

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 17, 2022

RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Notes will be excludable from gross income for federal income tax purposes under existing law, and interest on the Notes will not be subject to the alternative minimum tax. In the further opinion of Bond Counsel, under existing law interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein for a description of the opinion of Bond Counsel and certain other tax consequences.

The Town will designate the Notes as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986.

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

**\$3,381,100
BOND ANTICIPATION NOTES, 2022
(the "Notes")**

Date of Issue: April 13, 2022

Maturity Date: April 13, 2023

The Notes are general obligation of the Town of Lewisboro, 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 and interest on the Notes. All the taxable real property within the Town will be subject to the levy of ad valorem taxes to pay principal of and interest on the Notes, without limitation as to rate or amount, for such purposes. (See "Nature of Obligation" and "The Tax Levy Limit Law," herein.)

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

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

Principal of and interest on such Notes will be payable in federal funds by the Town to the registered owner(s).

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes 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 distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "Book-Entry-Only System" herein.)

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the final unqualified legal opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel and certain other conditions. It is anticipated that delivery of the Notes will be made on or about April 13, 2022.

THE TOWN DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED. FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED, THIS OFFICIAL STATEMENT WILL BE UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S). THE TOWN WILL COVENANT IN AN UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE WITH RESPECT TO THE NOTES AS DEFINED IN THE RULE. SEE "DISCLOSURE UNDERTAKING" HEREIN.

Dated: March __, 2022

This Preliminary Offering Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Offering 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.

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

TOWN BOARD

Tony Gonçalves
Supervisor

Andrea Rendo Council Member
Mary Shah Council Member
Richard Sklarin Council Member
Daniel Welsh..... Council Member

Janet Donohue..... Town Clerk
Deirdre Casper Receiver of Taxes
Leo Masterson.....Town Comptroller and Deputy Supervisor
Herodes Law, P.C.. Town Attorney

BOND COUNSEL

Norton Rose Fulbright US LLP
New York, New York

INDEPENDENT AUDITORS

PKF O'Connor Davies, LLP
Harrison, New York

MUNICIPAL ADVISOR



Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(516) 274-4504

No person has been authorized by the Town of Lewisboro to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates, 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 changes in the affairs of the Town of Lewisboro since the date hereof.

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DECEMBER 31, 2020

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OFFICIAL STATEMENT

TOWN OF LEWISBORO WESTCHESTER COUNTY, NEW YORK

relating to

\$3,381,100 BOND ANTICIPATION NOTES, 2022 (the “Notes”)

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Town of Lewisboro in the County of Westchester, in the State of New York (the “Town,” “County,” and “State,” respectively), in connection with the sale of \$3,381,100 Bond Anticipation Notes, 2022 (the “Notes”).

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the 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 Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

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

THE NOTES

Description

The Notes will be dated and will mature as reflected on the cover page hereof.

The Notes will not be subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form either registered in the name of the successful bidder(s) or registered to Cede & Co., as the partnership nominee for DTC. The Town will act as Paying Agent for the Notes. The Town contact information is as follows: Leo Masterson, Town Comptroller and Deputy Supervisor, 11 Main Street, P.O. Box 500, South Salem, New York 10590, (914) 763-8383, e-mail: lmasterson@lewisborogov.com.

Authority for and Purpose of the Notes

The Notes are issued pursuant to the State Constitution and statutes of the State, including among others, the Town Law and the Local Finance Law, and other proceedings and determinations relating thereto, including bond resolutions adopted by the Town Board (the “Board”) on various dates, authorizing the issuance of bonds to finance the various objects or purposes of the City listed on the following page.

The proceeds from the sale of the Notes in the amount of \$3,381,100, together with \$180,400 in available funds, will be used to redeem the Town’s \$3,561,500 Bond Anticipation Notes, 2021 Series A which mature on April 14, 2022.

Original Issue Date	Purpose	Amount Outstanding	Paydown	New Money	Amount of the Notes
07/18/03	Oakridge Water District	\$560,000	\$15,000	\$ -0-	\$ 545,000
04/17/19	Oakridge Water Facility Upgrades	478,400	4,300	-0-	474,100
04/17/19	Trucks and Vehicles	450,000	25,200	-0-	424,800
04/17/19	Road Resurfacing	170,900	9,600	-0-	161,300
04/17/19	Building Renovations	125,200	31,300	-0-	93,900
04/15/20	Police Vehicles	114,000	56,000	-0-	58,000
04/15/20	Software	19,000	4,000	-0-	15,000
04/15/20	Trucks and Vehicles	504,000	26,000	-0-	478,000
04/15/20	Parks and Facilities Improvements	168,000	9,000	-0-	159,000
04/14/21	Field Maintenance Vehicles	15,000	-0-	-0-	15,000
04/14/21	Various Park Improvements	435,000	-0-	-0-	435,000
04/14/21	Resurfacing of Town Roads	180,000	-0-	-0-	180,000
04/14/21	Trucks and Vehicles	342,000	-0-	-0-	342,000
		<u>\$3,561,500</u>	<u>\$180,400</u>	<u>\$0</u>	<u>\$3,381,100</u>

Book-Entry-Only System

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

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

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

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

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

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, note 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.

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 the Obligation

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

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

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

The Tax Levy Limit Law

Although the State Legislature is limited by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted”, the State Legislature may from time to time impose additional limitations on the ability to issue new indebtedness or to raise taxes therefor.

Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limit Law” or the “Law”), generally applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities to levy certain year-to-year increases in real property taxes.

The Town has been subject to the Tax Levy Limit Law since January 1, 2012. Pursuant to the Tax Levy Limit Law, a local law must be adopted after a public hearing if a Town seeks to increase the tax levy by more than the lesser of (1) two percent (2%) or (ii) the annual increase in the consumer price index, over the amount of the Town’s prior year’s tax levy (the “Tax Levy Increase Limit”).

The Tax Levy Limit Law permits certain exceptions to the Tax Levy Increase Limit. The Town may levy taxes exceeding the Tax Levy Increase Limit, if necessary, to support the following expenditures: (i) funds needed to pay judgments arising out of tort actions that exceed five percent of the total tax levied by the Town in the prior fiscal year and (ii) required pension payments (but only that portion of such payments attributable to the average actuarial contribution rate exceeding two percentage points). Taxes necessary for these expenditures will not be included in the calculation of the Tax Levy Increase Limit.

The Tax Levy Limit Law also provides for adjustments to be made to the Town’s Tax Levy Increase Limit based upon changes in the assessed value of the taxable real property in the Town. The Town is also permitted to carry forward a certain portion of its unused tax levy capacity from the prior year.

Bonds and notes of the Town issued prior to the June 24, 2011 effective date of the Tax Levy Limit Law are payable from real property taxes that can be levied as necessary without regard to any Constitutional or statutory limit. Inasmuch as the Law has no exclusion for principal and interest on notes and bonds, however, levies required to pay principal and interest on notes and bonds will be included in the calculation of the Tax Levy Increase Limit. In the absence of administrative or judicial guidance, and with a lack of long-term experience operating under the Law, the effect of the Law on the Town’s finances and its ability to continue to levy taxes sufficient to both pay debt service on pre June 24, 2011 and post June 24, 2011 notes and bonds and meet its other governmental responsibilities is uncertain.

ENFORCEMENT OF REMEDIES UPON DEFAULT

The following description of factors affecting the possible enforcement of remedies upon a default by the Town is not intended to constitute legal advice and is not a substitute for obtaining the advice of counsel on such matters. Factors governing the availability of remedies against the Town are complex and the obligations of the Town, under certain circumstances, might not be enforced precisely as written.

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the Town and the purchaser. Such contracts, if not honored, would generally be enforceable 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 apply if there were a default in the payment of the principal of and interest on the Notes.

Unavailability of Remedies of Levy and Attachment. 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. Under 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.

Constitutional Non-Appropriation Provision. The Constitution of the State, Article VIII, Section 2, contains the following provision relating to the annual appropriation of monies for the payment of 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 owner of obligations issued for any such indebtedness." If the Town were to fail to make a required appropriation, however, the ability of affected owners of Town indebtedness to enforce this provision as written could be compromised or eliminated as described below under "Bankruptcy", "State Debt Moratorium Law" and "Possible Priority of Continuation of Essential Public Services".

Bankruptcy. The Federal Bankruptcy Code allows municipalities, such as the Town, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Should the Town file for relief under the Federal Bankruptcy Code there could be adverse effects on the owners of the Notes.

The State, in Section 85.80 of the Local Finance Law, has authorized any municipality in the State to 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. Congress has enacted such a law in the form of the Federal Bankruptcy Code. Given the authority established in the aforesaid Section 85.80 of the Local Finance Law, the Federal Bankruptcy Code, under certain circumstances, can provide municipalities in New York with easier access to judicially approved adjustment of debt and can permit judicial control over identifiable and unidentifiable creditors.

Under the United States Constitution, Federal law is supreme and may be enforced irrespective of contrary state law. Accordingly, proceedings in accordance with the Federal Bankruptcy Code could result in an allocation of funds that fails to honor the faith and credit pledge required by the State Constitution.

No current State law purports to create any collateral or priority for owners of the Notes 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 Notes could be deemed unsecured obligations of the Town in a bankruptcy case.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality that is insolvent, which generally means the municipality is 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. Any plan of adjustment can be confirmed by the court over the objections of creditors if the plan is found to be "fair and equitable" and in the "best interests of creditors." The Town may be able, without the consent and over the objection of owners of the Notes, to impair and alter the terms and provisions of the Notes, including the payment terms, interest rate, maturity date, and payment sources, as long as the bankruptcy court finds that the alterations are "fair and equitable." If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

The rights of the owners of Notes to receive interest and principal from the Town and the enforceability of the Town's faith and credit pledge to pay such interest and principal 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 owners of debt obligations issued by the Town (including the Notes) to payment from monies retained in any fund or from other sources would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code. Such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally, or might even be directed to satisfy other claims instead of being paid to the owners of the Notes.

Regardless of any specific adverse determinations in a bankruptcy proceeding of the Town, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Notes.

State Debt Moratorium Law. Unless the Federal Bankruptcy Code or other Federal Law applies, as described above, enforcement of the rights of Note owners will generally be governed by State law. In 1975, a general State law debt service moratorium statute was enacted.

Under that legislation, 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 was suspended. 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, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 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.

Accordingly, State legislation materially limiting the timing or manner of actions to enforce the faith and credit pledge against an issuer of general obligation debt (including that portion of Title 6-A of Article 2 of the Local Finance Law enacted in 1975 authorizing any municipality in a State-declared financial emergency period to petition to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality) could be determined to conflict with the State Constitution and may not be enforceable.

The State Constitutional provision providing for first revenue set asides applies to the payment of interest on all indebtedness and to the payment of principal payments or bonds, but does not apply to payment of principal due on tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Possible Priority of Continuation of Essential Public Services. In prior years, certain events and legislation affecting an owner's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of note or bond owners, 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.

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

RISK FACTORS

The financial and economic condition of the Town as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the Town's control. Adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or significant taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, could occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Town to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, 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"). There can be no assurance that the State appropriation for State Aid to the Town will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State Aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget and other circumstances, including State fiscal stress. In any event, State Aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. (See "*State Aid*" herein).

The Town's receipt of State Aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. 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, 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.)

Should the Town fail to receive monies expected from the State in the amounts and at the times expected, the Town is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State Aid.

If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note would decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note were sold prior to its maturity.

Amendments to the Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the Town. Any such future legislation could have an adverse effect on the market value of the Notes (See “*Tax Matters*” herein).

Impacts of COVID-19

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

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021. Included in this bill was \$350 billion in direct aid to state and local governments. Payments to local governments will be made in two tranches. The Town is eligible to receive \$1,284,303 and received \$640,000 in July 2021 with an additional \$644,303 expected during the summer of 2022. The funding is available through, and must be spent by, the end of calendar year 2024.

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

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.

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THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM AND COMPLIANCE REVIEWS

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

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

The most recent Comptroller's report from 2021 indicates that the Town received a fiscal score 3.3% and an environmental score of 23.3%, which placed it in the "no designation" category.

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. OSC has not released a formal report on the Town in the past five years nor is one presently in progress. Additional information regarding State audits can be obtained by visiting the New York State website for Local Governments and School Accountability.

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein, nor inclusion herein by reference. References to websites and/or website addresses presented herein are for information purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

LITIGATION

The Town, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the Town if adversely settled.

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

Risk Management. The Town purchases various conventional insurance policies to reduce its exposure to loss. The general liability, law enforcement and public official's liability policies maintained provide coverage up to \$1 million per occurrence. The Town also maintains an umbrella liability policy which provides coverage up to \$10 million per occurrence.

The Town provides long term disability coverage through an insurance company that insures the wages of each employee covered under the policy. Disability benefits usually commence on the first day after the 45th calendar day of the employee's disability. Until that point the employee has to use accumulated sick leave days.

Workers' compensation coverage is secured at statutory levels. However, the Town will pay two thirds of an employee's salary for the first week and supplement workers compensation up to two-thirds of an employee's salary for each week thereafter.

The Town, along with other municipal entities, participates in the New York State Health Insurance Program ("NYSHIP").

Contingencies. The Town participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Tax Certiorari Matters. The Town is also a party to various tax certiorari proceedings instituted under Article 7 of the Real Property Tax Law. In these actions, taxpayers (including two of the Town's ten largest taxpayers) claim that their current real property assessment is excessive and ask that such assessment be reduced. Generally, tax claims request a refund of taxes applicable to the alleged over assessment. Claims of this nature are filed continuously and some cases may not be settled for several years or more. It is not unusual for certain taxpayers to have multiple pending claims affecting a period of years. For the years ended December 31, 2019 and 2020, the Town paid \$0 in tax refunds. For the year ending December 31, 2021, as of March 17, 2022, the Town has paid \$0 in tax refunds.

It is not possible to provide an estimate of the Town's ultimate financial exposure but historically certiorari settlements have resulted in assessment reductions that were for amounts less than the original claim. Moreover, these claims are frequently settled without a provision for tax refunds.

TAX MATTERS

Tax Exemption

The delivery of the Notes is subject to the opinion of Bond Counsel to the effect that interest on the Notes for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the Town made in a certificate (the "Tax Certificate") dated the date of delivery of the Notes pertaining to the use, expenditure, and investment of the proceeds of the Notes and will assume continuing compliance by the Town with the provisions of the Tax Certificate subsequent to the issuance of the Notes. The Tax Certificate contains covenants by the Town with respect to, among other matters, the use of the proceeds of the Notes and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Notes are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Notes to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Town described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Notes is commenced, under current procedures the IRS is likely to treat the Town as the "taxpayer," and the owners of the Notes would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt

status of the interest on the Notes, the Town may have different or conflicting interests from the owners of the Notes. Public awareness of any future audit of the Notes could adversely affect the value and liquidity of the Notes during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, under existing law interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Notes. Prospective purchasers of the Notes should be aware that the ownership of tax-exempt obligations such as the Notes may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("FASIT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change so as to reduce or eliminate the benefit to holders of the Notes of the exclusion of interest thereon from gross income for federal income tax purposes. Proposed legislative or administrative action, whether or not taken, could also affect the value and marketability of the Notes. Prospective purchasers of the Notes should consult with their own tax advisors with respect to any proposed changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Notes

The initial public offering price of certain Notes (the "Discount Obligations") may be less than the amount payable on such Notes at maturity. An amount equal to the difference between the initial public offering price of a Discount Obligation (assuming that a substantial amount of the Discount Obligations of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Obligation. A portion of such original issue discount allocable to the holding period of such Discount Obligation by the initial purchaser will, upon the disposition of such Discount Obligation (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Notes described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Obligation, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Obligation and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Obligation by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Obligation in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Obligation was held) is includable in gross income. Owners of Discount Obligations should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Obligations.

The purchase price of certain Notes (the “Premium Obligations”) paid by an owner may be greater than the amount payable on such Notes at maturity. An amount equal to the excess of a purchaser’s tax basis in a Premium Obligation over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Obligation in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Obligation. The amount of premium which is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Obligations should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Obligations.

Notice 94-84, 1994-2 C.B. 559, states that the IRS is studying whether the stated interest portion of the payment at maturity on a short-term debt obligation (such as the Notes), that matures not more than one year from the date of issue, bears a stated fixed rate of interest and is described in Section 103(a) of the Code, is (i) qualified stated interest that is excluded from the stated redemption price at maturity of the obligation (within the meaning of Section 1273 of the Code) but is excluded from gross income pursuant to Section 103(a) of the Code, or (ii) is not qualified stated interest and, therefore, is included by the taxpayer in the stated redemption price at maturity of the obligation, creating or increasing (as to that taxpayer) original issue discount on the obligation that is excluded from gross income pursuant to Section 103(a) of the Code. Notice 94-84 states that until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, a taxpayer holding such obligations may treat the stated interest payable at maturity either as qualified stated interest or as included in the stated redemption price at maturity of the obligation. However, the taxpayer must treat the amounts to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Notice 94-84 does not address various aspects necessary to the application of the latter method (including, for example, the treatment of a holder acquiring its Notes other than in the original public offering or at a price other than the original offering price). Each person considering acquiring the Notes should consult its own tax advisor with respect to the tax consequences of ownership of and of the election between the choices of treatment of the stated interest payable at maturity on the Notes.

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265 of the Code provides, in general, that interest expense to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of such obligations. In addition, section 265 of the Code generally disallows 100% of any deduction for interest expense which is incurred by “financial institutions” described in such section and is allocable, as computed in such section, to tax-exempt interest on obligations acquired after August 7, 1986. However, section 265(b) of the Code provides that this interest disallowance rule for financial institutions does not apply to interest expense allocable to tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which are designated by an issuer as “qualified tax-exempt obligations.” An issuer may designate obligations as “qualified tax-exempt obligations” only if the amount of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) obligations and other than certain refunding bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed \$10,000,000.

The Town has designated the Notes as “qualified tax-exempt obligations” and has certified its expectation that the above-described \$10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions which purchase the Notes will not be subject to the 100% disallowance of interest expense allocable to interest on the Notes under section 265(b) of the Code. However, the deduction for interest expense incurred by a financial institution which is allocable to the interest on the Notes will be reduced by 20% pursuant to section 291 of the Code.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Norton Rose Fulbright US LLP, Bond Counsel, New York, New York. Such legal opinion will be delivered in substantially the form attached hereto in “Appendix D”.

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”). In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time promulgated by the Securities and Exchange Commission (the “Commission”), the Town has agreed to provide, at the time of delivery of the Notes, executed Continuing Disclosure Undertakings in substantially the form attached hereto in “Appendix E.”

Compliance History

The Town failed to timely file notice of the incurrence of a Financial Obligation as defined pursuant to the Rule. Such filing, which has since been made, relates to the Town’s issuance of \$2,100,000 Tax Anticipation Notes, 2020 on January 30, 2020 which matured on June 15, 2020 and had an interest rate of 2.01%.

The Town failed to timely file notice of the incurrence of a Financial Obligation as defined pursuant to the Rule. Such filing, which has since been made, relates to the Town’s issuance of \$2,000,000 Tax Anticipation Notes, 2021 on February 12, 2021 which matured on June 15, 2021 and had an interest rate of 0.78%.

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 Notes.

RATING

The Town did not apply for a rating of the Notes. The Notes may be rated at the option and at the cost of the underwriter.

The Town’s underlying rating by S&P Global Ratings (“S&P”) is “AA”.

Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from S&P at the following address: Standard & Poor’s Rating Services, 55 Water Street, New York, New York 10041. 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 S&P, circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

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ADDITIONAL INFORMATION

Additional information may be obtained from Leo Masterson, Town Comptroller and Deputy Supervisor, 11 Main Street, South Salem, New York 10590, (914) 763-8383, e-mail: lmasterson@lewisborogov.com or from the Town's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, New York, 11021, (516) 274-4504.

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

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

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

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

The Municipal Advisor 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. The Municipal Advisor 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 the Municipal Advisor assumes any liability or responsibility for errors or omissions on such website. Further, the Municipal Advisor 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. The Municipal Advisor and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

TOWN OF LEWISBORO,
WESTCHESTER COUNTY, NEW YORK

By: _____
Tony Gonçalves
Supervisor and Chief Fiscal Officer

DATED: March __, 2022

APPENDIX A

THE TOWN

THE TOWN

General Information

The Town is situated in the northeast section of Westchester County approximately 30 miles north of the City of New York. Westchester County continues to rank among the most affluent counties in the United States. The Town encompasses an area of approximately 29 square miles and is primarily suburban residential in nature. Many residents commute to jobs in New York City, other areas of the County or nearby Connecticut.

The Town was established in 1784 (originally as the Town of Lower Salem, which was changed to Salem in 1788 and Lewisboro in 1840) by the State as a separate political entity vested with independent taxing and debt authority. There are no incorporated villages situated within the Town's borders, but the Town contains several hamlets, including Goldens Bridge, South Salem and Vista. The Town has one independently governed school district which relies on its own taxing powers granted by the State to raise revenues for school district purposes. The school district uses the Town's assessment roll as the basis for taxation of property within the Town.

The Town's population for 2020, according to interim data provided by the Bureau of the Census, is estimated to be 12,265. Wealth levels in the Town are significantly higher than the County as a whole which, in turn, exceed the State averages by a substantial margin. The per capita money income of the Town in 2019 was \$83,210, compared to \$57,049 and \$39,326 in the County and State, respectively. Approximately 75.7% of all families in the Town had annual incomes greater than \$100,000 compared to 56.3% of all County families. (See "*Economic and Demographic Data*," herein.)

Form of Government

Governmental operations of the Town are subject to the provisions of the State Constitution and various statutes affecting local governments, including the Town Law, General Municipal Law and the Local Finance Law. Real property assessment and tax collection procedures are determined by the County Tax Law, a basic feature of which requires that the Town guarantee and collect the real property taxes levied by the County and school districts in the Town. The Real Property Tax Law also governs certain assessment and taxing procedures for the Town. Under Article 2 of the Town Law, the Town is classified as a first-class town.

Elected and Appointed Officials

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

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

The Town Clerk, who is elected to serve a four-year term of office, acts as the custodian of the Town's records as well as the clerk to the Town Board. Duties of this office include: recording and maintaining the minutes of the proceedings of the Town Board, issuing certain licenses and permits, and coordinating Town and other governmental elections.

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

The Town Comptroller, who functions as the Town's Chief Accounting Officer, is appointed by such Supervisor and approved by the Board. Duties and responsibilities of this position include: maintaining the Town's accounting systems and records, preparing the annual report to be filed with the State Comptroller, cash and debt management and auditing vendor claims for payment.

The Town Assessor is appointed by the Town Board, on the Supervisor's recommendation, to serve a six-year term. It is the Assessor's responsibility to appraise real property in the Town for the purpose of preparing and maintaining tax assessment rolls in the form prescribed by the State Office of Real Property and Tax Services (“ORPTS”). The ORPTS provides an advisory service to assist with the assessment of certain forested lands, public utilities or unusually complex properties. Assessment review procedures include examination of the tentative assessment roll in the Assessor's presence, a public hearing before an independent board of assessment review and, finally, judicial review in the State Supreme Court or for certain claims proceeding in small claims court.

Services

The Town is responsible for providing most government services to its residents. Water, sewer, lighting and fire protection services are furnished by various special districts which have been formed within the Town. Police protection is provided by a police force consisting of full and part-time members. The Town is also covered by the State police. Highway construction and the maintenance of roads is also a Town function. In addition, recreation is provided and parks are maintained through the Town government. The Town maintains a swimming pool. Other services performed at the Town level include: tax collection and enforcement, property assessment, zoning administration and planning.

Fire protection is provided by three independent fire districts, which include the Goldens Bridge, South Salem and Vista Districts. Each of these fire districts has the power to tax and issue general obligation debt. Refuse collection services are provided by private carters to homes and businesses in the Town.

The County is responsible for providing social and mental health services.

Health Care. Town residents have convenient access to three hospitals. Northern Westchester Hospital (“NWH”) is located approximately 10 miles south of the Town in Mt. Kisco. NWH is a 233-bed facility with a staff of more than 600 physicians. A complete range of diagnostic, medical and surgical services are available on an inpatient and outpatient basis. The Putnam Hospital Center (“PHC”) is located in Putnam County approximately 15 miles to the north. PHC is a 164-bed acute-care facility offering medical, surgical, psychiatric, pediatric and obstetrical/gynecological care. Emergency services are available 24 hours a day. PHC has more than 310 practicing physicians and 1,037 nurses, technicians and support staff. Town residents have extensive health care services available at the County Medical Center located in Valhalla 20 miles south of the Town. Norwalk Hospital (“NH”) is located approximately 7 miles to the south of the Town in the Spring Hill section of Norwalk Connecticut. NH is a 328-bed facility with a staff that includes over 500 physicians and 2,000 other health professionals and support personnel.

Employees

As of March 31, 2022, the Town employs 41 full-time and 19 part-time workers. Employees are represented by the following collective bargaining organizations.

Union	Members	Contract Expiration
UPSEU Highway Unit	11	12/31/20 ⁽¹⁾
Municipal Workers Association, Inc. (Facilities/Parks Maintenance Workers)	6	12/31/20 ⁽¹⁾
Police Benevolent Association	13	12/31/20 ⁽¹⁾
UPSEU – Municipal Employees Association, Inc.	9	12/31/20 ⁽¹⁾

(1) Contract in negotiations.
Source: Town Officials.

Employee Benefits

Substantially all employees of the Town are members of the New York State and Local Employees Retirement System (“ERS”) or the New York State and Local Police and Fire Retirement System (“PFRS”) (ERS and PFRS are referred to collectively hereinafter as the “Retirement System” where appropriate). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the “Retirement System Law”). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for members hired on or after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at which time contributions become voluntary. Members hired after on or after January 1, 2010 must contribute three or more percent of their gross annual salary toward the costs of retirement programs for the duration of their employment.

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

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

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

The New York State Retirement System allows municipalities to make employer contribution payments in December of each year, at a discount, or the following February, as required. The Town made its pension payment in January 2022 for the current year.

Employer contributions for the State’s Retirement System continue to be higher than the minimum contribution rate required by law. Legislation was enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts that amortize their pension obligations pursuant to the regulation to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Town does not currently amortize any pension payments.

On August 29, 2019, the State Comptroller announced that for fiscal year 2020-21, the average contribution rates for ERS remained the same and the average contribution rate for PFRS increased 0.9% from 23.5% to 24.4% when compared to fiscal year 2019-20. Projections of required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among the six retirement tiers.

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

ERS and PFRS Contributions. Audited pension contributions for the fiscal years ended December 31, 2016 through 2020, the unaudited amounts for 2021 and as budgeted for 2022, are shown below:

Fiscal Year	ERS	PFRS
2016	369,955	118,653
2017	464,462	105,312
2018	519,130	94,968
2019	543,488	96,215
2020	544,805	99,366
2021 (unaudited)	618,450	135,290
2022 (Budgeted)	566,000	141,000

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

Other Postemployment Benefits

GASB 75. For fiscal years beginning after June 15, 2017, the Town is subject to GASB Statement No. 75 (“GASB 75”) which replaces GASB 45. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other post-employment 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 similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial valuation using a measurement date that is no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year.

GASB 75 requires that most changes in the OPEB liability be included in OPEB expense in the period of the changes. Based on the results of an actuarial valuation, certain changes in the OPEB liability are required to be included in OPEB expense over current and future years.

The Town’s total OPEB liability as of December 31, 2019 was \$26,144,339 using a discount rate of 2.75%.

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

The State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Town will continue funding this expenditure on a pay-as-you-go basis.

Legislation has been introduced from time-to-time to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. Such proposed legislation would generally authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State’s OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under such proposed

legislation, there would be no limits on how much a local government can deposit into the trust. The Town cannot predict whether any such legislation will be enacted into law in the foreseeable future.

FINANCIAL FACTORS

Budgetary Procedure

The head of each administrative unit of the Town is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the budget officer on or before October 20th. Estimates for each fire district situated within the Town must also be filed with the budget officer by this date (the Town has no authority to amend the budget submitted by a fire district). After reviewing these estimates, the budget officer prepares a tentative budget which includes his recommendations. A budget message explaining the main features of the budget is also prepared at this time. The tentative budget is filed with the Town Clerk not later than the 30th of October. Subsequently, the Town Clerk presents the tentative budget to the Town Board at the regular or special hearing which must be held on or before November 10th. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are not inconsistent with the provisions of the law. Following this review process, the tentative budget and such modifications, if any, as approved by the Board become the preliminary budget. A public hearing, notice of which must be duly published in the Town's official newspaper, on the preliminary budget is required to be held no later than the 10th day of December. At such hearing, any person may express an opinion concerning the preliminary budget; however, there is no requirement or provision that the preliminary budget or any portion thereof be voted on by members of the public. After the public hearing, the Town Board may further change and revise the preliminary budget. The Town Board, by resolution, adopts the preliminary budget as submitted or amended no later than December 20th, at which time, the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year. Budgetary control during the year is the responsibility of the Supervisor. However, any changes or modifications to the annual budget including the transfer of appropriations among line items must be approved by resolution of the Town Board.

Summaries of the adopted budgets for the 2021 and 2022 fiscal years are presented in "Appendix B," hereto.

Independent Audits

Independent Audits. The Town retained the firm of PKF O'Connor Davies, LLP, Certified Public Accountants, to audit its financial statements for the fiscal year ended December 31, 2020. "Appendix B," attached hereto, presents excerpts from the Town's most recent audited reports covering the last five audited fiscal years. The Town is in the process of completing the audit report for the fiscal year ended December 31, 2021. Town officials have indicated they anticipate the 2022 audit report will be completed in mid to late summer of 2022. Once available, a copy of the audit report will be filed with the Municipal Securities Rulemaking Board (<http://www.emma.msrb.org/>). Copies of financial reports will also be made available upon request from the Town Comptroller or from the Town's Municipal Advisor.

State Audits. In addition, the Town is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. (See "*The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews*," herein.)

Investment Policy

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

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

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

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

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

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

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

Revenues

The Town derives its revenues primarily from real property taxes and special assessments, State aid and departmental fees and charges. A summary of such audited revenues for the years 2016-2020 is presented in “Appendix B” of this Official Statement. Information for said fiscal years has been excerpted from the Town’s audited financial reports, however, such presentation has not been audited.

Property Taxes. The Town derives a major portion of its revenues from real property taxes (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in the audited financial statements for the fiscal year ended December 31, 2020.) Property taxes accounted for 38.3% of General Fund revenue for the fiscal year ended December 31, 2020.

The following table sets forth General Fund revenues and real property taxes received for each of the past five audited fiscal years and the amounts included in the 2021 and 2022 adopted budgets.

General Fund Revenue & Real Property Taxes

<u>Fiscal Year Ended December 31:</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>Real Property Taxes</u>	<u>Taxes to Revenue</u>
2016	\$8,132,219	\$2,956,777	36.4%
2017	8,498,375	3,094,798	36.4
2018	8,397,683	2,901,788	34.6
2019	8,839,474	3,345,270	37.8
2020	8,753,161	3,348,613	38.3
2021 (Unaudited)	11,048,196	3,783,651	34.2
2022 (Budget)	9,892,196	3,693,644	37.3

(1) Exclusive of other financing sources.

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

State Aid. The Town receives financial assistance from the State. In its budget for the 2022 fiscal year, approximately 7.2% of the total general fund revenues of the Town are estimated to be received in the form of State aid.

If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the current or future fiscal years. In view of the State's continuing budget problems, State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also *"Risk Factors"* and *"Impacts of COVID-19"* herein.)

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

The State's 2021-22 Enacted Budget provides \$10.8 billion in State funding to local governments. This funding is available for use over multiple years, is designed to support essential workers and government employees, assist COVID-19 vaccination efforts, boost local economies, and support local government services. The Town was notified on July 1, 2021 by the NYS Division of the Budget that the Town would be eligible for \$1,284,303 in ARPA payment from the Coronavirus Local Fiscal Recovery Fund. The Town received the first half of this payment in the latter part of July 2021. It is anticipated that the second payment will be received by the Town in the summer of 2022. (See *"Impacts of COVID-19"* herein.)

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

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

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

The following table sets forth total fund revenues and State aid revenues received for each of the past five audited fiscal years and the amounts budgeted for the two most recent fiscal years.

<u>Fund Revenue & State Aid Revenue</u>			
<u>Fiscal Year Ended December 31:</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>State Aid Revenue</u>	<u>State Aid to Total Revenue</u>
2016	\$8,132,219	\$684,144	8.4%
2017	8,498,375	760,784	9.0
2018	8,397,683	610,695	7.8
2019	8,839,474	497,662	6.1
2020	8,753,161	732,640	8.4
2021 (Unaudited)	11,048,196	660,000	6.0
2022 (Budget)	9,892,196	820,000	8.3

(1) Exclusive of other financing sources.

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

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

In July 1991, the State Legislature authorized an additional 1% sales tax for the County to impose in localities other than cities which have their own sales tax. The additional 1% sales tax is to be apportioned between the County (33 1/3%), school districts in the County (16 2/3%) and towns, villages and cities in the County which have imposed sales taxes (50%). The County imposes this additional sales tax in localities other than cities which have their own sales tax.

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

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

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General Fund Revenue & Sales Tax

<u>Fiscal Year Ended December 31:</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>Sales Tax</u>	<u>Sales Tax to Revenue</u>
2016	\$8,132,219	\$1,812,175	22.3%
2017	8,498,375	1,893,608	22.3
2018	8,397,683	1,987,067	23.7
2019	8,839,474	2,270,857	25.7
2020	8,753,161	2,572,671	29.4
2021 (Unaudited)	11,048,196	2,951,874	26.7
2022 (Budget)	9,892,196	2,750,000	27.8

(1) Exclusive of other financing sources.

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

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REAL PROPERTY TAXES

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

Assessments and Full Valuations

The following table shows the trend during the last five years for real property assessments, real property tax and assessment levies and collections thereof, general purpose tax rates and certain information concerning tax liens.

Valuations, Tax Levies and Collections

Assessment Roll:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Taxes Due:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Valuations:					
Taxable Value ⁽¹⁾	\$ 296,266,360	\$ 296,324,731	\$ 294,084,865	\$ 293,818,594	\$ 294,939,583
Equalization Rate (%)	10.00%	10.02%	9.60%	9.88%	9.72%
Full Value	<u>\$2,962,663,600</u>	<u>\$2,957,332,645</u>	<u>\$3,063,384,010</u>	<u>\$2,973,872,409</u>	<u>\$3,034,357,850</u>
Tax Levies:					
Town Tax Levy					
General ⁽²⁾	\$ 6,431,023	\$ 6,844,457	\$ 7,039,805	\$ 7,161,065	\$ 7,378,618
Special Dist. ⁽³⁾	3,275,443	3,424,055	3,419,695	3,485,177	3,538,029
County Total Tax Levy	<u>9,523,161</u>	<u>9,355,919</u>	<u>9,457,068</u>	<u>9,054,801</u>	<u>8,715,120</u>
Total	<u>\$19,229,627</u>	<u>\$19,624,431</u>	<u>\$19,916,568</u>	<u>\$19,701,043</u>	<u>\$19,631,767</u>
Tax Rate:					
Town ⁽⁴⁾	\$21.71	\$23.10	\$23.80	\$24.37	\$25.02
County ⁽⁵⁾	32.14	31.58	32.00	30.82	29.55
Taxes Collected:					
Current Year ^{(6) (7)}	\$70,957,762	\$75,263,127	\$76,129,869	\$78,791,546	\$13,048,105
Prior Years	<u>389,119</u>	<u>381,584</u>	<u>442,193</u>	<u>381,942</u>	<u>85,648</u>
	<u>\$71,346,881</u>	<u>\$75,644,711</u>	<u>\$76,572,062</u>	<u>\$79,173,488</u>	<u>\$13,133,753</u>

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

(2) Includes general and highway.

(3) Special Districts include taxes for independent fire, lighting and sewer districts.

(4) Tax rate per \$1,000 assessed value for General and Highway Fund purposes.

(5) General County purposes.

(6) Includes collections through lien date which is May 1 of the following year.

(7) Includes the Town, the county, and taxes collected on behalf of school districts within Town boundaries. (See "Tax Collection Procedures," herein.)

Source: Town Officials.

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Tax Collection Procedures

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

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

School taxes for the school year beginning July 1st may be paid in two installments. The first such installment is due on September 1st and may be paid without penalty until September 30th, after which the penalty is 2% during October, 5% during November, 7% during December and January, 10% during February and March, and 12% thereafter to the date of the tax lien sale. The second installment of school taxes is payable without penalty until January 31st, after which the penalty is 10% during February and March, and 12% thereafter to the date of the tax lien sale (generally May of the current year).

Ten of the Largest Taxpayers

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

Top Taxpayers (Based on 2022 Assessed Values)

<u>Taxpayer's Name ⁽¹⁾</u>	<u>Nature of Business</u>	<u>Taxable Assessed Valuation ⁽²⁾</u>	<u>% of Total Assessed Valuation</u>
NYC Department of Water	Municipal Water System	\$ 2,698,200	0.92%
NYS Electric & Gas	Electric & Gas Utility	1,925,453	0.65
Four Winds	Rehabilitation Center	1,600,000	0.54
Waccabuc Country Club	Country Club	1,095,562	0.37
Norwalk City	Reservoir	1,000,000	0.34
Rose	Residence	826,200	0.28
Donaldson	Residence	745,300	0.25
Handler	Residence	719,000	0.24
Cipes	Residence	641,800	0.22
EK Cross River	Shopping Center	625,200	0.21
		<u>\$ 11,876,715</u>	<u>4.03%</u>

(1) According to Town Officials, none of the listed tax payers has a pending tax certiorari claim. (See "Litigation," herein.)

(2) Total taxable assessed values for 2022 is \$294,939,583.

Source: Town Officials.

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TOWN INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed 7% of the average full valuation of taxable real estate of the Town, subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is to take the assessed valuation of taxable real estate for the latest completed assessment roll and divide the same by the equalization rate as determined by ORPTS. The State Legislature is required to prescribe the manner by which such rate shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedure

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

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, Chapter 97 of the Laws of 2011 imposes a statutory limitation on the power of the Town to increase its annual tax levy. Such increases are limited by the formulas set forth in such law. The limits, however, may be overridden by the Town using procedures set forth in such law. See "The Tax Levy Limit Law."

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

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

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 Board has delegated the power to issue and sell bonds and notes to the Supervisor, the Chief Fiscal Officer of the Town.

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

Constitutional Debt-Contracting Limitation

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

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

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

**Computation of Debt Contracting Limitation
As of March 17, 2022**

Assessment Roll Filed	Years Ended December 31:	Assessed Valuation	State Equalization Rate ⁽¹⁾	Full Valuation
2017	2018	\$296,266,360	10.00%	\$2,962,663,600
2018	2019	296,324,731	10.02	2,957,332,645
2019	2020	294,084,865	9.60	3,063,384,010
2020	2021	293,818,594	9.88	2,973,872,409
2021	2022	294,939,583	9.72	<u>3,034,357,850</u>
Total Five-Year Full Valuation				<u>\$14,991,610,514</u>
Five-Year Average Full Valuation				<u>\$2,998,322,102</u>
Debt Contracting Limitation: 7% of Five-Year Average Full Valuation				<u><u>\$209,882,547</u></u>

(1) The New York State Office of Real Property and Tax Services and Town officials.

Statutory Debt Limit and Net Indebtedness

Statement of Debt Contracting Power As of March 17, 2022

	<u>Amount</u>	<u>Percentage</u>
Debt Contracting Limitation	<u>\$209,882,547</u>	<u>100.00%</u>
Gross Debt:		
Serial Bonds	7,965,000 ⁽¹⁾	3.79
Bond Anticipation Notes	<u>3,561,500</u>	<u>1.70</u>
Gross Indebtedness	<u>11,526,500</u>	<u>5.49</u>
Less Exclusions and Deductions:		
Water Debt ⁽²⁾	1,038,400	0.49
Unexpended Appropriations for Non-Exempt Principal Debt	<u>915,000</u>	<u>0.44</u>
Total Exclusions	<u>1,953,400</u>	<u>0.93</u>
Net Indebtedness	<u>9,573,100</u>	<u>4.56</u>
Debt Contracting Margin	<u><u>\$200,309,447</u></u>	<u><u>95.44%</u></u>

(1) Net of principal payment made on March 15, 2022 on the Town's Public Improvement Serial Bonds, 2018 Series A. This payment is not reflected in the Debt Service Schedule on page A-17.

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

Short-Term Indebtedness

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

Bond Anticipation Notes

Bond anticipation notes may be sold to provide moneys for capital projects once an enabling bond resolution has been adopted. Generally, bond anticipation notes are issued in the anticipation of the sale of bonds at some future date and may be renewed from time-to-time up to five years. Notes may not be renewed after the second year unless there is a principal payment on such notes from a source other than the proceeds of bonds or notes. Bond anticipation notes may not be renewed after the sale of bonds in anticipation of which the notes were originally issued.

Capital Notes

Capital notes may be issued to finance any capital purposes. The term for capital notes is generally limited to two years.

Tax and Revenue Anticipation Notes

The Town is authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash to pay operating expenditures. Borrowings for this purpose are restricted by formulas contained in the Local Finance Law and in the Regulations issued under the Code. Notes may be renewed from time to time but generally not beyond three years in the case of revenue anticipation notes, and five years for tax anticipation notes.

The Town most recently issued Tax Anticipation Notes on February 12, 2021. The Town issued \$2,000,000 in tax anticipation notes. Such notes matured on June 15, 2021. The Town re-evaluates its cash position during each fiscal year to determine if another tax anticipation note would be required.

Budget Notes

Budget notes may be issued to finance current operating expenditures for which there is insufficient or no appropriation. Generally, the amount of budget notes issued may not exceed 5% of the budget and must be redeemed in the next fiscal year.

Deficiency Notes

Deficiency notes may be issued during any fixed year to finance a deficiency in any fund or funds arising from revenues being less than the amount estimated in the budget for such fiscal year. Deficiency notes, under some circumstances, may be renewed to no later than the end of the second fiscal year following the fiscal year of issue, but, if issued or renewed in two successive fiscal years, would cause the Town to be subject to certain financial regulations and requirements in Section 10.10 of the Local Finance Law.

Trend of Capital Debt

The Town has five outstanding bond issues, inclusive of a series of bonds issued through bonds to the Clean Water State Revolving Fund (“CWSRF”). In 2006, the Town sold \$2,758,000 at public sale with interest rates ranging from 4.00% to 8.00%. These obligations mature on June 15th of each year through 2021. In July 2008, the Town sold \$3,085,000 at a public sale with interest rates ranging from 4.00% to 5.00%. These obligations mature on June 15th of each year through 2022. The Town sold \$2,160,000 bonds in November 2009. These bonds bear an average true interest cost of 3.73% and mature on June 15th of year through 2029. In April 2014, the Town sold \$1,125,900 serial bonds at a public sale with interest rates ranging from 1.50% to 3.00%. These obligations mature on April 15th of each year through 2024. In April 2018, the Town sold \$3,105,567 serial bonds at a public sale at a true interest cost of 2.076%. These obligations mature on March 15th of each year through 2032.

The Town sold \$5,925,822 bonds to the CWSRF on May 28, 2010 to redeem, in part, a short-term loan of \$6,012,000. The CWSRF bonds, which bear an average interest cost of 2.33%, will receive an interest subsidy of 50%. The bonds are payable on October 1st of each year through 2039.

The following table sets forth the gross amount of bonded debt outstanding at the end of each of fiscal years 2016 through 2020:

Debt History

<u>Years Ended December 31:</u>	<u>Amount</u>
2016	\$ 9,935,000
2017	9,110,000
2018	11,370,567
2019	10,360,000
2020	9,275,000

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Overlapping and Underlying Debt

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County and the Katonah-Lewisboro Union Free School District situated in the Town. Such taxpayers' share of this overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each unit's total value. The following table presents the amount of overlapping debt and the Town's share of this debt as of the dates indicated; authorized but unissued debt has not been included.

**Statement of Overlapping Debt Indebtedness
As of March 17, 2022**

Gross Direct Indebtedness	\$ 11,526,500
Exclusions and Deductions	<u>1,953,400</u>
Net Direct Indebtedness	<u>\$ 9,573,100</u>

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Total Net Indebtedness</u>	<u>Percent Applicable</u>	<u>Applicable Net Indebtedness</u>
County:				
General Purpose	12-16-21	\$904,787,617	2.04%	\$18,457,667
School District:				
Katonah-Lewisboro UFSD	06-30-21	6,600,000	63.88	<u>4,216,080</u>
Total				<u><u>\$22,673,747</u></u>

Debt Ratios

The following table presents certain ratios relative to the Town's capital purpose indebtedness as of March 17, 2022.

Direct and Overlapping Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Debt to Estimated Full Value ⁽²⁾</u>	<u>Per Capita Debt To Per Capita Income ⁽³⁾</u>
Net Direct Debt	\$9,573,100	\$ 781	0.32%	0.93%
Net Direct and Overlapping Debt	32,246,847	2,629	1.08	3.16

- (1) The population of the Town for 2020 is 12,265 according to data compiled by the U.S. Census Bureau.
- (2) The full valuation for 2022 is \$2,973,872,409.
- (3) According to the American Community Survey – 5 Year Estimate (US Census Bureau), the Town's per-capita income for 2019 was \$83,210.

Authorized but Unissued Debt

The Town does not have any authorized but unissued debt.

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Debt Service Schedule

The following table sets forth the annual debt service requirements on all outstanding bonds of the Town.

Year Ending Dec. 31:	<u>Outstanding Bonded Debt:</u>			% Principal Paid
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2022 ⁽¹⁾	\$ 915,000	\$ 291,953	\$ 1,206,953	14.78%
2023	645,000	266,375	911,375	19.11
2024	660,000	245,332	905,332	27.19
2025	545,000	224,865	769,865	33.86
2026	560,000	205,486	765,486	40.72
2027	575,000	185,110	760,110	47.76
2028	600,000	164,048	764,048	55.11
2029	615,000	141,872	756,872	62.65
2030	475,000	122,208	597,208	68.46
2031	480,000	105,247	585,247	74.34
2032	490,000	87,377	577,377	80.34
2033	220,000	73,483	293,483	83.04
2034	220,000	63,486	283,486	85.73
2035	230,000	53,489	283,489	88.55
2036	230,000	43,038	273,038	91.37
2037	230,000	32,451	262,451	94.18
2038	235,000	21,864	256,864	97.06
2039	240,000	11,047	251,047	100.0
Totals	<u>\$8,165,000</u>	<u>\$2,338,731</u>	<u>\$10,503,731</u>	

(1) For entire fiscal year.

ECONOMIC AND DEMOGRAPHIC DATA

Population

	<u>Population</u>			<u>% Change</u>	
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2000-2010</u>	<u>2010-2020</u>
Town	12,324	12,411	12,265	0.7%	1.18%
County	923,459	949,113	968,890	2.8	2.1
State	18,976,457	19,378,102	20,201,249	2.1	4.24

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

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Income

Per Capita Money Income

	<u>2010</u>	<u>2019</u>	<u>% Change</u>
Town	\$ 71,725	\$ 83,210	16.0%
County	47,814	57,045	19.31
State	30,948	39,326	27.1

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

Employment

Employment and unemployment rates are presented for the County, State and country in the below two tables. Such rates are provided for informational purposes only and are not necessarily representative of the employment conditions in the Town. Unemployment drastically increased in mid-March 2020 due to the COVID-19 global pandemic, but such increased unemployment rates have since stabilized as demonstrated by the Monthly Unemployment Rates table below.

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

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>% Change</u>	
				<u>2000-2010</u>	<u>2010-2020</u>
County	445,400	443,500	437,800	(0.4)%	(1.28%)
State	8,718,700	8,769,700	8,361,000	0.6	(4.66)

Source: New York State Department of Labor.

Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2016	4.3%	4.9%	4.9%
2017	4.5	4.7	4.4
2018	3.9	4.1	3.9
2019	3.8	4.0	3.7
2020	8.4	10.0	8.3

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

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Monthly Unemployment Rates ⁽¹⁾

<u>Month</u>	<u>County</u>	<u>State</u>
January 2021	6.6%	9.4%
February	7.0	9.7
March	6.2	8.4
April	5.4	7.7
May	4.9	7.0
June	5.2	7.2
July	5.4	7.4
August	5.2	7.1
September	4.4	6.3
October	4.2	5.9
November	3.7	5.5
December	2.8	5.0

(1) January 2022 figures not available as of the date of this Official Statement.

The following table presents a listing of certain major employers located in the County.

Major Private Sector Employers in the County

<u>Name Of Business</u>	<u>Nature Of Business</u>
IBM Corp.	Computer hardware and software
PepsiCo Inc.	Soft drinks and snack foods
Consolidated Edison Inc.	Utility Services
MasterCard	Credit card services
ITT Corp.	Water and fluid management
Westchester Medical Center	Hospital and health care services
Regeneron Pharmaceuticals Inc.	Pharmaceuticals
New York Medical College	Medical college and research
White Plains Hospital	Acute health care, preventive medical care
New York - Presbyterian	Hospital and health care services

Source: Westchester Business Journal as of April 2018.

Education

Primary and secondary education is provided by the Katonah-Lewisboro Union Free School District which is independent of the Town and has separate taxing and debt authority. A two-year community college is sponsored by the County and offers associates degrees and study certificates in various fields of study.

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

Financial Institutions

Numerous banking facilities are available within the Town and its adjacent areas. Many of the State's major banks have branch offices located in the area, including JPMorgan Chase, and Bank of America, N.A.

Transportation

The Town is served by all major forms of transportation. Highway facilities include U.S. Interstate 684 and U.S. Route 22. Rail and Bus Service are provided by the Harlem Division of the Metropolitan Transportation Authority and Hart transit. The County Airport, as well as the New York City airports (LaGuardia, Kennedy and Newark Airports) are easily accessible to residents of the Town and provide domestic and international air service on a regular basis.

Utilities

New York State Electric and Gas provides electric and gas services to homes and businesses in the Town. Verizon provides telephone and other communication services in the Town. The Town and other public agencies in the Town purchase electricity from the State Power Authority. The Town provides municipal water and sewer in two separate areas.

Culture and Recreation

There is an extensive network of parks, golf courses and other, recreational amenities provided by the County.

The Lewisboro Library is an association library chartered by New York State to serve the Town. It was originally founded in 1799. The library's mission is to provide a wide variety of materials and services in a comfortable setting to meet the information, education and cultural enrichment needs of all residents of Lewisboro. Approximately half of the town's population has library cards. The Library's circulation in 2005 was 131,000, which has more than doubled in the last twenty years. The Library's collection of 48,000 items includes 44,408 books, 1,318 audio books, and 2,410 DVDs and videos. The Library subscribes to 104 major magazines and newspapers. Programs include well-known monthly folk concert series, lectures and book clubs for all ages. Children's and teen programs include story hours, crafts, cooking and science programs, game tournaments, concerts, summer reading games, etc. The Library also provides free wireless Internet service, e-audio books, and access to online research databases.

END OF APPENDIX A

APPENDIX B

**UNAUDITED SUMMARY OF
FINANCIAL STATEMENTS AND BUDGETS**

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

AS OF DECEMBER 31:

	2016	2017	2018	2019	2020
ASSETS					
Cash and Cash Equivalents	\$ 9,501,604	\$ 15,668,217	\$ 10,296,253	\$ 9,366,570	2,391,742
Tax Receivables (Net) (1)	21,231,729	16,906,195	18,164,031	18,758,310	943,444
Accounts Receivable	186,075	222,887	204,747	142,368	559,029
Due From Other Governments	475,557	486,426	512,397	676,414	711,761
Due From Other Funds	0	0	0	0	0
State and Federal Aid	0	0	0	0	0
Prepaid Expenses	102,786	101,080	0	0	0
Total Assets	\$ 31,497,751	\$ 33,384,805	\$ 29,177,428	\$ 28,943,662	4,605,976
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 37,531	\$ 79,948	\$ 294,026	\$ 139,313	68,793
Accrued Liabilities	226,112	114,948	367,308	390,809	375,807
Due to School Districts	29,723,553	31,179,879	26,686,169	25,864,247	905,453
Due to Other Governments	0	0	0	0	0
Due to Other Funds	250,847	416,739	778,832	1,004,565	574,231
Deferred Tax Revenue	0	0	0	0	0
Deposits Payable	217,986	188,730	122,861	191,072	15,445
Overpayments	0	0	0	0	0
Total Liabilities	30,456,029	31,980,244	28,249,196	27,590,006	1,939,729
Deferred Inflows of Resources					
Deferred Tax Revenues	128,926	209,574	218,315	216,303	939,837
Total Liabilities and Deferred Inflows of Resources	30,584,955	32,189,818	28,467,511	27,806,309	2,879,566
Fund Balance:					
Nonspendable	351,578	518,979	315,949	356,923	0
Assigned	0	0	0	0	0
Unassigned	561,218	676,008	393,968	780,430	1,726,410
Total Fund Balance	912,796	1,194,987	709,917	1,137,353	1,726,410
Total Liabilities and Fund Balance	\$ 31,497,751	\$ 33,384,805	\$ 29,177,428	\$ 28,943,662	4,605,976

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

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

YEARS ENDED DECEMBER 31:

	2016	2017	2018	2019	2020
REVENUES:					
Real Property Taxes	\$ 2,956,777	\$ 3,094,798	\$ 2,901,788	\$ 3,345,270	\$ 3,348,613
Other Tax Items	331,969	304,826	511,544	217,582	254,547
Non-Property Tax Items	2,104,635	2,190,583	2,277,579	2,572,671	2,833,175
Departmental Income	1,613,809	1,720,134	1,667,444	1,763,961	1,173,762
Intergovernmental charges	75,569	34,981	42,256	48,371	59,978
Use Of Money And Property	85,145	110,944	137,274	126,081	128,939
Licenses and Permits	18,086	19,089	18,345	18,684	16,989
Fines and Forfeitures	229,106	231,901	201,990	186,471	82,964
Sale of Property and Compensation for Loss	250	0	0	0	0
State Aid	684,144	760,784	610,695	497,662	732,640
Federal Aid	0	0	0	0	0
Miscellaneous	32,729	30,335	28,768	61,647	121,554
Total Revenues	8,132,219	8,498,375	8,397,683	8,839,474	8,753,161
EXPENDITURES:					
Current:					
General Government Support	\$ 2,087,698	\$ 2,215,121	\$ 2,301,863	\$ 2,313,489	\$ 2,267,498
Public Safety	930,234	978,442	1,051,803	996,717	1,082,214
Health	215,288	222,961	228,649	229,406	247,156
Transportation	137,614	141,976	148,613	155,059	150,736
Culture And Recreation	1,858,588	1,855,276	1,949,587	2,034,637	1,532,851
Home And Community	158,328	199,970	169,449	167,287	181,353
Employee Benefits	1,989,845	2,089,645	2,512,040	1,929,280	1,959,561
Debt Service	2,034	4,319	7,606	18,321	21,645
Total Expenditures	7,379,629	7,707,710	8,369,610	7,844,196	7,443,014
Excess (Deficiency) of Revenues Over Expenditures	752,590	790,665	28,073	995,278	1,310,147
OTHER FINANCING SOURCES (USES):					
State Loan Retirement	0	0	0	22,291	0
Sale of Real Property	0	0	0	0	474,378
Transfers - Out	(503,170)	(508,474)	(513,143)	(567,842)	(589,144)
Total Other Financing Sources (Uses)	(503,170)	(508,474)	(513,143)	(545,551)	(114,766)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	249,420	282,191	(485,070)	449,727	1,195,381
Fund Balance - Beginning of Year	663,376	912,796	1,194,987	709,917	531,029
Prior Year Adjustment					
Fund Balance - End of Year	\$ 912,796	\$ 1,194,987	\$ 709,917	\$ 1,159,644	\$ 1,726,410

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

AS OF DECEMBER 31:

ASSETS	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 239,893	\$ 38,470	\$ 13,532	\$ 2,497	\$ 502,497
Accounts Receivable	0	0	0	0	0
Due From Other Funds	0	55,208	133,910	328,936	458,473
State and Federal Aid	0	0	0	0	0
Prepaid Expenses	<u>40,752</u>	<u>41,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 280,645</u>	<u>\$ 134,678</u>	<u>\$ 147,442</u>	<u>\$ 331,433</u>	<u>\$ 960,970</u>
 LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 6,525	\$ 15,914	\$ 81,644	\$ 47,407	\$ 11,835
Accrued Liabilities	88,698	19,911	134,250	138,750	143,250
Due to Other Funds	78,068	0	0	0	0
Total Liabilities	<u>173,291</u>	<u>35,825</u>	<u>215,894</u>	<u>186,157</u>	<u>155,085</u>
Fund Balance:					
Nonspendable	40,752	41,000	0	0	0
Assigned	66,602	57,853	0	145,276	805,885
Unassigned	<u>0</u>	<u>0</u>	<u>(68,452)</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>107,354</u>	<u>98,853</u>	<u>(68,452)</u>	<u>145,276</u>	<u>805,885</u>
Total Liabilities and Fund Balance	<u>\$ 280,645</u>	<u>\$ 134,678</u>	<u>\$ 147,442</u>	<u>\$ 331,433</u>	<u>\$ 960,970</u>

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

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

	YEARS ENDED DECEMBER 31:				
	2016	2017	2018	2019	2020
REVENUES:					
Real Property Taxes	\$ 3,195,974	\$ 3,209,998	\$ 3,370,112	\$ 3,499,705	\$ 3,580,147
Departmental Income	0	0	0	0	0
Use Of Money And Property	46	36	38	1	0
Sale of Property And Compensation For Loss	16,830	100	15,153	100	50
State Aid	184,830	212,036	212,178	212,282	169,803
Federal Aid	0	0	0	0	0
Miscellaneous	0	0	0	0	40,000
Total Revenues	3,397,680	3,422,170	3,597,481	3,712,088	3,790,000
EXPENDITURES:					
Current:					
General Government Support	63,445	65,610	68,524	70,805	73,002
Transportation	2,034,776	2,033,373	2,207,410	2,049,911	1,736,302
Employee Benefits	881,311	943,542	1,068,835	925,993	813,352
Debt Service	5,033	15,903	24,480	0	11,631
Total Expenditures	2,984,565	3,058,428	3,369,249	3,046,709	2,634,287
Excess of Revenues Over Expenditures	413,115	363,742	228,232	665,379	1,155,713
OTHER FINANCING SOURCES (USES):					
Transfers - In	0	0	0	0	0
Transfers - Out	(342,228)	(372,243)	(395,537)	(451,651)	(495,104)
Total Other Financing Sources (Uses)	(342,228)	(372,243)	(395,537)	(451,651)	(495,104)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	70,887	(8,501)	(167,305)	213,728	660,609
Fund Balance - Beginning of Year	36,467	107,354	98,853	(68,452)	145,276
Prior Period Adjustment	0	0	0	0	0
Fund Balance - End of Year	\$ 107,354	\$ 98,853	\$ (68,452)	\$ 145,276	\$ 805,885

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**TOWN OF LEWISBORO
SEWER FUND
BALANCE SHEET
UNAUDITED PRESENTATION**

	AS OF DECEMBER 31:				
	2016	2017	2018	2019	2020
ASSETS					
Cash and Cash Equivalents	\$ 232,384	\$ 184,910	\$ 245,683	\$ 250,039	\$ 658,885
Receivables:					
Due From Other Governments					
Water Rents	0	0	0	0	0
State and Federal Aid	0	0	0	0	0
Due From Other Funds	222,471	237,707	307,191	495,682	70
	<u>454,855</u>	<u>422,617</u>	<u>552,874</u>	<u>745,721</u>	<u>658,955</u>
Total Assets	\$ <u>454,855</u>	\$ <u>422,617</u>	\$ <u>552,874</u>	\$ <u>745,721</u>	\$ <u>658,955</u>
 LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 10,006	\$ 18,853	\$ 5,638	\$ 56,633	\$ 20,922
Accrued Liabilities	0	0	0	0	0
Due to Other Funds	50,045	0	0	0	378
Deferred Revenues- Other	0	0	0	0	0
	<u>60,051</u>	<u>18,853</u>	<u>5,638</u>	<u>56,633</u>	<u>21,300</u>
Total Liabilities	\$ <u>60,051</u>	\$ <u>18,853</u>	\$ <u>5,638</u>	\$ <u>56,633</u>	\$ <u>21,300</u>
Fund Balance:					
Assigned	394,804	403,764	547,236	689,088	638,655
Unassigned	0	0	0	0	0
	<u>394,804</u>	<u>403,764</u>	<u>547,236</u>	<u>689,088</u>	<u>638,655</u>
Total Fund Balance	\$ <u>394,804</u>	\$ <u>403,764</u>	\$ <u>547,236</u>	\$ <u>689,088</u>	\$ <u>638,655</u>
Total Liabilities and Fund Balance	<u>\$ 454,855</u>	<u>\$ 422,617</u>	<u>\$ 552,874</u>	<u>\$ 745,721</u>	<u>\$ 659,955</u>

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TOWN OF LEWISBORO
SEWER DISTRICTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

	YEARS ENDED DECEMBER 31:				
	2016	2017	2018	2019	2020
REVENUES:					
Real Property Taxes	\$ 663,945	\$ 672,765	\$ 686,789	\$ 685,775	\$ 639,000
Departmental Income	114,636	19,600	13,718	77,436	0
Use Of Money And Property	52	265	390	396	138
Sale of Property & Comp. for Loss	0	0	0	0	0
State Aid	140,000	70,000	140,000	195,425	140,000
	<u>918,633</u>	<u>762,630</u>	<u>840,897</u>	<u>959,032</u>	<u>779,138</u>
EXPENDITURES:					
Current:					
General Government Support	28,635	28,635	28,755	28,800	29,000
Home And Community Service	453,479	446,503	392,194	513,544	524,220
Employee Benefits	0	0	0	0	0
Debt Service	325	622	737	0	0
	<u>482,439</u>	<u>475,760</u>	<u>421,686</u>	<u>542,344</u>	<u>553,220</u>
Excess of Revenues Over Expenditures	<u>436,194</u>	<u>286,870</u>	<u>419,211</u>	<u>416,688</u>	<u>225,918</u>
OTHER FINANCING SOURCES (USES):					
Transfers - Out	(273,775)	(277,910)	(275,739)	(274,836)	(277,349)
	<u>(273,775)</u>	<u>(277,910)</u>	<u>(275,739)</u>	<u>(274,836)</u>	<u>(277,349)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>162,419</u>	<u>8,960</u>	<u>143,472</u>	<u>141,852</u>	<u>(51,431)</u>
Fund Balance - Beginning of Year	232,385	394,804	403,764	547,236	689,088
Prior Years Adjustment	0	0	0	0	0
Fund Balance - End of Year	<u>\$ 394,804</u>	<u>\$ 403,764</u>	<u>\$ 547,236</u>	<u>\$ 689,088</u>	<u>\$ 637,657</u>

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TOWN OF LEWISBORO
OAK RIDGE WATER DISTRICT FUND
BALANCE SHEET
UNAUDITED PRESENTATION

	AS OF DECEMBER 31:				
	2016	2017	2018	2019	2020
ASSETS					
Cash and Cash Equivalents	\$ 389,354	\$ 418,771	\$ 302,679	\$ 356,119	\$ 5,816
Receivables:					
Water Rents	43,473	54,438	53,380	50,761	55,525
Total Assets	\$ 432,827	\$ 473,209	\$ 356,059	\$ 406,880	\$ 61,341
 LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 4,167	\$ 15,516	\$ 7,160	\$ 35,893	\$ 10,680
Due to Other Funds	339,369	372,629	219,850	311,912	44,790
Total Liabilities	343,536	388,145	227,010	347,805	55,470
Fund Balance:					
Assigned	89,291	85,064	129,049	59,075	5,871
Unassigned	0	0	0	0	0
Total Fund Balance	89,291	85,064	129,049	59,075	5,871
Total Liabilities and Fund Balance	\$ 432,827	\$ 473,209	\$ 356,059	\$ 406,880	\$ 61,341

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

TOWN OF LEWISBORO
OAK RIDGE WATER DISTRICT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

	YEARS ENDED DECEMBER 31:				
	2016	2017	2018	2019	2020
REVENUES:					
Departmental Income	\$ 261,688	\$ 266,529	\$ 267,722	\$ 191,164	\$ 202,606
Use Of Money And Property	142	505	676	461	150
Miscellaneous	0	0	0	0	0
	<u>261,830</u>	<u>267,034</u>	<u>268,398</u>	<u>191,625</u>	<u>202,756</u>
EXPENDITURES:					
Current:					
Home and Community Services	171,060	253,472	204,058	235,399	224,060
Debt Service	3,487	6,789	8,355	13,200	18,900
	<u>174,547</u>	<u>260,261</u>	<u>212,413</u>	<u>248,599</u>	<u>242,960</u>
Excess of Revenues Over Expenditures	<u>87,283</u>	<u>6,773</u>	<u>55,985</u>	<u>(56,974)</u>	<u>(40,204)</u>
OTHER FINANCING SOURCES (USES):					
Transfers - Out	(11,000)	(11,000)	(12,000)	(13,000)	(13,000)
	<u>(11,000)</u>	<u>(11,000)</u>	<u>(12,000)</u>	<u>(13,000)</u>	<u>(13,000)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>76,283</u>	<u>(4,227)</u>	<u>43,985</u>	<u>(69,974)</u>	<u>(53,204)</u>
Fund Balance - Beginning of Year	13,008	89,291	85,064	129,049	59,075
Prior Period Adjustment	0	0	0	0	0
Fund Balance - End of Year	<u>\$ 89,291</u>	<u>\$ 85,064</u>	<u>\$ 129,049</u>	<u>\$ 59,075</u>	<u>\$ 5,871</u>

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**TOWN OF LEWISBORO
SUMMARY OF ADOPTED BUDGET
YEAR ENDING DECEMBER 31, 2021**

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Combined Totals</u>
ESTIMATED REVENUES:			
Real Property Taxes	\$ 3,783,651	\$ 3,377,414	\$ 7,161,065
Real Property Taxes Items	200,000	0	200,000
Non-Property Tax Items	2,873,000	0	2,873,000
Departmental Income	1,092,400	0	1,092,400
Intergovernmental Charges	2,600	0	2,600
Use Of Money And Property	124,100	0	124,100
Licenses And Permits		0	0
Fines And Forfeitures	100,000	0	100,000
Sale Of Property And	15,740	0	15,740
Compensation For Loss	0	0	0
State Aid	660,000	170,000	830,000
Federal Aid	0	0	0
Miscellaneous	2,000	0	2,000
	<u>8,853,491</u>	<u>3,547,414</u>	<u>12,400,905</u>
Total Estimated Revenues			
APPROPRIATIONS:			
Current:			
General Government Support	2,501,994	101,000	2,602,994
Public Safety	1,197,277	0	1,197,277
Health	266,100	0	266,100
Transportation	154,180	1,997,582	2,151,762
Economic Assistance And Opportunity	0	0	0
Culture And Recreation	1,760,072	0	1,760,072
Home And Community Services	175,493	0	175,493
Employee Benefits	2,155,040	908,822	3,063,862
Debt Service	643,335	540,010	1,183,345
	<u>8,853,491</u>	<u>3,547,414</u>	<u>12,400,905</u>
Total Appropriations			
Excess (Deficiency) Of Estimated Revenues Over Appropriations	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES):			
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Estimated Revenues and Other Financing Sources Sources Over Appropriations and Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>
APPROPRIATED FUND BALANCE	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**TOWN OF LEWISBORO
SUMMARY OF ADOPTED BUDGET
YEAR ENDING DECEMBER 31, 2021**

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Combined Totals</u>
ESTIMATED REVENUES:			
Real Property Taxes	\$ 3,693,644	\$ 3,684,974	\$ 7,378,618
Real Property Taxes Items	250,000	0	250,000
Non-Property Tax Items	2,750,000	0	2,750,000
Departmental Income	1,873,452	0	1,873,452
Intergovernmental Charges	3,000	0	3,000
Use Of Money And Property	123,400	0	123,400
Licenses And Permits		0	0
Fines And Forfeitures	100,000	0	100,000
Sale Of Property And	16,700	0	16,700
Compensation For Loss	0	0	0
State Aid	820,000	170,000	990,000
Federal Aid	0	0	0
Miscellaneous	<u>262,000</u>	<u>0</u>	<u>262,000</u>
 Total Estimated Revenues	 <u>9,892,196</u>	 <u>3,854,974</u>	 <u>13,747,170</u>
APPROPRIATIONS:			
Current:			
General Government Support	2,666,020	78,000	2,744,020
Public Safety	1,424,274	0	1,424,274
Health	272,148	0	272,148
Transportation	159,418	2,258,582	2,418,000
Economic Assistance And Opportunity	0	0	0
Culture And Recreation	2,359,414	0	2,359,414
Home And Community Services	186,893	0	186,893
Employee Benefits	2,368,357	951,194	3,319,551
Debt Service	<u>455,672</u>	<u>567,198</u>	<u>1,022,870</u>
 Total Appropriations	 <u>9,892,196</u>	 <u>3,854,974</u>	 <u>13,747,170</u>
 Excess (Deficiency) Of Estimated Revenues Over Appropriations	 <u>0</u>	 <u>0</u>	 <u>0</u>
OTHER FINANCING SOURCES (USES):			
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>
 Excess (Deficiency) of Estimated Revenues and Other Financing Sources Sources Over Appropriations and Other Financing Uses	 <u>0</u>	 <u>0</u>	 <u>0</u>
 APPROPRIATED FUND BALANCE	 <u><u>\$ 0</u></u>	 <u><u>\$ 0</u></u>	 <u><u>\$ 0</u></u>

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/P11599228.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. In addition, PKF O’Connor Davies, LLP has not been requested to reviewed information included in the Official Statement.**

APPENDIX D

FORM OF LEGAL OPINION



April 13, 2022

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

Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, New York 10019-6022
United States

Tel +1 212 318 3000
Fax +1 212 318 3400
nortonrosefulbright.com

Re: Town of Lewisboro, Westchester County, New York
\$3,381,100 Bond Anticipation Notes, 2022

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$3,381,100 Bond Anticipation Notes, 2022 (the "Obligation"), of the Town of Lewisboro, Westchester County, New York (the "Obligor"), dated April 13, 2022 and payable April 13, 2023, at maturity.

We have examined:

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

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

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Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights; and (ii) may be subject to the exercise of judicial discretion.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights.
- (c) Under existing law, interest on the Obligation (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof for Federal income tax purposes, pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, assuming continuing compliance after the date hereof by the Obligor with the provisions of the Tax Certificate, and (2) will not be included in computing the Federal alternative minimum taxable income of the owners thereof. Under existing law, interest on the Obligation is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligation. Ownership of tax-exempt obligations such as the Obligation may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

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

Very truly yours,

APPENDIX E

FORM OF DISCLOSURE UNDERTAKING

**DISCLOSURE UNDERTAKING
PURSUANT TO RULE 15c2-12 OF THE
SECURITIES AND EXCHANGE COMMISSION**

On the date hereof, the Issuer is issuing the Notes, and hereby undertakes, in accordance with the requirements of the Rule, as follows:

A. Definitions. As used in this Undertaking, the following terms have the meanings ascribed to such terms below:

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii); provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Issuer” means the Town of Lewisboro, Westchester County, New York.

“MSRB” means the Municipal Securities Rulemaking Board.

“Notes” means the Issuer’s \$3,381,100 Bond Anticipation Notes, 2022, dated April 13, 2022.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Undertaking” means this Disclosure Undertaking.

B. Event Notices. The Issuer shall provide notice of any of the following events with respect to the Notes to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax-exempt status of the Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to rights of holders of the Notes, if material;
- (8) Bond or Note calls, if material, and tender offers;

- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of Issuer, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, 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 Issuer.

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide a notice described in “B”, above, by the time required by this Undertaking.

C. Filings with the MSRB. All notices and other documents provided to the MSRB in accordance with this Undertaking shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

D. Limitations, Disclaimers, and Amendments. The Issuer shall be obligated to observe and perform the covenants specified in this Undertaking for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Notes within the meaning of the Rule.

The provisions of this Undertaking are for the sole benefit of the holders and beneficial owners of the Notes, and nothing in this Undertaking, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer

undertakes to provide only the notices which it has expressly agreed to provide pursuant to this Undertaking and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Undertaking or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Notes at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY NOTE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS UNDERTAKING, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Undertaking shall constitute a breach of or default on the Notes.

Nothing in this Undertaking is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Undertaking may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Undertaking, as so amended, would have permitted an underwriter to purchase or sell Notes in the primary offering of the Notes in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) a majority of the holders of the Notes consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Notes. The Issuer may also repeal or amend the provisions of this Undertaking if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Undertaking in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Notes in the primary offering of the Notes, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand this April 13, 2022

Supervisor