Direct Indebtedness		\$13,490,000
Less Exclusions and Deductions:		
Water Bonds	0	
Water Bond Anticipation Notes	0	
Appropriations for Non-Exempt		
Indebtedness During 2021 Fiscal Year	<u>555,000</u>	
Total Exclusions & Deductions		<u>555,000</u>
Total Net Direct Indebtedness		\$12,935,000
Debt-Contracting Margin		513,337,886
Percentage of Debt-Contracting Power Exhausted		<u>2.46%</u>

Bond Anticipation Notes

On October 1, 2020, the Town issued its \$7,100,000 Bond Anticipation Notes, Series 2020A. Such notes mature on October 1, 2021. The proceeds from the sale of the Notes, together with \$215,000 in available funds, will be used to redeem these notes in full at maturity.

Tax and Revenue Anticipation Notes

The Town has not issued tax anticipation notes in recent years.

Trend of Capital Indebtedness

The following table sets forth the amount of the Town’s direct capital indebtedness outstanding, at the end of each fiscal year, for the last five fiscal years.

Direct Capital Indebtedness Outstanding

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds:	\$ 295,000	\$7,606,693	\$7,205,000	\$ 6,800,000	\$ 6,390,000
Bond Anticipation Notes:	<u>1,700,000</u>	<u>0</u>	<u>0</u>	<u>7,100,000</u>	<u>7,100,000</u>
Totals:	<u>\$ 1,995,000</u>	<u>\$7,606,693</u>	<u>\$7,205,000</u>	<u>\$13,900,000</u>	<u>\$13,490,000</u>

Source: Audited financial statements of the Town.

Authorized But Unissued Debt

The Town has no authorized but unissued debt.

Overlapping and Underlying Debt

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

Statement of Direct and Overlapping Indebtedness

Overlapping Debt

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of:</u>	<u>Town Share</u>	<u>Amount Applicable To Town</u>
Westchester County	\$903,852,566	03/31/21	4.20%	\$ 37,961,808
Village of Port Chester	42,428,000	01/22/21	100.00	47,428,000
Village of Rye Brook	18,260,102	05/31/20	100.00	18,260,102
Village of Mamaroneck	32,646,747	01/14/21	14.00	4,570,545
Port Chester-Rye UFSD	89,390,000	06/30/20	100.00	89,390,000
Blind Brook Rye UFSD	55,960,000	06/30/20	100.00	55,960,000
Harrison CSD	40,131,000	11/10/20	0.03	12,039
Rye Neck UFSD	24,750,000	02/24/21	100.00%	<u>24,750,000</u>
			Total Net Overlapping Debt	278,332,494
			Total Net Direct Debt	<u>12,935,000</u>
			Total Net Direct and Overlapping Debt	<u>\$291,267,494</u>

Debt Ratios

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

	<u>Amount</u>	<u>Debt Per Capita⁽¹⁾</u>	<u>Debt to Full Value⁽²⁾</u>
Net Direct Debt	\$ 12,935,000	\$ 260.72	0.15%
Net Direct and Overlapping Debt	291,267,494	5,870.79	3.48

(1) The population of the Town is 49,613 according to the 2020 U.S. Census.

(2) The full valuation of real property located in the Town for the 2021 fiscal year is \$8,358,657,568.

Debt Service Schedule

The following table shows the debt service requirements to maturity on the Town’s outstanding bonded general obligation indebtedness for each fiscal year ending December 31.

Bond Principal and Interest Maturity Table

<u>Fiscal Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021 ⁽¹⁾	\$340,000	\$191,700	\$531,700
2022	345,000	181,500	526,500
2023	350,000	171,150	521,150
2024	355,000	160,650	515,650
2025	365,000	150,000	515,000
2026	370,000	139,050	509,050
2027	380,000	127,950	507,950
2028	385,000	116,550	501,550
2029	395,000	105,000	500,000
2030	405,000	93,150	498,150
2031	420,000	81,000	501,000
2032	430,000	68,400	498,400
2033	440,000	55,500	495,500
2034	455,000	42,300	497,300
2035	470,000	28,650	498,650
2036	<u>485,000</u>	<u>14,550</u>	<u>499,550</u>
Totals:	<u>\$6,390,000</u>	<u>\$1,727,100</u>	<u>\$8,117,100</u>

(1) For the entire fiscal year.

Source: Audited Financial Statements of the Town.

ECONOMIC AND DEMOGRAPHIC DATA

Population

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

	<u>Population Trend</u>				
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>Percentage Change 2000/2010</u>	<u>Percentage Change 2010/2020</u>
Town	43,880	45,928	49,613	4.7%	8.0%
County	923,459	949,113	1,004,457	2.8	5.8
State	18,976,457	19,378,102	20,201,249	2.1	4.2

Source: U.S. Census Bureau.

Income

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

	<u>Median Household Income</u>				
	<u>2000</u>	<u>2010</u>	<u>2019</u>	<u>Percentage Change 2000/2010</u>	<u>Percentage Change 2010/2019</u>
Town	\$56,675	\$67,083	\$91,415	18.36%	36.3%
County	71,639	77,415	96,610	8.1	24.8
State	43,847	54,148	68,486	23.5	26.5

Source: Westchester County Department of Planning

Employment and Unemployment

	<u>Civilian Labor Force</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town	24,900	25,000	25,100	25,200	24,600
County	478,000	480,300	481,400	484,700	478,000
State	9,527,000	9,549,000	9,511,200	9,507,100	9,289,200

Source: New York State Department of Economic Development; Bureau of Economic and Demographic Information.

Yearly Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2016	3.6%	4.4%	4.9%
2017	3.6	4.5	4.6
2018	3.2	3.9	4.1
2019	3.0	3.6	3.8
2020	6.7	8.4	10.0

Source: New York State Department of Economic Development; Bureau of Economic and Demographic Information.

Monthly Unemployment Rates

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
August 2020	7.8%	10.2%	11.6%
September	5.3	7.2	9.9
October	4.9	6.4	8.3
November	4.8	6.2	8.3
December	5.2	6.2	8.5
January 2021	5.5	6.6	9.4
February	5.5	7.0	9.7
March	5.0	6.2	8.4
April	3.8	5.4	7.7
May	3.5	4.9	7.0
June	3.8	5.2	7.2
July	N/A	N/A	7.4

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

Utilities

The residents of the Town receive electricity and natural gas from the Consolidated Edison and water from United Water.

Transportation

The Town is served by a transportation network consisting of all major forms of transportation. Several primary State and U.S. highways including US 1, Interstates 95 and 287 and the Hutchinson River Parkway serve the Town. The Metropolitan Transportation Authority provides passenger rail service with stations in Mamaroneck, Harrison, Rye and Port Chester. Air transportation is provided by the Westchester County Airport, as well as the three major New York metropolitan airports (Kennedy, LaGuardia and Newark), and the Stewart International Airport in Newburgh.

END OF APPENDIX A

APPENDIX B

SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

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**Town of Rye
 Adopted Budgets
 General and Town Outside Villages Funds
 Fiscal Year ending December 31:**

	<u>2020</u>	<u>2021</u>
Revenues:		
Real Property Taxes	\$776,245	\$2,274,995
Payments in Lieu of Taxes	40,000	50,000
Interest and Penalties	850,000	885,000
Fees	520,000	275,000
Interest Earnings	75,000	50,000
Use of Money and Property	350,000	350,000
Fines and Forfeitures	110,000	380,000
State aid	321,516	257,213
Mortgage Tax	850,000	875,000
Miscellaneous	54,500	75,000
Appropriated Fund Balance	<u>0</u>	<u>0</u>
 Total Revenues	 <u><u>\$3,947,261</u></u>	 <u><u>\$5,472,208</u></u>
Expenditures:		
Current:		
General Government Support	\$2,279,401	\$3,489,611
Culture and Recreation	490,104	520,512
Home & Community Services	102,720	103,000
Employee Benefits	687,841	905,885
Debt Service	<u>777,249</u>	<u>853,200</u>
 Total Expenditures	 <u><u>\$4,337,315</u></u>	 <u><u>\$5,872,208</u></u>

Sources: Town's Adopted Budgets.

TOWN OF RYE
Comparative Balance Sheets
General and Town Outside Villages Funds
Fiscal Years Ended December 31:

	<u>2019</u>	<u>2020</u>
Assets:		
Cash and Equivalents	<u>\$5,164,998</u>	<u>\$2,514,334</u>
Taxes Receivable, net of allowances	<u>3,298,053</u>	<u>2,291,986</u>
Other Receivables:		
Accounts	0	0
Due from Other Governments	637,741	85,324
Due from Rye Town Park Commission	<u>0</u>	<u>623,563</u>
Prepaid Expenditures	<u>53,721</u>	<u>42,007</u>
Total Assets	<u><u>\$9,154,513</u></u>	<u><u>\$5,557,214</u></u>
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	\$530,483	\$233,362
Due to Other Funds	3,449,728	1,484,747
Due to Other Governments	<u>0</u>	<u>0</u>
Total Liabilities	<u>3,980,211</u>	<u>1,718,109</u>
Deferred Inflows of Resources:		
Deferred Tax revenues:	2,827,746	2,119,360
Total Liabilities and Deferred Inflows of Resources:	6,807,957	3,837,469
Fund Balance:		
Nonspendable	\$53,721	\$42,007
Restricted	0	0
Assigned	390,053	400,000
Unassigned	<u>1,902,782</u>	<u>1,277,738</u>
Total Fund Balance	<u>2,346,556</u>	<u>1,719,745</u>
Total Liabilities and Fund Balance:	<u><u>\$9,154,513</u></u>	<u><u>\$5,557,214</u></u>

Sources: Town's Audited Financial Statements.

TOWN OF RYE
Combined Statement of Revenues,
Expenditures and Changes in Fund Balances
General and Town Outside Villages Funds
Fiscal Years Ended December 31:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:					
Real Property Taxes	\$362,160	\$114,926	\$259,579	\$359,413	\$1,051,490
Other Tax Items	1,641,365	1,108,514	854,821	2,077,419	985,400
Departmental Income	315,010	277,052	290,672	301,516	306,927
Use of Money and Property	40,042	27,256	122,530	194,853	118,867
Fines and Forfeitures	107,561	72,714	67,093	93,704	43,111
State aid	1,151,364	1,156,735	1,278,633	1,076,591	1,142,993
Miscellaneous	53,571	38,089	130,178	132,527	78,342
Total Revenues	<u><u>\$3,671,073</u></u>	<u><u>\$2,795,286</u></u>	<u><u>\$3,003,506</u></u>	<u><u>\$4,236,023</u></u>	<u><u>\$3,727,130</u></u>
Expenditures:					
Current:					
General Government Support	\$1,841,019	\$1,990,493	\$1,994,185	\$2,108,809	\$2,333,407
Transportation	6,968	3,101	3,110	3,411	35,263
Culture and Recreation	232,521	281,076	345,191	244,090	525,286
Home & Community Services	21,157	10,266	17,883	16,074	10,436
Employee Benefits	559,358	616,502	589,581	634,279	672,300
Debt Service	119,100	109,238	624,064	621,338	737,249
Total Expenditures	<u><u>\$2,780,123</u></u>	<u><u>\$3,010,676</u></u>	<u><u>\$3,574,014</u></u>	<u><u>\$3,628,001</u></u>	<u><u>\$4,313,941</u></u>
Excess (Deficiency) of Revenues Over Expenditures	<u><u>\$890,950</u></u>	<u><u>(\$215,390)</u></u>	<u><u>(\$570,508)</u></u>	<u><u>\$608,022</u></u>	<u><u>(\$586,811)</u></u>
Other Financing Sources					
Insurance Recoveries	0	0	0	0	0
Issuance Premium	0	319,011	0	0	0
Sale of Property	0	0	0	0	0
Operating transfers in	0	0	0	0	0
Operating transfers out	(150,000)	(150,000)	0	0	(40,000)
Total Other Financing Sources	<u><u>(150,000)</u></u>	<u><u>169,011</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>(40,000)</u></u>
Excess (Deficiency) of Revenues and other Sources over Expenditures and Other Uses	740,950	(46,379)	(570,508)	608,022	(626,811)
Fund Balance - Beginning of Year	4,115,273	4,856,223	4,809,844	4,239,336	2,346,556
Prior Period Adjustment (1)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,500,802)</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$4,856,223</u></u>	<u><u>\$4,809,844</u></u>	<u><u>\$4,239,336</u></u>	<u><u>\$2,346,556</u></u>	<u><u>\$1,719,745</u></u>

(1) See Notes to Financial Statements.

Sources: Town's Audited Financial Statements.

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APPENDIX C

**LINK TO
INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020**

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

<https://emma.msrb.org/P31520450.pdf>

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

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