

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 16, 2023

**NEW & RENEWAL ISSUE
BOND ANTICIPATION NOTES**

RATING: See “RATING” herein

In the opinion of Bond Counsel to the Village, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the Village with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), and the accuracy of certain representations made by the Village, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an “item of tax preference” for purposes of the Federal alternative minimum tax imposed on individuals. However, for tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of “adjusted financial statement income” for purposes of the Federal alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that under existing statutes 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). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See “TAX MATTERS” herein.

The Notes WILL be designated by the Village as “qualified tax-exempt obligations” pursuant to the provision of Section 265 of the Code.

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

**\$9,449,066
BOND ANTICIPATION NOTES – 2023
(the “Notes”)**

Date of Issue: September 14, 2023

Maturity Date: September 13, 2024

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

The Notes are dated their Date of Issue and bear interest from that date until the Maturity Date, at the annual rate(s) as specified by the purchaser(s) of the Notes. The Notes will not be subject to redemption prior to maturity. (See “*No Optional Redemption*” herein).

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

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

DTC will act as Securities Depository for the issued as book-entry notes registered to Cede & Co. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Purchasers will not receive certificates representing their ownership interests in the Notes issued as book-entry-only notes. Payment of the principal of and interest on such Notes will be made by the Village to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Notes as described herein. (See “*BOOK-ENTRY-ONLY SYSTEM*” herein.)

The Notes are offered when, as and if issued by the Village subject to the respective final approving opinions of Harris Beach PLLC, New York, New York, Bond Counsel to the Village, and certain other conditions. Capital Markets Advisors, LLC has served as Municipal Advisor to the Village in connection with the issuance of the Notes. It is expected that delivery of the Notes will be made on or about September 14, 2023 in New York, New York.

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

Dated: August __, 2023

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

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

**Chance Mullen
Mayor**

Michael Carpenter..... Village Trustee/Deputy Mayor
Hanan Eldahry Village Trustee
Lisa Hill-Ries..... Village Trustee
Kimberly McGreal Village Trustee
Don Otondi Village Trustee
Russell Solomon Village Trustee

Christopher Scelza Village Administrator/Treasurer
Kieya Glaze..... Deputy Village Treasurer
Sarah LoPuzzo Village Clerk
Edward Smith, Esq. Village Attorney

INDEPENDENT AUDITOR

**PKF O'Connor Davies, LLP
Harrison, New York**

BOND COUNSEL

**Harris Beach PLLC
New York, New York**

MUNICIPAL ADVISOR



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

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

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
THE NOTES	1	LITIGATION	7
Description of the Notes.....	1	TAX MATTERS	7
Authority for and Purpose of the Notes.....	2	CLOSING CERTIFICATES FOR THE NOTES	8
No Optional Redemption	2	LEGAL MATTERS	9
Nature of Obligation	2	DISCLOSURE UNDERTAKINGS	9
BOOK-ENTRY-ONLY-SYSTEM	3	Disclosure Undertaking for the Notes.....	9
SPECIAL PROVISIONS AFFECTING REMEDIES		MUNICIPAL ADVISOR	11
UPON DEFAULT	4	RATING	11
RISK FACTORS	5	ADDITIONAL INFORMATION	11
Cybersecurity	6		

APPENDIX A

	<u>Page</u>		<u>Page</u>
THE VILLAGE	A-1	Largest Taxpayers.....	A-12
General Information.....	A-1	Tax Levy Limitation Law	A-12
Form of Government	A-1	VILLAGE INDEBTEDNESS	A-14
Services and Programs.....	A-2	Constitutional Requirements	A-14
Village Development	A-2	Statutory Procedure	A-14
Employees	A-2	Constitutional Debt-Contracting Limitation	A-15
Employee Benefits.....	A-2	Statutory Debt Limit and Net Indebtedness.....	A-16
Other Postemployment Benefits	A-4	Bond Anticipation Notes	A-16
FINANCIAL FACTORS	A-5	Tax and Revenue Anticipation Notes	A-16
Budgetary Procedures	A-5	Trend of Capital Debt.....	A-17
The State Comptroller's Fiscal Stress		Overlapping and Underlying Debt.....	A-17
Monitoring System and Compliance Review	A-5	Debt Ratios	A-18
Independent Audits	A-5	Authorized but Unissued Debt.....	A-18
Investment Policy	A-6	Debt Service Schedule.....	A-18
Revenues.....	A-7	ECONOMIC AND DEMOGRAPHIC DATA	A-19
Impact of COVID-19	A-9	Population.....	A-19
REAL PROPERTY TAXES	A-9	Income	A-19
Assessed and Full Valuations	A-10	Employment	A-19
Property Tax Limit	A-10	Education.....	A-20
Tax Collection Procedures	A-10	Financial Institution	A-20
Tax Levies and Collection Record.....	A-11	Transportation.....	A-20
Real Property Tax Rates	A-11	Utilities	A-21

APPENDIX B – SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MAY 31, 2022

OFFICIAL STATEMENT

VILLAGE OF PELHAM WESTCHESTER COUNTY, NEW YORK

relating to

\$9,449,066

BOND ANTICIPATION NOTES – 2023

This Official Statement, which includes the cover pages and appendices attached hereto, presents certain information relating to the Village of Pelham, Westchester County, in the State of New York (the “Village”, “County”, and “State”, respectively). It has been prepared by the Village in connection with the sale and delivery of \$9,449,066 Bond Anticipation Notes – 2023 (the “Notes”).

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

THE NOTES

Description of the Notes

The Notes will be dated and will mature as stated on the cover page hereof. The Notes will not be subject to redemption prior to maturity.

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

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

If the Notes are issued in registered book-entry form, such notes (“DTC Notes”) will be delivered to DTC, which will act as securities depository for the DTC Notes. Beneficial owners will not receive certificates representing their interest in the DTC 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 DTC Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said DTC Notes will be paid in Federal Funds by the Paying Agent 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 DTC Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Village will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See “BOOK-ENTRY-ONLY SYSTEM” herein.)

The Village will act as Paying Agent for the Notes. The Village contact information is as follows: Mr. Christopher Scelza, Village Administrator/Treasurer, 195 Sparks Avenue, Pelham, New York 10803, (914) 738-6270, e-mail: chris.scelza@pelhamgov.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 Village Law and the Local Finance Law, and bond resolutions adopted by the Board of Trustees of the Village set forth in the table below. The proceeds from the sale of the Notes in the amount of \$5,493,066, together with \$383,303 in available funds, will be used to redeem the Village's \$5,876,369 Bond Anticipation Notes – 2022, which mature on September 15, 2023. The remaining balance of the proceeds from the sale of the Notes in the amount of \$3,956,000 will be used to provide original financing for certain purposes as noted below.

<u>Original Issue Date</u>	<u>Purpose</u>	<u>Amount Outstanding</u>	<u>Paydown</u>	<u>New Money</u>	<u>Amount of the Notes</u>
10-10-17	Engine 4 Replacement	\$ 558,420	\$25,630	\$0	\$532,790
10-10-17	Street Resurfacing	390,300	30,900	0	359,400
10-10-17	Sidewalk Repairs	152,300	27,500	0	124,800
10-10-17	LED Street Lighting	178,300	3,670	0	174,630
09-19-19	Firefighting Apparatus	21,091	2,580	0	18,511
09-19-19	Fingerprinting System	23,691	2,898	0	20,793
09-19-19	Communications System Install	115,328	14,109	0	101,219
09-19-19	Patrol Cars	67,429	32,872	0	34,557
09-19-19	Street Resurfacing	525,591	32,776	0	492,815
09-19-19	Dump Truck w/ Front Plow	140,158	8,740	0	131,418
09-19-19	Young Avenue Field	43,800	2,731	0	41,069
09-19-19	Sanitary Sewer Evaluation Study	272,961	4,897	0	268,064
09-16-21	Radio Equipment	69,000	6,000	0	63,000
09-16-21	Ford Interceptor AWD (FD)	42,000	11,000	0	31,000
09-16-21	Radio Systems Updates	40,000	4,000	0	36,000
09-16-21	Ford Interceptor AWD (PD)	42,000	11,000	0	31,000
09-16-21	Garbage Truck (4)	1,345,000	70,000	0	1,275,000
09-16-21	Young Avenue Field Remediation	147,000	7,000	0	140,000
09-16-21	Dump Truck	64,000	3,000	0	61,000
09-16-21	Toters for Garbage Collection	391,000	20,000	0	371,000
09-16-21	Wolfs Lane Park Retaining Wall	147,000	7,000	0	140,000
09-15-22	Sanitary Sewer Infrastructure Imps.	750,000	0	0	750,000
09-15-22	Village-wide Stormwater Study	350,000	55,000	0	295,000
09-14-23	Acquisition of Motor Vehicles	0	0	176,000	176,000
09-14-23	Improvements to Municipal Center	0	0	2,780,000	2,780,000
09-14-23	Improvements to Parking Lots	0	0	1,000,000	1,000,000
		<u>\$5,876,369</u>	<u>\$383,303</u>	<u>\$3,956,000</u>	<u>\$9,449,066</u>

No Optional Redemption

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

Nature of Obligation

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

The Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the Village has the power and statutory authorization to levy ad valorem taxes on all taxable real

property in the Village, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011 (the “Tax Levy Limitation Law”). (See “*Tax Levy Limitation Law*” in Appendix A hereto.)

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law imposes a statutory limitation on the Village’s power to increase its annual tax levy. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village is subject to statutory limitations set forth in Tax Levy Limitation Law, unless the Village complies with certain procedural requirements to permit the Village to levy certain year-to-year increases in real property taxes. (See “*Tax Levy Limitation Law*” in Appendix A hereto.)

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”) will act as securities depository for the Notes. Said DTC Notes will be issued as fully-registered bonds and 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 bond certificate will be issued for each DTC Note of each series bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

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

Purchases of the DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC 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 DTC Notes, except in the event that use of the book-entry system for the Notes is discontinued. To facilitate subsequent transfers, all DTC 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 DTC 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 DTC Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

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

Source: The Depository Trust Company

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE DTC NOTES; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEHOLDERS; (IV) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE DTC NOTES; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS NOTEOWNER.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Village upon any judgment or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of or interest on the Notes.

In accordance with the general rule with respect to municipalities, judgments against the Village may not be enforced by levy and execution against property owned by the Village. Remedies for enforcement of payment are not expressly included in the Village's contract with holders of its bonds and notes.

The Federal Bankruptcy Code allows public bodies recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

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

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

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness."

This Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes, including the Notes.

RISK FACTORS

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

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

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

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions

thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Village to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

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

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

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

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Village’s financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. COVID-19 had spread globally, including to the United States, had been declared a pandemic by the World Health Organization and caused the Federal government to declare a national state of emergency. The State also initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19. The outbreak of COVID-19 and the dramatic steps taken by the State to address it negatively impacted the State’s economy and financial condition. (See “*FINANCIAL FACTORS – Revenues*” in Appendix A attached hereto).

Cybersecurity

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

LITIGATION

Claims and Litigation. The Village from time to time receives notices of claim and is party to litigation.

In the opinion of the Village Attorney (based in part on information provided by the Village), apart from and not including matters handled by insurance defense counsel, the Village is not a party to any pending litigation which, if determined against the Village, would have an adverse material effect on the financial condition of the Village. The Village Attorney makes no representations concerning the disclosures below concerning insurance and tax certiorari claims.

Insurance. The Village purchases insurance to reduce its exposure to loss. The Village maintains general liability, automobile and comprehensive coverages with a policy limit of \$1 million. An employment protection liability policy has a coverage of \$10 million. An umbrella policy provides additional liability coverage of \$15 million. The Village also purchases conventional workers' compensation and medical insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Tax Certiorari Claims. There are also pending against the Village various proceedings brought pursuant to Article 7 of the Real Property Tax Law, to review and reduce real estate assessments and obtain a refund for alleged overpayments of real estate taxes. The results of the pending tax certiorari proceedings cannot be determined at this time; however, assessment reductions historically have been significantly smaller than the amounts claimed. The Villages' tax base has remained relatively constant with new assessments offsetting reductions due to certiorari settlements and due to the Annual Reassessment Program, which allows for assessments to be changed on an annual basis. This program has helped to minimize certiorari settlements. For fiscal year 2022-23, the Village paid \$4,801.00 in tax certiorari refunds.

TAX MATTERS

In the opinion of Harris Beach PLLC, Bond Counsel to the Village, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the Village with certain covenants and the accuracy of certain representations, interest on the Notes is excluded from gross income for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. . Bond counsel is of the further opinion that interest on the Notes is not an "item of tax preference" for purposes of the Federal alternative minimum tax on individuals. However, for tax years beginning after December 31, 2022, the Code imposes a federal corporate alternative minimum tax equal to 15 percent of the "adjusted financial statement income" of corporations (other than S corporations, regulated investment companies and real estate investment trusts) having an average annual "adjusted financial statement income" for the 3-taxable-year period ending with the tax year that exceeds \$1,000,000,000. Interest on tax-exempt obligations such as the Notes is included in the computation of a corporation's "adjusted financial statement income".

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Notes in order for interest on the Notes to be and remain excluded from gross income for Federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Notes, and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Notes to be includable in gross income for purposes of Federal income tax, possibly from the date of issuance of the Notes. In the Arbitrage and Use of Proceeds Certificate of the Village to be executed in connection with the issuance of the Notes, the Village will covenant to comply with certain procedures and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code with respect to the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Notes should be aware that ownership of the Notes, and the accrual or receipt of interest thereon, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual

recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Notes and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

The Notes will be designated or deemed designated as "qualified tax exempt obligations" within the meaning of, and pursuant to, Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, 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).

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Notes to be subject to Federal or State income taxation, or otherwise prevent Noteholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Notes for audit examination, or the course or result of any Internal Revenue Service examination of the Notes or of obligations which present similar tax issues, will not affect the market price or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

CLOSING CERTIFICATE FOR THE NOTES

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

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the approving legal opinion of Harris Beach PLLC, Pittsford, New York, Bond Counsel to the Village. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Village, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to certain applicable statutory limitations imposed by Chapter 97 of the Laws of 2011 of the State of New York, as amended (see “REAL PROPERTY TAXES – Tax Levy Limitation Law” within Appendix A herein); provided, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes, is not an “item of tax preference” for purposes of the Federal alternative minimum taxes imposed on individuals, however, for tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of “adjusted financial statement income” for purposes of the Federal alternative minimum tax imposed on such corporations; (iii) 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); and (iv) based upon Bond Counsel’s examination of law and review of the arbitrage and use of proceeds certificate executed by the Village Treasurer of the Village pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Notes will not be “arbitrage bonds” within the meaning of said section, and no matters have come to Bond Counsel’s attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel expresses no opinion regarding Federal or State income tax consequences arising with respect to the Notes.

Such legal opinion will also state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes, as applicable, has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are 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 Village together with other legally available sources of revenue, if any, will be sufficient to enable the Village to pay the principal of and interest on the Notes as the same become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the Village, would materially affect the ability of the Village to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the Village, in connection with the sale of such Notes, 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.

DISCLOSURE UNDERTAKING

Disclosure Undertaking for the Notes

At the time of the delivery of the Notes, the Village will provide an executed copy of its “Continuing Disclosure Agreement” (the “Note Undertaking”). Said Note Undertaking will constitute a written agreement or contract of the Village for the benefit of holders of and owners of beneficial interests in the Notes. In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Village has agreed to provide or

cause to be provided, for the benefit of the Beneficial Owners of the Notes, in a timely manner not in excess of ten (10) business days after the occurrence of the event during the period in which the Notes are outstanding, to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Village; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village]; (xiii) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Village, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Village, any of which reflect financial difficulties

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

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

The Village may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Village determines that any such other event is material with respect to the Notes; but the Village does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above or any failure to comply in a timely manner with the requirements of the Rule.

The Village reserves the right to terminate its obligation to provide the aforescribed notice of material events, as set forth above, if and when the Village no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The Village acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the Note Undertaking will be limited to a right to obtain specific enforcement of the Village's obligations under its material events notices undertaking and any failure by the Village to comply with the provisions of the Note Undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages. Continuing Disclosure Agreement to this effect shall be provided to the purchaser at closing.

The Village is exempt from filing continuing disclosure under Rule 15c2-12 in connection with the Notes, as the Notes have a maturity of eighteen months or less.

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 Village in connection with this transaction.

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

RATING

The Village did not apply for a rating of the Notes.

S&P Global Ratings (“S&P”) currently maintains a rating of “AA+” with stable outlook on the Village’s long-term underlying outstanding indebtedness.

Such rating reflects only the views of such rating agency and any desired explanation of the significance of such rating should be obtained from S&P at the following address: S&P Global Ratings, 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.

ADDITIONAL INFORMATION

Additional information may be obtained from Mr. Christopher Scelza, Village Administrator/Treasurer, 195 Sparks Avenue, Pelham, New York 10803, (914) 738-6270, e-mail: chris.scelza@pelhamgov.com, or from the Village’s Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, 11021, (516) 570-0340.

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

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 Villages management’s beliefs as well as assumptions made by, and information currently available to the Village’s 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 Village’s files with the MSRB. When used in Village documents or oral presentations, 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.

Harris Beach PLLC has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness of fairness thereof, and, accordingly expresses no opinion with respect thereto.

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

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

VILLAGE OF PELHAM
WESTCHESTER COUNTY, NEW YORK

By: _____
Christopher Scelza
Village Administrator/Treasurer

DATED: August __, 2023

APPENDIX A

THE VILLAGE

THE VILLAGE

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

General Information

The Village was originally incorporated in 1896 and then reincorporated in 1975 to combine Pelham Village and North Pelham. The Village encompasses an area of approximately one square mile within the Town of Pelham (the "Town"), borders the cities of New Rochelle and Mt. Vernon and is approximately four miles from the New York City line in the Bronx.

According to information obtained from the US Census Bureau, wealth levels in the Village are higher than the indices for the County taken as a whole and are significantly above State averages. Per-capita income for Village residents in 2020 was \$74,114 compared to \$57,953 for the County and \$40,898 statewide. Median household income in the Village in 2020 was estimated at \$151,397, compared to \$99,489 and \$71,117 for households in the County and State, respectively.

Village residents find employment throughout the New York Metropolitan area, and many are employed in management or professional positions. Village residents are generally less dependent on manufacturing related employment than residents of the County or State. Unemployment statistics are not maintained for the Village; however, historically the percentage of unemployed persons in the Village is believed to be lower than the State or the United States averages. (See "ECONOMIC AND DEMOGRAPHIC DATA," herein.)

Form of Government

The Village was established as a municipal government by the State and is vested with the powers and responsibilities inherent in the operation of municipal governments, including the adoption of rules and regulations to govern its affairs. In addition, the Village may tax real property within its boundaries and issue general obligation indebtedness, subject to the provisions of the State's Local Finance Law and the Tax Levy Limitation Law. There is one school district in the Village, which has independent powers with respect to taxation and debt issuance. Village residents also pay real property taxes to the Town and the County to support programs administered by such governmental entities.

Government operations of the Village are subject to the provisions of the State Constitution and various statutes affecting village governments, including the Village Law, the General Municipal Law and the Local Finance Law. Real property assessment, collection, and enforcement procedures are determined by the Real Property Tax Law and the County Administrative Tax Code.

Board of Trustees. The Board of Trustees of the Village (the "Board") is the legislative, appropriating, governing and policy-making body of the Village and consists of six trustees and a Mayor, all of whom are elected at large to serve for two-year terms and the number of consecutive terms which may be served is unlimited. It is the responsibility of the Board to enact, by resolution, all legislation, including local laws. Annual operating budgets for the Village and modifications and transfers between budgetary appropriations must be authorized by the Board and the original issuance of all Village indebtedness is also subject to approval by the Board.

Mayor. The Mayor is elected for a two-year term of office with the right to succeed himself. In addition, the Mayor is a full member of the Board and also its presiding officer.

Village Administrator / Treasurer. The Village operates with a Village Administrator who serves at the pleasure of the Mayor and the Board and who is the Chief Administrative Officer of the Village, responsible for its day-to-day operations. The Village Administrator oversees and supervises the activities of all Village departments. In addition, the Village Administrator is responsible for the fair and efficient administration of the Village rules, regulations and laws. The Village Administrator also acts as the Budget Officer of the Village.

The Village Treasurer is appointed by the Board for a one-year term and is the chief fiscal officer of the Village. Presently, the Village Administrator also serves as the Village Treasurer. Duties and responsibilities of the position are as follows: maintain the Village's accounting systems and records including the preparation and filing of the Village's annual financial report with the State Comptroller, custody and investment of Village funds, and debt management.

Village Clerk. The Village Clerk is appointed by the Board for a one-year term. The Village Clerk has custody of the corporate seal, books, records and papers of the Village, as well as of all the official reports and communications of the Board. In addition, the Village Clerk serves as the clerk to the Board and various other Village boards and keeps the records of their proceedings. The Village Clerk is responsible for maintaining the Village code for building, plumbing, electric, zoning, vehicle and traffic regulations, and general ordinances.

Services and Programs

The Village provides its residents with most of the services traditionally provided by village governments in the State. In addition, the Town and County furnish certain other services. A list of these services provided by the Village are as follows: police protection and law enforcement; firefighting and emergency services; storm and sanitary sewers; refuse collection (the Village is a member of the County Refuse District No. 1); highway and public facilities maintenance; cultural and recreational activities; building code enforcement; and planning and zoning administration.

Village Development

In 2019, the Village authorized the creation of a local development corporation (the “LDC”) under Section 1411(b) of the New York Not-For-Profit Corporation Law to assist with and promote economic development in the Village. The LDC Board includes both Village trustees and local businesspeople and was created to increase business development and job creation within the Village. In 2020, the LDC entered into a Land Development Agreement (the “LDA”) with a private developer, the purpose of which is to build a new municipal center and parking for the Village as well as add residential housing to the downtown area.

Employees

The Village employs 64 full-time employees and 20 part-time employees. Certain employees are represented by one of four unions. The following table summarizes each collective bargaining unit.

Union Representation	Number of Employees	Contract Expiration Date
CSEA – Department of Public Work Employees	14	05-31-24
CSEA – Parking Enforcement Officers & School Crossing Guards	14	05-31-24
Pelham Professional Firefighters Association, Inc.	17	05-31-24
Pelham Police Benevolent Association, Inc.	23	05-31-24

Source: Village Officials.

Employee Benefits

Substantially all employees of the City 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. As of April 9, 2022, Tier 5 and 6 members only need five years of service credit to be vested. This affects

members of both ERS and PFRS. Previously, Tier 5 and 6 members needed 10 years of service to be eligible for a service retirement benefit. The Retirement System Law generally provides that all participating employers in 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 such 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 five 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, which also originally had a 3% contribution requirement for members for FY 12-13; however, 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 Village has generally opted to make its pension payments in December in order to take advantage of the discount and anticipates making the payment for the current fiscal year in December.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contributions for the State's Retirement System continue to be higher than the minimum contribution rate established by Chapter 49. Legislation was enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts that amortize their pension obligations pursuant to the regulation to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Village does not currently amortize any pension payments.

In Spring 2013, the State and ERS approved a Stable Contribution Option ("SCO"), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage spikes in Actuarially Required Contribution rates. The plan allows municipalities to pay the SCO amount in lieu of the contribution amount. The Village 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.

For the State Fiscal Year 2023-2024, the average contribution rates increased from 11.6% of payroll to 13.1% for ERS and from 27.0% of payroll to 28.0% for PFRS.

ERS and PFRS Contributions.

A five-year history of the Village’s actual retirement expenditures and the amounts budgeted for the most recent and current fiscal years are provided in the following table:

<u>Fiscal Year Ended May 31:</u>	<u>ERS</u>	<u>PFRS</u>
2018	\$236,696	\$1,183,243
2019	222,617	1,141,675
2020	209,072	1,234,188
2021	234,946	1,309,003
2022	270,275	1,613,942
2023 (Budget)	200,000	1,618,097
2024 (Budget)	215,000	1,631,785

Source: Village Officials and the 2023 and 2024 adopted budgets.

Other Postemployment Benefits

For fiscal years beginning after June 15, 2017, the Village 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 (“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. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Village will continue funding this expenditure on a pay-as-you-go basis. As of May 31, 2023, the Village’s net OPEB liability under GASB 75 was \$47,167,689.

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

(The remainder of this page has been intentionally left blank.)

FINANCIAL FACTORS

Budgetary Procedure

The Village Administrator, also the Budget Officer of the Village, submits the tentative budget for next fiscal year to the Board on or before March 20th. The Board may make such changes or revisions as they deem appropriate subject to the provision of law. A public hearing is held on the budget not later than April 15th. Members of the public may express their views on the budget but there is no provision for a formal vote on the budget. Following the public hearing and on or before May 1st, the Board adopts the final budget. A copy of such budget must be filed with the Village Clerk and is available for public inspection.

Budgetary control is the responsibility of the Village Administrator. The Administrator supervises all encumbrances, expenditures and disbursements, including the auditing of all vouchers, to ensure that budget appropriations are not exceeded.

Summaries of the adopted budgets for fiscal years ending 2023 and 2024 are presented in Appendix B of this Official Statement. Full copies of adopted budgets may be obtained by request from the Village Administrator/Treasurer or from the Village's Municipal Advisor.

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 2022 applicable report of the State Comptroller designates the Village as "No Designation" with a Fiscal Score of 24.2% and Environmental Score of 0.0%.

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

The financial affairs of the Village are subject to periodic compliance reviews by OSC to ascertain whether the Village has complied with the requirements of various State and federal statutes.

Independent Audits

The Village retained the firm of PKF O'Connor Davies, LLP, Certified Public Accountants, to audit its financial statements for the fiscal year ended May 31, 2022. Appendix B, attached hereto, presents excerpts from the Village's most recent audited reports covering the last five fiscal years. Appendix C contains a link to the fiscal year ending 2022 audit.

State Audits. In addition, the Village 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 Village has an investment policy applicable to the investment of all moneys and financial resources of the Village. The responsibility for the investment program has been delegated by the Board to the Chief Financial Officer who was required to establish written operating procedures consistent with the Village's investment policy guidelines. According to the investment policy of the Village, 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 Village has designated two banks or trust companies located and authorized to conduct business in the State to receive deposits of money, including certificates of deposits, from the Village. In addition, the Village is authorized to invest through an investment cooperative.

In addition to bank deposits, the Village 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.

The Village 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 and are limited to a maximum maturity of 15 days; 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 Village, 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.

Collateral Requirements. All Village 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 Village’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 Village must be delivered, in a form suitable for transfer or with an assignment in blank, to the Village or its designated custodial bank. The custodial agreements used by the Village 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 Village, 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 Village in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

Revenues

The Village derives its revenues primarily from real property taxes and special assessments, State Aid and departmental fees and charges. A summary of such revenues for the fiscal years ending in 2018 through 2022 is presented in Appendix B, hereto. Information for said fiscal years has been excerpted from the Village’s audited financial reports, however, such presentation has not been audited.

Property Taxes. The Village derives a major portion of its revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix B). Excluding other financing sources, real property taxes accounted for approximately 71.1% of General Fund revenues for the fiscal year ended May 31, 2022.

The following table sets forth General Fund revenue and real property taxes received for each of the past five audited fiscal years and the amounts budgeted for the most recent and current fiscal years.

General Fund Revenue & Real Property Taxes

<u>Fiscal Year Ended May 31:</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>Real Property Taxes</u>	<u>Taxes to Revenue</u>
2018	\$14,387,896	\$10,822,448	75.2%
2019	15,122,220	10,995,145	72.7
2020	15,295,697	11,278,619	73.7
2021	15,593,730	11,580,092	74.3
2022	17,417,361	12,379,636	71.1
2023 (Budget)	16,592,850	12,694,145	76.5
2024 (Budget)	17,387,946	13,016,652	74.9

(1) Excludes other financing sources.

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

State Aid. The Village receives financial assistance from the State. State Aid accounted for approximately 3.9% of the General Fund operating revenues for the fiscal year ending in 2022. A substantial portion of the State Aid received is directed to be used for specific programs. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State Aid to municipalities and school districts in the State, including the Village, in any year or future years, the Village may be affected by a delay in the receipt of State Aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State Aid.

The State is not constitutionally obligated to maintain or continue State Aid to the Village. No assurance can be given that present State Aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State Aid could have a material adverse effect upon other Villages, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also “RISK FACTORS,” herein.)

(The remainder of this page has been intentionally left blank.)

The following table sets forth General Fund revenues and State Aid received for each of the past five audited fiscal years and the amounts budgeted for the most recent and current fiscal years.

General Fund Revenue & State Aid Revenue

<u>Fiscal Year Ended May 31:</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>State Aid</u>	<u>State Aid to Revenue</u>
2018	\$14,001,078	\$271,654	1.9%
2019	15,122,220	265,568	1.8
2020	15,295,697	200,717	1.3
2021	15,593,730	258,281	1.7
2022	17,417,361	678,823	3.9
2023 (Budget)	16,592,850	189,000	1.1
2024 (Budget)	17,387,946	262,154	1.5

(1) Excludes other financing sources.

Source: Audited Financial Statements and Adopted Budgets of the Village. The summary itself not audited.

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

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

In February of 2004, the State Legislature authorized an increase of ½% to the additional 1% 1991 sales tax. The County retains 70% of this amount, the municipalities 20% and the school districts 10%. This increase became effective March 1, 2004 and expired on May 31, 2020.

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

(The remainder of this page has been intentionally left blank.)

The following table sets forth General Fund revenue and sales taxes received for each of the past five audited fiscal years ended May 31 and the amounts budgeted for the most recent and current fiscal years.

General Fund Revenue & Sales Tax

<u>Fiscal Year Ended May 31:</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>Sales Tax</u>	<u>Sales Tax to Revenue</u>
2018	\$14,001,078	\$1,000,000	7.1%
2019	15,122,220	1,117,227	7.4
2020	15,397,622	1,366,310	8.9
2021	15,593,730	1,497,999	9.6
2022	17,417,361	1,719,971	9.9
2023 (Budget)	16,582,850	1,633,782	9.9
2024 (Budget)	17,387,946	2,100,120	12.1

(1) Excludes other financing sources.

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

Impacts of COVID-19

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 were made in two tranches, the first half 60 days after enactment and the second half one year later. The funding is available through, and must be spent by, the end of calendar year 2026.

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

The Village was eligible to receive \$712,510.68 and received the first tranche of funding on July 22, 2021, and the second tranche on July 20, 2022, in the amounts of \$356,255.35 and \$356,255.33, respectively. The Village has appropriated the funds to be used for revenue replacement.

REAL PROPERTY TAXES

The Village derives its power to levy an ad valorem real property tax from the Constitution of the State, subject to the applicable provisions of Chapter 97 of the New York Laws of 2011. (See “*Property Tax Limit*,” “RISK FACTORS” and “*Tax Levy Limitation Law*,” herein.) The Village's power to levy real property taxes, other than for debt service and certain other purposes, are limited by the State Constitution to two percent of the five-year average full valuation of taxable property of the Village.

(The remainder of this page has been intentionally left blank.)

Assessed and Full Valuations

Taxable Assessed and Full Valuations

Fiscal Year Ending May 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Taxable Assessed Valuation	\$1,427,546,491	\$1,486,245,061	\$1,549,221,968	\$1,592,450,258	\$1,608,348,967
State Equalization Rate ⁽¹⁾	100%	100%	100%	100%	100%
Full Valuation	\$1,427,546,491	\$1,486,245,061	\$1,549,221,968	\$1,592,450,258	\$1,608,348,967

(1) Final rates as determined by the New York State Office of Real Property Tax Services (the “ORPTS”).

Source: Village Officials.

Property Tax Limit

In accordance with Article 8, Section 10 of the New York State Constitution, the amount of real property taxes that may be raised by the Village in any fiscal year is limited to two per centum (2%) of the five-year average full valuation of the taxable real estate of the Village plus: (1) the amounts required for principal and interest on all capital indebtedness and (2) current appropriations for certain capital purposes. The following table shows the Constitutional tax margin of the Village for the fiscal year ending May 31, 2023. (See also “*Tax Levy Limit Law*” attached hereto.)

**Computation of Real Estate Property Tax Levying Limitation
Year Ending May 31, 2023**

Total of Full Valuations (5 Years)	<u>\$ 7,663,812,745</u>
Five-Year Average Full Valuation	<u>1,532,762,549</u>
Tax Limit (2% of Average Full Valuation)	<u>\$30,655,251</u>
Tax Levy	12,694,145
Less: Total Exclusions	<u>(454,651)</u>
Tax Levy Subject to Tax Limit	12,239,494
Constitutional Tax Margin	<u>\$ 18,415,757</u>

Source: The Statement of Constitutional Tax Limit for the year ending May 31, 2023.

Tax Collection Procedures

The Village Board levies real property taxes pursuant to resolution and such taxes become a lien on the first day of June. Taxes are payable in a single installment. Payments made after June 30th must include a 5% penalty for the first month or fraction thereof and an additional 1% penalty for each month or part of a month thereafter. The tax warrant expires on February 1st, at which time the Town of Pelham Receiver of Taxes, who is responsible for collecting the Village taxes, files a listing of the unpaid taxes for the year with the Village.

Unpaid real property taxes are enforced pursuant to Article 11 of the Real Property Tax Law. The State made certain changes to this law in 1995 which eliminated annual tax sales and reduced the period for redeeming unpaid taxes to two years from the lien date. A notice of unpaid taxes is mailed to the property owner approximately 30 days following the last day on which a tax payment for the year may be made without penalty. Subsequent notices are mailed periodically through the time the Village records a tax lien on its books. The Village generally records such liens on

the first Monday in March in the calendar year following the lien date. If the taxes remain unpaid for a period of two years from the lien date, the Village may foreclose on the related property. A notice of foreclosure is filed with the State Supreme or the County Court three months prior to the expiration of the redemption period. The Village may sell any property acquired for taxes to the highest bidder at a public auction or in-lieu of such auction by approval of the Board.

Tax Levies and Collection Record

The following table sets the Village’s real property tax levy and collections for each of the past five completed fiscal years and year to date collections for the current year.

Real Property Tax Levy and Collection Record

<u>Fiscal Years Ended May 31:</u>	<u>Taxes Levied For Year</u>	<u>Current Taxes Collected</u>	<u>Delinquent Taxes Collected</u>	<u>Total Taxes Collected</u>	<u>% Taxes Collected</u>
2019	\$11,002,839	\$10,984,584	\$4,492	\$10,989,076	99.87%
2020	11,273,257	11,234,940	27,347	11,262,287	99.90
2021	11,567,385	11,538,337	30,458	11,568,795	100.01
2022	12,373,474	12,350,439	23,521	12,373,960	100.00
2023	12,694,145	12,525,937	26,169	12,552,106	98.88
2024 ⁽¹⁾	13,016,652	11,304,809	16,001	11,320,810	86.97

(1) As of June 30, 2023.

Source: Village Officials.

Real Property Tax Rates

The following table sets the Village’s real property tax rate for each of the fiscal years ending in 2020 through 2024.

Village Tax Rates Per \$1,000 of Assessed Valuation 2020-2024

<u>Fiscal Year Ending May 31:</u>	<u>Homestead Tax Rate</u>	<u>Non-Homestead Tax Rate</u>
2020	\$7.22	\$10.04
2021	7.11	9.88
2022	7.38	10.23
2023	7.49	10.46
2024	6.96	10.60

Source: Village Officials.

(The remainder of this page has been intentionally left blank.)

Largest Taxpayers

Largest Taxpayers in the Village 2022 Tax Roll (For the Collection of 2022-23 Taxes)

<u>Taxpayer (a)</u>	<u>Classification</u>	<u>Assessed Value</u>	<u>% of Total Assessed Valuation ⁽¹⁾</u>
Con Edison	Utility	46,944,384	2.92%
Pico Electronics	Manufacturing	9,200,000	0.57
Caspi	Warehouse	8,140,000	0.51
Broadview Properties	Apartments	7,439,000	0.46
Suez Water Westchester	Utility	5,881,626	0.37
North Pelham Apartments	Apartments	5,855,000	0.36
South-Glo Properties, Inc.	Apartments	5,678,000	0.35
Santomero Properties	Retail Shopping	5,490,000	0.34
Acquisition America	Apartments	4,371,000	0.27
Pelham Heights LLC		4,300,000	0.27
		<u>\$103,299,010</u>	<u>6.42%</u>

(1) Taxable assessed values for the year ending May 31, 2023 were \$1,608,348,967.

Source: Village Officials.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 which created Section 3-c of the General Municipal Law was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

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

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

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's “faith and credit” is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit”, are used and they are not tautological. That is what the words say and that is what courts have held they mean.”

Article 8 Section 12 of the State Constitution specifically provides as follows:

“It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.”

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the Flushing National Bank case stated:

“So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted....While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

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

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

VILLAGE INDEBTEDNESS

Constitutional Requirements

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

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

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

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 Village determines to issue a particular debt obligation amortizing on the basis of substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Village, subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the rate which such assessed valuation bears to the full valuation as determined by the 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 Village to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Village Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Village 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 Village Board of Trustees, the finance board of the Village. Certain such resolutions may be subject to permissive referendum, or may be submitted to the Village voters at the discretion of the Village Board.

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

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 Village Board of Trustees may delegate the power to issue and sell bonds and notes to the Treasurer, the chief fiscal officer of the Village.

In general, the Local Finance Law contains similar provisions providing the Village 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 Village, which are determined by statistical sampling of market/assessment studies. The equalization rates are used in the calculation and distribution of certain state aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The Village has a debt contracting limitation equal to seven percent (7%) of average full valuation (See “*Constitutional Requirements*,” herein).

The Village 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 Village purposes.

**Computation of Constitutional
Debt Contracting Limitation
As of August 16, 2023**

Fiscal Year Ending <u>May 31:</u>	Assessed <u>Valuation</u>	State Equalization <u>Rate ⁽¹⁾</u>	Full <u>Valuation</u>
2023	\$ 1,608,348,967	100.00%	\$ 1,608,348,967
2022	1,592,450,258	100.00	1,592,450,258
2021	1,549,221,968	100.00	1,549,221,968
2020	1,486,245,061	100.00	1,486,245,061
2019	1,427,546,491	100.00	<u>1,427,546,491</u>
 Total Full Valuation			 <u>\$7,663,812,745</u>
 Five-Year Average Full Valuation			 <u>\$1,532,762,549</u>
Debt Contracting Limitation: 7% of Five-Year Average Full Valuation			 <u>\$ 107,293,378</u>

(1) Determined by the ORPTS.

Statutory Debt Limit and Net Indebtedness

**Statement of Debt Contracting Power
As of August 16, 2023**

	<u>Amount</u>	<u>Percentage</u>
Debt Contracting Limitation:	<u>\$107,293,378</u>	<u>100%</u>
Gross debt:		
Serial Bonds	1,045,000	0.97
Bond Anticipation Notes	<u>5,876,369</u>	<u>5.48</u>
Gross Indebtedness	<u>6,921,369</u>	<u>6.45</u>
Less Exclusions:		
Unexpended Appropriations To Pay Non-Exempt Principal Debt	<u>90,000</u>	<u>0.08</u>
Total Exclusions	<u>90,000</u>	<u>0.08</u>
Net Indebtedness	<u>6,831,369</u>	<u>6.37</u>
Net Debt Contracting Margin	<u><u>\$100,462,009</u></u>	<u><u>93.63%</u></u>

Bond Anticipation Notes

Bond anticipation notes may be sold to provide moneys for capital projects once a bond resolution has been adopted. Generally, bond anticipation notes are issued in anticipation of the sale of bonds at some future date and may be renewed from time to time up to five years from the date of the first note in most instances. 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. In no event may bond anticipation notes be renewed after the sale of bonds in anticipation of which the notes were originally issued.

The following two tables present a five-year history of the Village’s bond anticipation notes.

**Bond Anticipation Notes – End of Year
Fiscal Years Ended May 31:**

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$3,765,990	\$3,617,600	\$3,265,100	\$3,005,710	\$5,103,287

Source: The Audited Financial Statements of the Village and Village Officials. The summary itself has not been audited.

Tax and Revenue Anticipation Notes

The Village is also authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash to pay operating expenditures. Borrowings for these purposes are restricted by formulas contained in the Local Finance Law and Regulations issued under the U.S. Internal Revenue Code. Such 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 Village has not issued tax or revenue anticipation notes during the last five fiscal years and does not expect to issue such notes during the current fiscal year.

Trend of Capital Debt

The following table sets forth the total amount of bonds outstanding at the end of each of the last five years.

Bonded Debt History

<u>Years Ended May 31:</u>	<u>Bonded Debt</u>
2018	\$1,875,000
2019	1,660,000
2020	1,455,000
2021	1,250,000
2022	1,135,000

Overlapping and Underlying Debt

**Statement of Direct and Overlapping Indebtedness
As of August 16, 2023**

Village Gross Direct Indebtedness				\$6,921,369
Village Exclusions and Deductions				<u>90,000</u>
Village Net Direct Indebtedness				<u>\$6,831,369</u>
<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Net Overlapping Debt</u>	<u>Percentage Applicable</u>	<u>Applicable Net Overlapping Debt</u>
Westchester County	12-31-21	\$930,276,435	0.77%	\$7,163,129
Town of Pelham	12-31-18	-0-	44.65	-0-
Pelham UFSD	06-30-22	76,740,000	44.42	<u>34,087,908</u>
Total				<u><u>\$41,251,037</u></u>

Source: County, Town and School District officials and the Municipal Securities Rulemaking Board.

(The remainder of this page has been intentionally left blank.)

Debt Ratios

The following table sets forth certain debt ratios based upon the Village's direct and overlapping debt.

Net Direct and Overlapping Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Debt To Full Value ⁽²⁾</u>	<u>Per Capita Debt To Per Capita Income ⁽³⁾</u>
Net Direct Debt	\$ 6,831,369	\$ 932	0.42%	1.3%
Net Direct and Overlapping Debt	48,082,406	6,563	2.99	8.9

(1) According to interim data from the US Census Bureau, the population of the Village was estimated at 7,326 for 2020.

(2) The full valuation of the Village for the fiscal year ending May 31, 2023 is \$1,608,348,967.

(3) The 2020 per capita income of Village residents is \$74,114.

Authorized But Unissued Debt

Following the sale of the Notes, the Village will no longer have any authorized but unissued debt.

Debt Service Schedule

The following table shows the annual debt service requirements to maturity on the Village's outstanding general obligation bonded indebtedness.

Schedule of Debt Service Requirements

Years Ending May 31:	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Cumulative Principal Paid</u>
2023 ⁽¹⁾	\$ 90,000	\$ 35,375	\$ 125,375	7.93%
2024	90,000	32,788	122,788	15.86
2025	95,000	30,013	125,013	24.23
2026	95,000	27,163	122,163	32.60
2027	100,000	24,175	124,175	41.41
2028	105,000	20,906	125,906	50.66
2029	105,000	17,494	122,494	59.91
2030	110,000	13,931	123,931	69.60
2031	110,000	10,150	120,150	79.30
2032	115,000	6,213	121,213	89.43
2033	120,000	2,100	122,100	100.00
	<u>\$1,135,000</u>	<u>\$220,308</u>	<u>\$1,355,308</u>	

(1) For the 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>
Village	6,400	6,910	7,326	8.0%	6.0%
Town	11,866	12,396	13,078	4.5	5.5
County	923,459	949,113	1,004,457	2.8	5.8
State	18,976,457	19,378,102	20,201,249	2.1	4.2

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

Income

The following tables indicate comparative income statistics for the Village, Town, County and State.

	<u>Per Capita Money Income</u>		
	<u>2010</u>	<u>2020</u>	<u>% Change</u>
Village	\$63,951	\$74,114	15.9%
Town	71,707	83,031	15.8
County	47,814	57,953	21.2
State	30,948	40,898	32.2

Source: Bureau of the Census.

Employment

The table below provides certain information about the level of jobs in the County and State. Unemployment rates are presented for the County, State and United States. Such rates are provided for informational purposes only and are not necessarily representative of the employment conditions in the Village. The major employers in the County are also listed.

Figures in this section are historical and do not speak as to current or projected employment rates. Unemployment drastically increased mid-March 2020 due to the COVID-19 global pandemic. (See "RISK FACTORS", herein).

	<u>Average Employed Civilian Labor Force</u>			<u>2010 - 2022</u>		
	<u>2010</u>	<u>2020</u>	<u>2022</u>	<u>% Change</u>	<u>2010-2020</u>	<u>2020-2022</u>
County	443,100	449,500	480,900	1.4%	7.0%	
State	8,790,600	8,645,500	9,205,800	(1.7)	6.5	

Source: New York State Department of Labor.

Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2018	3.9%	4.1%
2019	3.6	3.9
2020	8.0	9.8
2021	4.8	7.0
2022	3.1	4.3
2023		
Jan	3.5	4.6
Feb	3.3	4.5
Mar	2.9	4.0
Apr	2.3	3.7
May	2.8	3.8
Jun	3.0	4.3

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

Major Private Sector Employers in the County

<u>Name Of Business</u>	<u>Nature Of Business</u>
Westchester Medical Center	Hospital and health care services
IBM Corp.	Computer hardware and software
White Plains Hospital	Hospital and health care services
Regeneron Pharmaceuticals Inc.	Pharmaceuticals
St. John’s Riverside Hospital	Hospital and health care services
PepsiCo Inc.	Soft drinks and snack foods
Sy. Joseph’s Medical Center Hospital and Healthcare Services	Hospital and health care services
FDR VA Hospital	Hospital and health care services
Northern Westchester Hospital	Hospital and health care services
Montefiore New Rochelle	Hospital and health care services

Source: Westchester County Official Statement December 1, 2021.

Education

Primary and secondary education for children in the Village is provided by the Pelham Union Free School District.

Financial Institutions

Various banking facilities are available to Village residents. The following commercial banks have offices in or are proximate to the Village: Bank of America N.A., Citibank N.A., HSBC Bank USA, JPMorgan Chase Bank, N.A., TD Bank N.A., and TRUSTCO Bank.

Transportation

The Village is served by all major forms of transportation. Highway facilities include U.S. Route 1, Interstate 95 and the Hutchinson River Parkway, which runs through or near the Village. Commuter rail transportation is provided by the Connecticut Line of the Metro North Railroad. Freight rail service is provided by CSX. Domestic and international airline service is available at the New York airports (LaGuardia Airport, Newark Airport and Kennedy International

Airport) which are located less than one hour by automobile. The County Airport, serving primary U.S. cities, is located about 20 miles from the Village limits.

Utilities

The Consolidated Edison Company provides residents with gas and electric utility services. Telephone service is provided by Verizon. Sewage collection is a Village function and the County is responsible for treating sewage.

The Village is a part of the County Refuse District No. 1, which operates a mass-burn resource recovery facility in the City of Peekskill located in the northwest corner of the County. Properties located in the County Refuse District, including the Village, are subject to annual assessments to pay service charges for processing solid waste as well as operating and capital expenses of such district.

END OF APPENDIX A

APPENDIX B

SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

VILLAGE OF PELHAM
BALANCE SHEET
GENERAL FUND
UNAUDITED PRESENTATION

FISCAL YEAR ENDED MAY 31:

	2018	2019	2020	2021	2022
ASSETS					
Cash And Equivalents	\$ 1,657,636	\$ 1,808,509	\$ 1,593,064	\$ 1,463,626	\$ 2,141,510
Investments	502,517	0	0	0	0
Other Receivables:					
Accounts	125,335	202,374	260,845	80,846	112,647
Due From Other Governments	99,511	108,499	105,461	212,409	211,936
Prepaid Expenditures	0	334,332	0	0	0
Due From Other Funds	10,315	32,136	1,953	1,511	179,107
Total Assets	<u>\$ 2,395,314</u>	<u>\$ 2,485,850</u>	<u>\$ 1,961,323</u>	<u>\$ 1,758,392</u>	<u>\$ 2,645,200</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 157,172	\$ 262,773	\$ 192,121	\$ 311,008	\$ 311,325
Accrued Liabilities	39,429	149,348	317,300	49,750	167,714
Deposits Payable	0	0	0	83,058	143,930
Due To Retirement Systems	239,805	293,062	259,485	264,836	256,087
Due To Other Funds	0	0	0	0	0
Total Liabilities	<u>436,406</u>	<u>705,183</u>	<u>768,906</u>	<u>708,652</u>	<u>879,056</u>
Fund Balance:					
Nonspendable	0	334,332	0	0	0
Restricted	0	29,629	21,452	25,580	41,592
Assigned	254,750	144,651	0	0	0
Unassigned	1,704,158	1,272,055	1,170,965	1,024,160	1,724,552
Total Equity Balance	<u>1,958,908</u>	<u>1,780,667</u>	<u>1,192,417</u>	<u>1,049,740</u>	<u>1,766,144</u>
Total Liabilities and Equity Balance	<u>\$ 2,395,314</u>	<u>\$ 2,485,850</u>	<u>\$ 1,961,323</u>	<u>\$ 1,758,392</u>	<u>\$ 2,645,200</u>

The financial data presented on this page has been excerpted from the audited financial statements of the Village.

Summary presentation herein has not been audited.

Complete copies of the Village's audited financial statements are available upon request to the Village.

VILLAGE OF PELHAM
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

FISCAL YEAR ENDED MAY 31:

	2018	2019	2020	2021	2022
REVENUES:					
Real Property Taxes	\$ 10,822,448	\$ 10,995,145	\$ 11,278,619	\$ 11,580,092	\$ 12,379,636
Other Tax Items	29,348	19,156	23,114	27,274	24,399
Non-Property Taxes	1,341,838	1,384,345	1,625,618	1,759,573	1,989,451
Departmental Income	864,491	903,478	767,493	663,690	707,240
Intergovernmental Charges	2,440	2,635	2,846	2,903	2,961
Use Of Money And Property	160,321	252,055	309,039	190,221	207,216
Licenses And Permits	348,291	485,945	242,421	357,254	419,053
Fines and Forfeitures	346,642	431,786	341,648	214,840	371,818
Sale of Property and Compensation for Loss	2,354	29,909	47,783	19,344	12,759
State Aid	273,370	265,568	200,717	258,281	678,823
Federal Aid	0	0	27,343	124,343	513,556
Miscellaneous	196,353	352,198	429,056	395,915	110,449
Total Revenues	<u>14,387,896</u>	<u>15,122,220</u>	<u>15,295,697</u>	<u>15,593,730</u>	<u>17,417,361</u>
EXPENDITURES:					
Current:					
General Government Support	1,317,030	1,339,606	1,540,250	1,392,561	1,425,539
Public Safety	6,200,938	6,489,680	6,789,127	6,745,978	6,940,539
Transportation	674,625	623,220	475,506	415,633	811,564
Culture and Recreation	352,710	377,621	382,822	386,071	412,284
Economic Opportunity and Development	0	0	0	0	0
Home and Community Services	1,273,658	1,326,246	1,478,438	1,536,414	1,647,373
Employee Benefits	4,601,822	4,760,491	4,767,032	4,690,463	5,026,647
Debt Service	269,309	311,214	364,697	313,946	190,935
Total Expenditures	<u>14,690,092</u>	<u>15,228,078</u>	<u>15,797,872</u>	<u>15,481,066</u>	<u>16,454,881</u>
Excess of Revenues Over Expenditures	<u>(302,196)</u>	<u>(105,858)</u>	<u>(502,175)</u>	<u>112,664</u>	<u>962,480</u>
OTHER FINANCING SOURCES (USES):					
Insurance recoveries	55,979	103,178	101,925	4,049	26,270
Operating Transfers - In	6,869	17,269	0	0	0
Operating Transfers - Out	(177,518)	(192,830)	(188,000)	(259,390)	(272,346)
Total Other Financing Sources (Uses)	<u>(114,670)</u>	<u>(72,383)</u>	<u>(86,075)</u>	<u>(255,341)</u>	<u>(246,076)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(416,866)	(178,241)	(588,250)	(142,677)	716,404
Fund Balances - Beginning of Year	2,375,774	1,958,908	1,780,667	1,192,417	1,049,740
Change In Accounting Principle	0	0	0	0	0
Prior Period Adjustment	0	0	0	0	0
Fund Balances - End of Year	<u>\$ 1,958,908</u>	<u>\$ 1,780,667</u>	<u>\$ 1,192,417</u>	<u>\$ 1,049,740</u>	<u>\$ 1,766,144</u>

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

VILLAGE OF PELHAM
FINAL ADOPTED BUDGET FOR OPERATING FUNDS
FISCAL YEAR ENDING MAY 31, 2023

	General Fund	Total Budget
ESTIMATED REVENUES:		
Real Property Taxes	\$ 12,694,145	\$ 12,694,145
Other Tax Items	39,000	39,000
Non-Property Tax Items ⁽¹⁾	1,885,138	1,885,138
Departmental Income	772,100	772,100
Use Of Money and Property	97,276	97,276
Licenses And Permits	345,500	345,500
Fines and Forfeitures	410,000	410,000
Sale of Property and Compensation for Loss	48,704	48,704
Interfund Transfers	0	0
State Aid	189,000	189,000
Federal Aid	29,733	29,733
Miscellaneous	79,254	79,254
Intergovernmental Charges	3,000	3,000
	<u>16,592,850</u>	<u>16,592,850</u>
APPROPRIATIONS:		
General Government Support	1,813,312	1,813,312
Public Safety	7,046,624	7,046,624
Transportation	432,383	432,383
Economic Opportunity And Assistance	0	0
Culture and Recreation	405,011	405,011
Home and Community Services	1,244,311	1,244,311
Employee Benefits	5,196,558	5,196,558
Debt Servie	454,651	454,651
	<u>16,592,850</u>	<u>16,592,850</u>
Total Appropriations		
	<u>16,592,850</u>	<u>16,592,850</u>
Excess of Revenues Over Expenditures	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)		
	<u>0</u>	<u>0</u>
Appropriation of Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>

(1) Includes \$1,350,000 County sales tax distribution.

VILLAGE OF PELHAM
FINAL ADOPTED BUDGET FOR OPERATING FUNDS
FISCAL YEAR ENDING MAY 31, 2024

	General Fund	Total Budget
ESTIMATED REVENUES:		
Real Property Taxes	\$ 13,016,652	\$ 13,016,652
Other Tax Items	33,000	33,000
Non-Property Tax Items ⁽¹⁾	2,361,476	2,361,476
Departmental Income	675,100	675,100
Use Of Money and Property	191,776	191,776
Licenses And Permits	410,788	410,788
Fines and Forfeitures	400,000	400,000
Sale of Property and Compensation for Loss	28,000	28,000
Interfund Transfers	0	0
State Aid	262,154	262,154
Federal Aid	0	0
Miscellaneous	6,000	6,000
Intergovernmental Charges	3,000	3,000
	<u>17,387,946</u>	<u>17,387,946</u>
APPROPRIATIONS:		
General Government Support	1,921,689	1,921,689
Public Safety	7,188,728	7,188,728
Transportation	421,540	421,540
Economic Opportunity And Assistance	0	0
Culture and Recreation	361,535	361,535
Home and Community Services	1,057,697	1,057,697
Employee Benefits	5,764,306	5,764,306
Debt Servie	672,451	672,451
	<u>17,387,946</u>	<u>17,387,946</u>
Excess of Revenues Over Expenditures	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>
Appropriation of Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>

(1) Includes \$2,100,120 County sales tax distribution.

APPENDIX C

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2022*

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/P21680225.pdf>

The audited financial statements referenced above are hereby incorporated into this Official Statement.

*** PKF O’Connor Davies, LLP, has not commented on or approved this Official Statement, has not been requested to perform any procedures on the information in its included report since its date and has not been asked to consent to the inclusion of its report in this Official Statement.**