

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 16, 2023

Moody's: _____

Standard & Poor's: _____

Fitch: _____

(See "Ratings" herein)

NEW ISSUES

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the County with respect to the Series A Bonds, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Series A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) interest on the Series A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Series A Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code, and (iii) interest on the Series A Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York and the City of Yonkers. Further, in the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the County with respect to the Series C Bonds, interest on the Series C Bonds (i) is included in gross income for federal income tax purposes pursuant to the Code and (ii) is exempt, under existing statutes, from personal income taxes of New York State and its political subdivisions, including The City of New York. See "TAX MATTERS-SERIES A BONDS" and "TAX MATTERS-SERIES C BONDS" herein.

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

The Series A Bonds and the Series B Bonds will NOT be designated by the County as "qualified tax-exempt obligations" pursuant to the provisions of Section 265 of the Code.

COUNTY OF WESTCHESTER, NEW YORK

**\$125,468,652* GENERAL OBLIGATION BONDS – 2023 SERIES A
(the "Series A Bonds")**

**\$27,467,885* GENERAL OBLIGATION BONDS – 2023 SERIES B
(the "Series B Bonds")**

**\$34,035,016* GENERAL OBLIGATION BONDS – 2023 SERIES C (FEDERALLY TAXABLE)
(the "Series C Bonds")**

**\$15,625,093* GENERAL OBLIGATION BONDS – 2023 SERIES D (FEDERALLY TAXABLE)
(the "Series D Bonds" and together with the Series A Bonds, the Series B Bonds, and the Series C Bonds, the "Bonds")**

Dated: Date of Delivery

Due: As shown herein

The Bonds are general obligations of the County of Westchester, New York (the "County"), for the payment of which the County has pledged its faith and credit. All of the taxable real property within the County is subject to the levy of ad valorem taxes to pay both principal of and interest on the Bonds subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York (see "FINANCIAL FACTORS – Tax Levy Limitation Law" herein).

The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, other than a necessary odd denomination in the first maturity of each series of the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the County to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. (See "BOOK-ENTRY SYSTEM" herein.)

The Bonds are dated their date of delivery and will bear interest from that date until maturity at the annual rates specified on the inside cover page hereof, payable December 1, 2024, and semiannually thereafter on June 1 and December 1 in each year until maturity. The Bonds shall mature on the dates and in the amounts as shown on the inside cover page hereof. The Bonds will be subject to optional redemption prior to maturity as described herein. (See "THE BONDS – Optional Redemption" herein.)

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

The Series A Bonds and the Series C Bonds are offered subject to the receipt of the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the County with respect to the Series A Bonds and the Series C Bonds, and certain other conditions. The Series B Bonds and the Series D Bonds are offered subject to the receipt of the respective final approving opinions of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel to the County with respect to the Series B Bonds and the Series D Bonds, and certain other conditions. Capital Markets Advisors, LLC serves as independent Municipal Advisor to the County. It is expected that delivery of the Bonds, in definitive form, will be made on or about December 14, 2023 in New York, New York.

Dated: November __, 2023

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may offers to be accepted prior to the time the Official Statement is delivered in final form. 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 these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$125,468,652* GENERAL OBLIGATION BONDS – 2023 SERIES A

Dated: Date of Delivery

Principal Due: December 1 as shown below
Interest Due: December 1, 2024, and semiannually thereafter on June 1 and December 1 in each year until maturity

<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>CUSIP⁽¹⁾</u>	<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>CUSIP⁽¹⁾</u>
2025	\$7,053,652				2032	\$9,010,000**			
2026	7,310,000				2033	9,330,000**			
2027	7,575,000				2034	9,665,000**			
2028	7,845,000				2035	10,020,000**			
2029	8,120,000				2036	10,400,000**			
2030	8,400,000				2037	10,805,000**			
2031	8,700,000				2038	11,235,000**			

\$27,467,885* GENERAL OBLIGATION BONDS – 2023 SERIES B

Dated: Date of Delivery

Principal Due: December 1 as shown below
Interest Due: December 1, 2024, and semiannually thereafter on June 1 and December 1 in each year until maturity

<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>CUSIP⁽¹⁾</u>	<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>CUSIP⁽¹⁾</u>
2025	\$1,192,885				2034	\$1,640,000**			
2026	1,240,000				2035	1,700,000**			
2027	1,285,000				2036	1,765,000**			
2028	1,330,000				2037	1,830,000**			
2029	1,375,000				2038	1,905,000**			
2030	1,425,000				2039	1,985,000**			
2031	1,475,000				2040	2,065,000**			
2032	1,525,000**				2041	2,150,000**			
2033	1,580,000**								

\$34,035,016* GENERAL OBLIGATION BONDS – 2023 SERIES C (FEDERALLY TAXABLE)

Dated: Date of Delivery

Principal Due: December 1 as shown below
Interest Due: December 1, 2024, and semiannually thereafter on June 1 and December 1 in each year until maturity

<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>CUSIP⁽¹⁾</u>	<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>CUSIP⁽¹⁾</u>
2025	\$2,035,016				2031	\$2,860,000			
2026	2,160,000				2032	3,025,000**			
2027	2,285,000				2033	3,200,000**			
2028	2,420,000				2034	3,390,000**			
2029	2,555,000				2035	3,590,000**			
2030	2,705,000				2036	3,810,000**			

\$15,625,093* GENERAL OBLIGATION BONDS – 2023 SERIES D (FEDERALLY TAXABLE)

Dated: Date of Delivery

Principal Due: December 1 as shown below
Interest Due: December 1, 2024, and semiannually thereafter on June 1 and December 1 in each year until maturity

<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>CUSIP⁽¹⁾</u>	<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>CUSIP⁽¹⁾</u>
2025	\$555,093				2034	\$930,000**			
2026	590,000				2035	985,000**			
2027	625,000				2036	1,045,000**			
2028	665,000				2037	1,110,000**			
2029	700,000				2038	1,180,000**			
2030	740,000				2039	1,250,000**			
2031	785,000				2040	1,335,000**			
2032	830,000**				2041	1,420,000**			
2033	880,000**								

⁽¹⁾ CUSIP numbers have been assigned by an organization not affiliated with the County and are included solely for the convenience of the holders of the Bonds. The County is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated above.

*Preliminary, subject to change

** Subject to optional redemption prior to maturity (See “THE BONDS – Optional Redemption” herein).

WESTCHESTER COUNTY, NEW YORK

OFFICIAL ROSTER

County Executive

George Latimer

COUNTY BOARD OF LEGISLATORS

Vedat Gashi, *Board Chair*

Nancy E. Barr, *Board Vice Chair*

José I. Alvarado
Catherine Borgia
Benjamin Boykin II
Symra D. Brandon
Terry Clements
Margaret A. Cunzio
David T. Imamura
Damon R. Maher

James Nolan
Catherine F. Parker
Erika L. Pierce
Tyrae Woodson-Samuels
Colin D. Smith
David J. Tubiolo
Jewel Williams Johnson

APPOINTED OFFICIALS

Kenneth W. Jenkins, *Deputy County Executive*

Karin Hablow, *Commissioner of Finance*

John M. Nonna, *County Attorney*

Lawrence C. Soule, *Budget Director*

SPECIAL SERVICES

BOND COUNSELS

Hawkins Delafield & Wood LLP
New York, New York

Norton Rose Fulbright US LLP
New York, New York

AUDITORS

PKF O'Connor Davies, LLP

MUNICIPAL ADVISOR



CAPITAL MARKETS ADVISORS, LLC

*Long Island * Western New York*

(516) 570-0340

No dealer, broker, salesman or other person has been authorized by the County of Westchester, New York, or any officer thereof, 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 County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the County, from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County, since the date hereof. The purchaser(s) may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the purchaser(s). No representations are made or implied by the County as to any offering by the purchaser(s).

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The County disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the County’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

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OFFICIAL STATEMENT

of the

COUNTY OF WESTCHESTER, NEW YORK

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents information relating to the County of Westchester, in the State of New York (the “County” and “State,” respectively) and was prepared by the County in connection with the sale of its \$125,468,652* General Obligation Bonds – 2023 Series A (the “Series A Bonds”), \$27,467,885* General Obligation Bonds – 2023 Series B (the “Series B Bonds”), \$34,035,016* General Obligation Bonds – 2023 Series C (Federally Taxable) (the “Series C Bonds”), and \$15,625,093* General Obligation Bonds – 2023 Series D (Federally Taxable) (the “Series D Bonds” and together with the Series A Bonds, the Series B Bonds, and the Series C Bonds, the “Bonds”).

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

THE BONDS

Description

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity, payable December 1, 2024, and semiannually thereafter on June 1 and December 1 in each year until maturity. The Bonds shall mature on the dates, in the years and in the amounts as set forth on the inside cover page hereof. The Bonds maturing on or before December 1, 2031, are not subject to redemption prior to maturity. The Bonds maturing on or after December 1, 2032, are subject to redemption prior to maturity as described herein. (See “Optional Redemption of the Bonds” herein.)

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as Securities Depository (defined herein) for the Bonds. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 and integral multiples thereof, except for one necessary odd denomination in the first maturity of each series of the Bonds. Purchasers will not receive certificates representing their ownership interests in the Bonds. Principal and interest on the Bonds will be made by the County to DTC, which will in turn remit such principal and interest to its Participants (defined herein), for subsequent disbursement to the Beneficial Owners of the Bonds as described under “BOOK-ENTRY ONLY SYSTEM,” herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the County referred to therein.

The record payment date for the payment of principal and interest on the Bonds is the fifteenth day of the calendar month preceding each respective interest payment date.

Authorization for and Purpose of the Series A Bonds

The Series A Bonds are issued pursuant to the Constitution, the laws of the State, including the Local Finance Law, the County Charter, and bond acts duly adopted by the County Board of Legislators on their respective dates.

The proceeds of the Series A Bonds will be issued to provide original financing for various purposes in and for the County as reflected in the chart on the following page.

*Preliminary, subject to change.

<u>Amount*</u>	<u>Project</u>
\$ 43,995,560	Improvements to various parks, golf courses and recreational facilities
27,095,238	Renovation, reconstruction, and upgrades to various County buildings and properties
18,933,850	Rehabilitate, reconstruct, or recondition County roads and bridges
13,379,432	Fair and affordable housing
10,566,339	Information technology
3,463,051	Acquisition and improvements for Labs and Research
2,850,346	Acquisition and improvements for Transportation
1,596,613	Acquisition and improvements for Correctional Facilities
1,584,820	Acquisition and improvements for Airport
1,129,721	Flood mitigation and stormwater management
<u>873,678</u>	Various improvements and renovations to Westchester Community College
<u>\$125,468,652</u>	Total

*Amounts off slightly due to rounding.

Authorization for and Purpose of the Series B Bonds

The Series B Bonds are issued pursuant to the Constitution, the laws of the State, including the Local Finance Law, the County Charter, and bond acts duly adopted by the County Board of Legislators on their respective dates.

The proceeds of the Series B Bonds will be issued to provide original financing for various capital improvements including construction, renovation upgrades, modifications, and improvements to various Sewer District treatment plants and facilities, Water District facilities, or Refuse District facilities.

Authorization for and Purpose of the Series C Bonds

The Series C Bonds are issued pursuant to the Constitution, the laws of the State, including the Local Finance Law, the County Charter, and bond acts duly adopted by the County Board of Legislators on their respective dates.

The proceeds of the Series C Bonds will be issued to provide original financing for various capital improvements including construction, renovation upgrades, modifications, and improvements to certain park assets.

Authorization for and Purpose of the Series D Bonds

The Series D Bonds are issued pursuant to the Constitution, the laws of the State, including the Local Finance Law, the County Charter, and bond acts duly adopted by the County Board of Legislators on their respective dates.

The proceeds of the Series D Bonds will be issued to provide original financing for various capital improvements including construction, renovation upgrades, modifications, and improvements to various Sewer District treatment plants and facilities, Water District facilities, or Refuse District facilities.

Optional Redemption of the Bonds

The Bonds maturing on or before December 1, 2031, are not subject to redemption prior to maturity. The Bonds maturing on or after December 1, 2032, will be subject to redemption prior to maturity, at the option of the County, on any date on or after December 1, 2031, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The County may select the maturities of the Bonds to be redeemed prior to maturity and the amount to be redeemed of each maturity selected, as the County shall determine to be in the best interest of the County at the time of such redemption. If less than all of the Bonds of any maturity are called for prior redemption, such Bonds will be selected for redemption, in accordance with DTC procedures, by lot. Notice of such call for redemption shall be given by mailing such notice to the registered owner not more than sixty (60) nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of

redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Nature of Obligation

The Bonds, when duly issued and paid for, will each constitute a contract between the County and the holders thereof.

The Bonds will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the County has power and statutory authorization to levy ad valorem taxes on all taxable real property within the County, subject to the limitations imposed by the Tax Levy Limitation Law. (See "FINANCIAL FACTORS - Tax Levy Limitation Law" herein).

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the County to levy taxes on real property therefor after the Bonds have been issued. However, the Tax Levy Limitation Law presently imposes a statutory limitation on the County's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limitation Law. (See "FINANCIAL FACTORS - Tax Levy Limitation Law" herein.)

The Bonds are issued pursuant to applicable provisions of the Local Finance Law of the State, the County Charter and certain acts and proceedings of the County Board of Legislators adopted on their respective dates and thereafter approved by the County Executive. (See "COUNTY INDEBTEDNESS" for additional information).

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the book-entry Bonds and such Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of each series of Bonds bearing the same rate of interest and CUSIP number and will be deposited with DTC.

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

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

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

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

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

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

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on payable dates 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 County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The County 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.

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

THE COUNTY 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 PAYMENT 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 BONDS; (III) ANY

NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS OR NOTEHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER OR NOTEHOLDER.

THE COUNTY OF WESTCHESTER

There follows in this Official Statement a brief description of the County, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures of the General and Special Revenue funds.

General Information

The County of Westchester, incorporated in 1683, is a suburban county located in the northern sector of the New York City metropolitan area. It is bordered on the south by New York City, on the east by the State of Connecticut and Long Island Sound, on the north by Putnam County and on the west by the Hudson River. The County has a 2020 Federal census population of 1,004,457 and an area of 450 square miles.

The County has a large and varied economic base containing many corporate headquarters, research facilities, manufacturing firms and well-developed trade and service sectors. Approximately thirty-five percent of employed County residents are employed outside the County, primarily in New York City.

Population Characteristics

The 2020 Federal census recorded that the County experienced a 5.8% population increase since the prior completed census in 2010. The U.S. Bureau of the Census estimated the County's 2022 population was 990,427.

TABLE 1

Population (in thousands)

<u>Year</u>	<u>Westchester</u>	<u>New York City</u>	<u>New York State</u>	<u>United States</u>
1960	809	7,782	16,782	179,323
1970	894	7,895	18,237	203,212
1980	867	7,072	17,558	226,546
1990	875	7,323	17,990	248,710
2000	923	8,008	18,976	283,868
2010	950	8,175	19,378	308,746
2020	1,004	8,804	20,201	331,449

Source: United States Department of Commerce, Bureau of the Census as of most recent adjustment.

The County's 48 municipalities vary greatly in population size. Four cities: Yonkers, New Rochelle, Mount Vernon and White Plains (the County seat), contain over 42% of Westchester's population. The southern portion of the County, with about 9,692 people per square mile, is almost 6 times more densely populated than the northern area, which has about 1,615 people per square mile. Within the metropolitan area, Westchester's overall population density in 2020 of 2,230 people per square mile was much lower than that of the central parts of the region and much higher than that of the more outlying exurban areas. Westchester is approximately eight percent as densely populated as New York City (27,012 per square mile) and less than one-half as densely populated as Nassau County (4,705 per square mile). However, it is more densely populated than Rockland County (1,796 per square mile), Suffolk County (1,637 per square mile), Putnam County (433 per square mile) and Dutchess County (374 per square mile).

Personal Income

Total personal income of County residents was \$118.6 billion in 2021. The County's 2021 per capita personal income was among the highest in the nation. As reported by the U.S. Department of Commerce, Bureau of Economic Analysis, the County's per capita personal income of \$119,705 in 2021 placed it in the top 1% among the 3,113 counties nationwide. In addition, the County's 2021 per capita personal income of \$119,705 compared favorably to New York State and the U.S., which were \$76,837 and \$64,143, respectively.

Economy

Employment

Since 2013, employment in the County has for the most part increased along with the County population. In addition, the County's rate of unemployment has been lower than the State and the United States for this period. Since 2020, the State's unemployment rate has been higher than the national rate as shown in Table 2 due to the impact of the COVID-19 pandemic. Table 2a reflects monthly employment and unemployment for the most recent 12-month period available.

TABLE 2
Annual Employment and Unemployment, 2013-2022
(Employment figures in thousands)

	Westchester ^(a)		New York State		United States	
	<u>Employment</u>	<u>Unemployment Rate</u>	<u>Employment</u>	<u>Unemployment Rate</u>	<u>Employment</u>	<u>Unemployment Rate</u>
2013	446	6.4%	8,881	7.8%	143,929	7.4%
2014	446	5.2	8,925	6.3	146,305	6.2
2015	456	4.6	9,036	5.2	148,834	5.3
2016	457	4.4	9,063	4.9	151,436	4.9
2017	468	4.5	9,383	4.6	153,337	4.4
2018	473	3.9	9,441	4.1	155,761	3.9
2019	480	3.6	9,503	3.8	157,538	3.7
2020	447	8.0	8,631	9.9	147,795	8.1
2021	457	4.8	8,786	6.9	152,581	5.3
2022	481	3.1	9,206	4.3	158,291	3.6

Sources: New York State Department of Labor and United States Labor Department, Bureau of Labor Statistics. Annual Averages, not seasonally adjusted.

^(a) Statistical data represents employment of the County's residents employed either within the County or outside the County.

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TABLE 2a

Monthly Employment and Unemployment, Most Recent 12-Month Period Available
(Employment figures in thousands)

	Westchester ^(a)		New York State		United States	
	<u>Employment</u>	<u>Unemployment Rate</u>	<u>Employment</u>	<u>Unemployment Rate</u>	<u>Employment</u>	<u>Unemployment Rate</u>
October 2022	483	2.7%	9,266	3.7%	159,144	3.4%
November	479	2.8	9,198	3.8	158,749	3.4
December	479	2.7	9,208	3.8	158,872	3.3
January 2023	473	3.5	9,155	4.6	158,692	3.9
February	477	3.3	9,333	4.5	159,713	3.9
March	482	2.9	9,296	4.0	160,741	3.6
April	486	2.3	9,297	3.7	161,075	3.1
May	487	2.8	9,350	3.8	161,002	3.4
June	497	3.0	9,432	4.2	161,559	3.8
July	500	3.1	9,462	4.1	161,982	3.8
August	497	3.5	9,398	4.4	161,427	3.9
September	491	3.2	9,349	4.0	161,669	3.6

Sources: New York State Department of Labor and United States Labor Department, Bureau of Labor Statistics.
Monthly Averages, not seasonally adjusted.

(a) Statistical data represents employment of the County's residents employed either within the County or outside the County

TABLE 3

Non-Farm Average Employment in Westchester/Rockland/Orange Counties*
2018–2022
(Figures in thousands)

	<u>Total Non-Farm</u>	<u>Services</u>	<u>Trade Transportation and Utilities</u>	<u>Education & Health Services</u>	<u>Government</u>	<u>Finance, Insurance & Real Estate</u>	<u>Manufacturing</u>	<u>Construction / Mining</u>	<u>Other</u>
2018	727.2	173.5	141.9	157.1	111.6	37.6	29.5	44.0	32.0
2019	733.9	175.3	139.8	162.4	111.3	37.7	29.5	45.6	32.3
2020	662.2	147.9	124.6	151.9	106.1	36.0	27.5	41.0	27.2
2021	680.6	157.2	130.2	153.9	103.2	36.3	28.0	42.8	29.0
2022	713.7	171.3	135.6	157.5	107.1	37.3	28.9	45.2	30.8

Source: New York State Department of Labor.
Annual Averages, not seasonally adjusted.

* For purposes of these statistics, the New York State Department of Labor has combined these counties as a "Metropolitan Statistical Area."

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TABLE 4

Major Employers (Non-Municipal) in the County of Westchester

<u>Firms- number of employees</u>		<u>Business Activity</u>
Westchester Medical Center	4,464	Hospital and Healthcare Services
Pepsico	3,966	Multinational Food, Snack and Beverage
IBM	3,118	Multinational Technology
Saint John’s Riverside Hospital	2,756	Hospital and Healthcare Services
White Plains Hospital	2,185	Hospital and Healthcare Services
Regeneron	2,000	Biotechnology
Saint Joseph’s Medical Center	1,562	Hospital and Healthcare Services
Northern Westchester Hospital	1,313	Hospital and Healthcare Services
Montefiore New Rochelle Hospital	1,304	Hospital and Healthcare Services

Source: Data AXLE Reference Solutions as of August 2023.

Economic Activity and Development

Approximately 96 percent of the wage and salary jobs in the metropolitan statistical area, which includes the County, in 2022 were with firms whose major activity was other than manufacturing. During 2022, employment in all sectors showed increased levels as compared to the previous year.

The County’s median residential sales price increased 2.6% from \$750,000 in 2021 to \$770,000 in 2022. Residential closed sales were down 14% over the prior year.

The Health Care sector in the County continues to grow, as does transit-oriented residential housing. The expansion of the Health Care sector is led by a number of major initiatives, including White Plains Hospital’s new \$272 million outpatient center for advanced medicine and surgery which opened in June 2021, and the growth and expansion of other hospitals and medical consortiums.

Retail highlights include:

- Shopping attractions in the County include Ridge Hill, The Westchester Mall, Rivertowns, New Roc City, Jefferson Valley Mall and the Cross County Mall.
- Major department stores in the County include Bloomingdale’s, Kohl’s, Neiman Marcus, Nordstrom, Macys, Burlington, and Target.
- In August 2020 Wegman’s, the Rochester-based grocery store, opened in Harrison.

Other development highlights include:

- The City of White Plains has 4,779 residential units approved, with 2,113 of them under construction. An additional 581 units are proposed, and it is anticipated that any redevelopment proposal for the Galleria Mall site will include a significant number of residential units.
- The City of Yonkers continues a revitalization of its downtown and waterfront with thousands of new residential units built or approved since 2012. Most recently, the City of Yonkers launched one of its largest incentives, the Downtown Revitalization Initiative, in 2020.

Transportation

The County has three commuter train lines, operated by the Metropolitan Transportation Authority (MTA), providing service into Manhattan. Approximately three-quarters of the County’s population live within a 40-minute ride to Grand Central Terminal. Freight service is provided on some rail lines. The MTA has made investments in new rolling stock and improved station facilities for the County’s three commuter lines and is implementing a program to expand parking facilities at various stations on all three lines.

The County is served by the New York State Thruway, three interstate highways (I-95, I-287, and I-684), and a network of scenic parkways dating back to the 1920s. The parkway system includes the Bronx River Parkway, Saw

Mill River Parkway, Hutchinson River Parkway, Sprain Brook Parkway, Cross County Parkway and Taconic State Parkway.

All parkways are owned and operated by the New York State Department of Transportation with the exception of the Bronx River Parkway, which is owned and patrolled by the County. Pursuant to an agreement with the State, the County patrols the Saw Mill, Hutchinson River, and Cross County Parkways and is reimbursed by the State for a portion of those patrol costs.

The County is served by the Bee-Line Transit System which is administered by the County Department of Public Works and Transportation and several private bus companies. The County provides operating assistance to the companies under contract and obtains State and Federal aid for acquisition of new buses and other capital improvements in bus transportation. The Bee-Line Transit System operates over 900 route miles and on average carries over 20 million passengers annually.

The Westchester County Airport is owned by the County and is operated by AvPorts, LLC under contract. The Airport is located close to the intersection of three interstate highways. The Airport provides direct commercial service to Atlanta, Bermuda, Boston, Charleston, Charlotte, Chicago, Detroit, Fort Lauderdale, Fort Myers, Jacksonville, Miami, Orlando, Sarasota, Savannah, Tampa, West Palm Beach, and Washington D.C. American, Delta, JetBlue, BermudAir, and Breeze currently provide commercial air service. The Airport also houses numerous corporate and privately owned aircraft.

Utility Services

Wastewater Services

The County, through its Department of Environmental Facilities, operates a wastewater collection and treatment system consisting of seven water resource recovery facilities, 42 pumping stations, and 194 miles of trunk sewers serving 13 County Sanitary Sewer Districts.

On December 9, 2008, the County of Westchester Board of Legislators (the “Board”) by Act No. 240-2008, authorized the County to enter into an Order on Consent (the “2008 Consent Order”) with the State of New York Department of Environmental Conservation (“NYSDEC”), which was fully executed on December 30, 2008. The 2008 Consent Order replaced a prior Order on Consent entered into on December 24, 2004 (“2004 Consent Order”) settling the administrative claims of the NYSDEC relating to, among other things, the County’s anticipated noncompliance with state and federally mandated nitrogen removal standards to be imposed in the State Pollutant Discharge Elimination System (“SPDES”) permits. The Consent Orders involve the four County-owned Water Resource Recovery Facilities (“WRRFs”) that discharge into the Long Island Sound (“LIS”), namely: (1) the New Rochelle WRRF; (2) the Mamaroneck Valley WRRF; (3) the Blind Brook WRRF; and (4) the Port Chester WRRF. The matter stemmed from a multi-year study of nitrogen-based pollution in the Long Island Sound, the Long Island Sound Study (“LISS”), which began in 1985, and the subsequent agreement of the United States Environmental Protection Agency (“USEPA”), and the States of New York and Connecticut to impose mandatory nitrogen discharge reductions on all municipal WRRFs that discharge into the Long Island Sound. The 2008 Consent Order required improvements be undertaken at the larger two of the four LIS WRRFs, namely the Mamaroneck Valley and New Rochelle WRRFs (the “BNR Project”), to meet nitrogen discharge standards set forth in the NYSDEC-issued SPDES permits for all four Long Island Sound WRRFs, in the aggregate, by 2017. It further required the equitable apportionment of all the costs associated with the BNR Project among the four (4) Long Island Sound Sanitary Sewer Districts (“SSDs”), namely: (1) the New Rochelle SSD; (2) the Mamaroneck Valley SSD; (3) the Blind Brook SSD; and (4) the Port Chester SSD, as the Board determined that all of the properties in the four LIS SSDs are benefited thereby. This had a substantial financial impact on those SSDs. During construction to upgrade the Mamaroneck Valley WRRF (the “Plant”), there were unintended releases of plastic media disks from the Plant into the Long Island Sound, which constituted violations of Environmental Conservation Law Section 17-0803. As a consequence of the violations, and subsequent work to prevent future occurrences, the Plant suffered setbacks with respect to implementation of its plan to upgrade the treatment facilities in accordance with the 2008 Consent Order. In October 2012, the 2008 Consent Order was modified to extend interim deadlines to “Complete Construction at the Mamaroneck WRRF” and to “Operate to Meet the 12 Month Rolling Average” in addition to a “Green Beaches, Clean Beaches Media Disk Recovery Program” (the 2004 Consent Order and 2008 Consent Order, as modified are

collectively referred to as the “Consent Order”), noting that said amendment does not change the termination date of the Consent Order. The County met its obligations for total nitrogen removal under the Consent Order by achieving the 12-month rolling average limit by May 2015, ahead of the required August 2017 deadline. The Consent Order remains open for continued monitoring.

The County originally authorized approximately \$407.7 million in bonds in order to meet its obligations under the 2008 Consent Order. Pursuant to the American Recovery and Reinvestment Act of 2009, the County received an award of \$22,944,000. The New York State Environmental Facilities Corporation (“EFC”) which administered and financed the subject debt, forgave the outstanding debt in this amount which reduced the authorized amount by \$22.9 million to \$384.8 million on November 6, 2014. To date, the County has issued \$379.3 million of which \$22.9 million was forgiven as described above. A portion of the Series D Bonds in the amount of \$13.7 million will provide additional financing for this initiative.

On August 10, 2015, the Board, by Act No. 142-2015, authorized the County to enter into an Order on Consent with the NYSDEC to settle administrative claims concerning alleged violations of SPDES Permit No. NY 0026697 (the “Permit”) for the New Rochelle WRRF. The Permit, in relevant part, required the County to eliminate discharges from Overflow Retention Facilities (“ORF”) or to comply with the effluent limitation specified in 40 CFR Part 133 by August 1, 2014. The NYSDEC alleged that, from August 1, 2014, and continuing, the County did not eliminate discharges from the ORFs, nor did it comply with the effluent limitation, in violation of the Permit. The Order on Consent contains a Compliance Schedule that was agreed upon between the County and NYSDEC. Further, on August 10, 2015, the Board, by Act No. 141-2015, authorized the County to enter into inter-municipal agreements with the four municipalities that discharge wastewater to the New Rochelle WRRF for the development and implementation of studies and plans so that the County can comply with the Compliance Schedule contained in the Order on Consent. On September 3, 2015, the County Board of Acquisition and Contract authorized the County to enter into the inter-municipal agreements and all four of these inter-municipal agreements have been fully executed. The four municipalities in the New Rochelle SSD are performing investigation and remediation work as required by the inter-municipal agreements and the Compliance Schedule contained in the Order on Consent, which has been amended from time to time as necessary for compliance.

Electrical Services

Except for its northeastern portion, the County receives electrical delivery service from Consolidated Edison of New York (“Con Edison”). The cost of electricity in the Con Edison service territory is the highest in the continental United States. These high-power costs may accelerate the current trend in the County away from manufacturing production. Con Edison also supplies natural gas service to the County. The northeastern portion of the County receives its electric power from New York State Gas and Electric at rates substantially below those of Con Edison. Since the latter part of 1976, both the County and the majority of municipalities within the County have received their electricity from the Power Authority of the State of New York over Con Edison distribution lines. The New York State Public Service Commission embarked on a program whereby the current utilities would continue to operate, under a regulatory scheme, the distribution system for electricity, but the utilities have divested themselves of most of their generation facilities. The generation facilities have been acquired by independent operators, with the electricity generated at these and other facilities sold under market conditions. However, to date, the majority of residential customers continue to buy their electricity from the regulated utilities.

Recharge New York (“RNY”) is a statewide economic development power program for qualified businesses and not-for-profit corporations and was signed into law on April 14, 2011. The RNY program merges all existing NYPA Economic Development Programs into one program directly administered by NYPA. RNY provides benefits for businesses and non-profits including: a permanent and dedicated funding source for the low-cost energy economic development programs; long term contracts for a term of up to seven years so that program participants can make appropriate business decisions to re-locate, remain, and/or expand; and the ability to add new program participants and provide additional allocations to existing program participants.

Water Services

The County receives most of its public water from the Croton, Delaware and Catskill aqueduct systems of The City of New York (the “City”). These systems are fed partly by approximately 177 square miles of watershed lands and

reservoirs in the County and, in addition, receive water by aqueduct from the upstate Catskill and Delaware systems. The County operates two water districts, County Water Districts 1 and 3.

The County has two additional districts which are not operated by the County. Effective January 1, 2002, Water District No. 2, which had previously been operated by the County, was leased to Northern Westchester Joint Water Works pursuant to State legislation and an inter-municipal agreement. Under this agreement, the lessee made lease payments to the County that covered the County's remaining annual debt service for prior capital projects at Water District No. 2. The County is reviewing the possible transfer of District assets to the lessee. Water District No. 4 is not active. Also, there are a variety of private and municipal reservoir and well systems which supply the remainder of public water needs.

In January 1997, the County entered into the New York City Watershed Memorandum of Agreement ("Watershed MOA") with the City, the State, the USEPA, Putnam County, the Coalition of Watershed Towns, the Catskill Watershed Corporation, certain municipal corporations located within the New York City Watershed and certain environmental organizations. The Watershed MOA provides for (i) a Land Acquisition Program pursuant to which the City will purchase land within the New York City Watershed, (ii) the promulgation of new Watershed Regulations, (iii) Watershed Protection and Partnership Programs pursuant to which the City will fund infrastructure and improvements within the New York City Watershed and has paid \$38 million to the County to create a fund known as the East of Hudson Water Quality Investment Program Fund ("EOH WQIP Fund") to support the implementation of water quality investments in the East of Hudson Watershed to protect the City's drinking water supply, and (iv) the creation of the Watershed Protection and Partnership Council.

Since 1997, the County has exercised fiduciary and administrative responsibilities for the EOH WQIP Fund, which as of October 2023 had a fund balance of \$39,974,786. Expenditures of the EOH WQIP Fund must be approved by the Board. The 12 municipalities that have land area within the NYC water supply watershed, with the partnership of the County, established an ad hoc organization known as the Northern Westchester Watershed Committee ("NWWC") to be a regional forum to oversee implementation of the Watershed MOA and its programs. While the NWWC has advised the Board on spending priorities for the EOH Fund, NWWC recommendations are not required for EOH Fund allocations. Many projects, large and small, have been approved by the Board for funding through the EOH WQIP Fund. Sample projects eligible for funding include: sewer diversion projects, water quality measures identified in the Croton Plan, rehabilitation or replacement of septic systems that are failing or likely to fail in certain areas, connections to sewer systems, storm water best management practices to correct or reduce existing erosion or pollution and new or upgraded sand and salt storage facilities.

On May 6, 1997, the USEPA issued a 1997 Filtration Avoidance Determination for the Catskill and Delaware Water Supply Systems ("1997 FAD"). The 1997 FAD remained in effect until April of 2002. In May of 2002, USEPA approved a new Filtration Avoidance Determination ("2002 FAD") and, therein, determined that the City has an adequate long-term watershed protection program for its Catskill/Delaware water supply which meets the established standards for unfiltered water systems. The 2002 FAD established milestones for the City's construction of Ultraviolet ("UV") Light Disinfection Facilities, to commence operation on August 31, 2009. In 2005, the City requested an extension of the construction schedule contained in the 2002 FAD. Pursuant thereto, the USEPA prepared the 2005 Draft Modification to the 2002 FAD which extended the date for commencement of operation at the UV Facility to August 31, 2010. The required UV disinfection plant at Eastview became operational at the end of 2012. The USEPA released a 10-year New York City Filtration Avoidance Determination ("2007 FAD") for the Catskill/Delaware Water Supply in July 2007. After the 2007 FAD was issued, USEPA transferred primacy for regulatory oversight of the City's FAD to the New York State Department of Health ("NYSDOH"). In May 2014, NYSDOH, in consultation with USEPA, issued the Revised 2007 FAD, which defined the City's requirements for the remaining period of the 2007 FAD. In accordance with NYSDOH's certification of the 2007 FAD, the next FAD was scheduled to be issued in 2017. The 2017 FAD supersedes the Revised 2007 FAD and will remain effective until a further determination is made, currently scheduled for July 2027.

On October 6, 2014, the Board, by Act No. 185-2014, authorized the County to carry out capital project "WD103-County Water District No. 1 Alternate Water Supply" ("WD103") at a maximum estimated cost of \$9,950,000 to bring the County in compliance with the Long Term 2 Enhanced Surface Water Treatment Rule and to comply with the Consent Decree filed on September 2, 2015. Further, on October 6, 2014, the Board, by Act No. 187-2014 authorized a Bond Act in the amount of \$765,584 and on April 27, 2015, the Board, by Act No. 65-2015, authorized

a Bond Act increasing Bond Act 187-2014 by \$8,453,416 for an amended total of \$9,219,000 in connection with WD103. This project is complete and the construction contract was closed out on April 9, 2020.

On July 18, 2022, USEPA issued an Administrative Order No.: SDWA-02-2022-8057 (“AO”) against Water District No. 3 (“WD3”) related to Disinfectants and Disinfection Byproducts rule. WD3 timely responded to the AO and is working with the USEPA to complete items identified in the action plan.

Refuse Disposal

The County provides refuse disposal services to approximately 90% of the County’s population through the County Refuse Disposal District No. 1 (the “District”). The District has four transfer stations, a Material Recovery Facility, and a Household-Hazardous Material Recovery Facility. In 2021, the District added a compost and education facility (“CompostED”), which acts as a demonstration and education site for food scrap composting.

Originally established through an agreement with the County of Westchester Industrial Development Agency in 1985, since October 2009, the County, on behalf of the District, has had a solid waste disposal agreement with WIN/Waste Innovations f/k/a Wheelabrator Westchester, L.P. to bring all municipal solid waste collected under inter-municipal agreements with District municipalities (“IMAs”) to the Charles Point Facility in the City of Peekskill, New York. The Agreement was renewed and extended in October 2019 through October 2029 (the “2019 Agreement”), and the County has executed IMAs with District municipalities. Under the 2019 Agreement, the District is not obligated to supply a minimum tonnage of solid waste and the agreement allows the District to divert up to 62,500 tons annually to explore new waste disposal technologies.

In addition to the processing of curbside recyclable and household hazardous waste, the District also manages IMAs for recycling of organic yard waste and transportation and disposal of residential food scraps.

On December 28, 2016, USEPA issued an Administrative Order under various provisions of the Clean Water Act for compliance with the Multi-Sector General Permit (“MSGP”) (Order No.: CWA-02-2017-3022) at the Brockway Solid Waste Transfer Station in White Plains. The Administrative Order was revised on or about May 12, 2017, under Order No.: CWA-02-2017-3050, and again on or about June 21, 2022, under Order No.: CWA-02-2022-3030. The current order continues the requirements for certain reporting, interim measures to control leachate, and the installation of a leachate filtering system at the site. Additionally, source investigation was completed and discussions are underway with the City of White Plains to address leachate concerns. The County is working collaboratively with the USEPA to address these concerns.

On January 27, 2020, the County and the NYSDEC entered into a Consent Order, wherein the County agreed to undertake an upgrade to the stormwater system to address stormwater runoff and leachate concerns at the Yonkers Transfer Station and Material Recovery Facility located in the City of Yonkers (NYSDEC CO No.: R3-20170505-87). The construction is completed and enhanced sampling, pursuant to the order, is ongoing.

Recreational and Cultural Facilities

The nationally accredited Westchester County Department of Parks, Recreation and Conservation (“Westchester County Parks”) operates and manages more than 50 parks and recreational facilities spanning 18,000 acres of publicly-owned parkland. Westchester County Parks has earned the distinction of being accredited by the National Recreation and Parks Association (NRPA) since 2003. Westchester County Parks is the only agency in New York State to be nationally accredited, and the distinction makes the parks system a member of an elite group of 192 agencies that have been accredited since the program was introduced in 1994. National Accreditation is the highest honor that can be bestowed on a parks system, and sets it apart from thousands of other parks systems throughout the nation.

Westchester County Parks includes six golf courses, four swimming pools, two beaches, six nature preserves and various historic sites. Westchester County Parks also operates a number of flagship parks, e.g.: Lasdon Park Arboretum and Veterans Memorial, Camp Morty at Mountain Lakes Park, Muscote Farm, the Westchester County

Center (a public assembly and entertainment facility), the Bronx River Parkway Reservation, the North and South County Trailways and Kensico Dam Plaza, known as the County's "Central Park."

On July 22, 2021, the County entered into a Second Restated and Amended Playland Management Agreement with Standard Amusements LLC ("SA") for the management and operation of Playland Park, which includes the amusement park, beach, pool, fountain plaza, boardwalk and boathouse (the "Playland Agreement"). In accordance with the terms of the Playland Agreement, on December 1, 2021 SA commenced full, exclusive management and operation of Playland Park. SA is required to invest up to \$35 million in equipment and physical improvements within 5 years. In accordance with the terms of the Playland Agreement, the County is obligated to undertake certain capital improvements totaling approximately \$126,698,000.

State and local agencies provide an additional 17,000 acres of parkland and preserves for public use. There are also a considerable number of landmarks and historic sites throughout the County dating back to the 17th century, reflecting the rich architectural and historic heritage of the area. The County houses an array of colleges and universities, theaters, museums, private golf courses, yacht clubs, marinas, country clubs, equestrian clubs, and skating rinks, all of which combine to provide a wide range of educational, cultural and recreational opportunities.

Governmental Organization

Subject to the State Constitution, the County operates pursuant to the County Charter (the "Charter") and Administrative Code and in accordance with other laws governing the County generally to the extent that such laws are applicable to counties operating under a charter form of government. The Charter in its present form was originally enacted into law by the State Legislature after its approval by the electors of the County at a general election held in November 1937. The Administrative Code was enacted into State law in 1948.

County Board of Legislators. The legislative power of the County is vested in the County Board of Legislators (the "Board") which in its present form has been in existence since January 1, 1970. Its 17 members are elected for two-year terms by the voters in their respective legislative districts. Vacancies occurring on the Board are to be filled at a special election in the legislative district of the vacated office. However, if a vacancy occurs within seven (7) months prior to the regular expiration of such term of office, the vacancy may be filled for the remainder of the unexpired term by an appointment of the majority of the remaining members of the Board. Both the number of members and boundaries of legislative districts may be varied from time to time in accordance with requirements of the Federal and State Constitution or by Charter amendment. Since 1974 the Board has retained the services of PKF O'Connor Davies, LLP to review and report projections of revenues and expenditures as contained in proposed budgets. This firm or its predecessors has been the independent certified public accountants of the County since 1966.

The County Executive. The County Executive is elected every four years in the year following the presidential election. The County Executive must be a resident of the County for at least five years prior to election, is required to devote the County Executive's full time to the duties of the office and may hold no other public office. Subject to certain exceptions hereafter described, no act of the Board can take effect unless approved by the County Executive. If any act is not returned to the County Board by the County Executive with a written reason for not approving it within ten days of its presentation to the County Executive, it is deemed approved; further any act disapproved by the County Executive nevertheless becomes effective if upon reconsideration it is passed by at least two-thirds vote of all the members of the Board. Pursuant to the Charter, there are several departments of the County established, including the Department of the Budget, responsible for preparation of the budget for submission to the County Executive, and such other duties in regard thereto as the County Executive may direct. Also pursuant to the Charter, the Department of Finance is charged with the administration of the financial affairs of the County, including collection of all taxes and other revenues due to the County, the custody and safekeeping of all funds belonging to the County and the disbursement of all County funds including the keeping and supervision of all accounts.

Westchester County Executive George Latimer was sworn into office on January 1, 2018. Mr. Latimer was elected to a four-year term commencing January 1, 2018 and was reelected to a second four year term on November 2, 2021, which commenced January 1, 2022 and will end December 31, 2025.

Chief Fiscal Officer. The Commissioner of Finance is appointed by and serves at the pleasure of the County Executive and is confirmed by the Board. By the Charter, the Commissioner of Finance is responsible for the

administration of the financial affairs of the County, including the management of \$2.4 billion in general County funds, collection of all taxes, assessments, license fees and other revenues due the County; custody and safekeeping of all funds belonging to or by law deposited with, distributed to or handled by the County; the disbursement of County funds; the keeping and supervision of all accounts; the supervision of such similar functions of local units of government as may be transferred or entrusted to the County; and such other duties as may be prescribed by law, by the County Executive or the Board.

In addition, since 1961 the Charter has required that all financial dealings, transactions and records of the County shall be subject annually to a complete independent audit. The auditors' report is required to be filed with the Board and is open to public inspection.

Karin Hablow is Commissioner of Finance for the County. The Commissioner is responsible for the administration of the Finance Department and the financial reporting for the County. Prior to her appointment as Commissioner of Finance in June of 2022, Ms. Hablow was the Commissioner of Finance in Orange County, New York since May of 2016.

COUNTY INDEBTEDNESS

Nature of County Indebtedness and Procedure for Authorization

Constitutional Requirements

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

Purpose and Pledge. The County shall not give or loan any money or property to or in aid of any individual, or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation. However, the County in its discretion has the legal authority to do so for the Westchester County Health Care Corporation ("WCHCC").

The County may contract indebtedness only for County purposes or, in its discretion for WCHCC purposes, and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. The County is authorized by the State Constitution to contract debt for objects or purposes which the State Legislature has determined to have a "period of probable usefulness" and the maximum maturity of such debt may not exceed the period of probable usefulness of the object or purpose or, in the alternative, the weighted average period of probable usefulness of the several objects or purpose for which it is contracted. Bonds must mature in annual installments. No annual installment of a serial bond may be more than 50% in excess of the smallest prior installment unless the Board provides for substantially level or declining debt service payments in the manner prescribed by the State Legislature. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness is required to be paid in annual installments commencing no later than two years after the date such indebtedness has been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute.

Debt Limit. The County has the power to contract indebtedness for any lawful County purpose so long as the aggregate outstanding principal amount thereof shall not exceed seven per centum of the five-year average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining average full valuation is calculated by taking the assessed valuations of taxable real estate for the last five completed assessment rolls and applying thereto the ratio which such assessed valuation bears to the full valuation; full valuation is determined by the New York State Office of Real Property Services or such other State agency or officer as the State Legislature shall direct. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

The following table sets forth the debt limit of the County and its debt contracting margin under such constitutional standard.

TABLE 5

Summary of Constitutional Debt Statement Prepared as of November 16, 2023

Five-year average full valuation of taxable real property	\$190,754,159,328
Debt limit (7% thereof).....	<u>13,352,791,153</u>
Outstanding indebtedness:	
Bonds.....	\$ 1,330,629,455
Bond Anticipation Notes	-
Less Exclusions:	
Current year Debt Service Appropriation (principal only)	
General Fund and Special Revenue Fund Airport.....	23,515,000
District Funds	1,145,435
Certain Sewer District Debt.....	244,215,511
Water District Debt	<u>18,482,475</u>
Total Exclusions	<u>287,358,421</u>
Total Net Indebtedness	\$ <u>1,043,271,034</u>
Net Debt — contracting margin	<u>\$12,309,520,119</u>
Percentage of Debt Contracting Power Exhausted as of November 16, 2023	<u>7.81%</u>

There is no constitutional limitation on the amount that may be raised by the County by tax on real estate in any fiscal year to pay interest and principal on all indebtedness. However, the Tax Levy Limitation Law imposes a statutory limit on the amount of taxes the County may levy. See “FINANCIAL FACTORS - Tax Levy Limitation Law” herein.

In prior years, the County has advance refunded various County bonds by placing the proceeds of the refunding bonds in irrevocable trusts to provide for all future debt service payments. These bonds continued to be general obligations of the County. However, inasmuch as moneys held in an escrow fund will be sufficient to meet all debt service requirements for such bonds, it is not anticipated that any other source of payment will be required. As of November 16, 2023 there is no remaining future debt service for advance refunded bonds.

General. The County is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the County so as to prevent abuses in taxation and assessments and in contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the County 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 limit on the power of the County to increase its annual tax levy. (See “FINANCIAL FACTORS - Tax Levy Limitation Law” herein).

Statutory Procedure

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

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

1. such obligations are authorized for a purpose for which the County is not authorized to expend money; or

2. the provisions of law which should have been complied with at the date of such publication were not substantially complied with; and

an action contesting such validity is commenced within twenty days after the date of such publication; or

3. such obligations are authorized in violation of the provisions of the Constitution.

The Board, as the finance board of the County, has the power to enact bond acts and acts authorizing bond anticipation notes to be issued in anticipation of the bonds authorized by such bond acts. In addition, in that capacity, the Board has the power to authorize the sale and issuance of bonds and notes. However, the Board may delegate its powers in relation to the sale and issuance of the bonds or notes of the County to the Commissioner of Finance, the chief fiscal officer of the County under its Charter.

The Local Finance Law also contains provisions providing the County with power to issue general obligation revenue and tax anticipation notes and general obligation budget deficiency and capital notes (see "COUNTY INDEBTEDNESS - Temporary Borrowing").

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Outstanding Long-Term Indebtedness

TABLE 6

County Long-Term Bond Indebtedness
Principal Amount Outstanding as of November 16, 2023

Buildings and Related	\$ 274,569,886
Parks and Recreation.....	239,148,345
Roads and Bridges	145,438,161
Transportation	62,451,514
Airport.....	17,709,004
Community College.....	8,603,909
Correctional Facilities	12,016,235
Tax Certiorari and other legal matters	30,437,517
Laboratories and Research	6,019,564
WCHCC.....	386,556
Refuse Disposal District	11,236,000 ^(a)
Water District 1	13,878,931 ^(a)
Water District 3.....	4,603,545 ^(a)
Sewer Districts	<u>504,130,288^(a)</u>
 Total Net Indebtedness	 \$1,330,629,455
 Deduct District debt	 <u>(533,848,764)</u>
 Net Long-Term debt	 <u>\$ 796,780,691</u>

^(a) Debt service and operating costs of sewer, water and refuse disposal districts, established pursuant to law, primarily funded by a special annual ad valorem tax or assessment for each district as well as by fees or charges. (See “FINANCIAL FACTORS - Assessed and Full Valuation, County Tax Levy and Rates” herein).

In addition to the foregoing debt, the County has contractual obligations to make payments such as the solid waste service fees paid to WIN Waste Innovations (formerly Wheelabrator) (see “THE COUNTY OF WESTCHESTER - Utility Services -- *Refuse Disposal*” herein) and lease payments for the courthouse project (see “COUNTY INDEBTEDNESS - Summary of Significant Contingencies and Commitments” herein).

Debt Ratios

TABLE 7

Debt Ratios as of November 16, 2023

	<u>Amount</u>	<u>Per Capita ^(a)</u>	<u>Estimated Percentage Full Value ^(b)</u>
Gross Long-Term Bond Debt	\$1,330,629,455	\$1,343	0.63%
Net Long-Term Bond Debt	796,780,691	804	0.38

^(a) County of Westchester’s 2022 population estimate was 990,427, according to the U.S. Bureau of the Census.

^(b) Calculated using 2022 Full Value of taxable real estate of \$209,995,464,095.

Debt Service Schedule

The following schedule sets forth all principal and interest payments presently required on all outstanding long-term bond indebtedness of the County:

TABLE 8

Summary of Principal and Interest on County Long-Term Bond Indebtedness
As of November 16, 2023

	<u>Principal</u> ^(a)	<u>Interest</u> ^{(a)(b)}	<u>Total</u>
2023	24,900,000	16,944,782	41,844,782
2024	132,334,455	50,382,550	184,717,005
2025	124,246,000	45,155,711	169,401,711
2026	127,196,000	40,067,828	167,263,828
2027	119,311,000	34,780,185	154,091,185
2028	111,551,000	29,950,386	141,501,386
2029	115,361,000	25,228,212	140,589,212
2030	79,626,000	20,508,650	100,134,650
2031	80,736,000	17,430,959	98,166,959
2032	67,046,000	14,569,179	81,615,179
2033	68,046,000	12,324,673	80,370,673
2034	60,221,000	10,047,096	70,268,096
2035	46,975,000	7,939,916	54,914,916
2036	43,615,000	6,096,517	49,711,517
2037	22,980,000	4,344,494	27,324,494
2038	22,490,000	3,472,127	25,962,127
2039	15,185,000	2,702,793	17,887,793
2040	14,085,000	2,122,129	16,207,129
2041	9,045,000	1,683,882	10,728,882
2042	8,905,000	1,365,412	10,270,412
2043	8,465,000	1,055,940	9,520,940
2044	6,165,000	807,930	6,972,930
2045	4,140,000	646,728	4,786,728
2046	4,170,000	526,030	4,696,030
2047	4,205,000	405,629	4,610,629
2048	3,820,000	291,103	4,111,103
2049	2,015,000	188,476	2,203,476
2050	2,015,000	124,432	2,139,432
2051	1,505,000	63,859	1,568,859
2052	<u>275,000</u>	<u>13,436</u>	<u>288,436</u>
Total	<u>\$1,330,629,455</u>	<u>\$351,241,044</u>	<u>\$1,681,870,499</u>

(a) Includes \$382,381,000 in bonds sold to New York State Environmental Facilities Corporation (EFC). See Table 13 herein detailing the ten-year history of bond anticipation notes issued by the County, including notes sold to EFC.

(b) Interest does not reflect any applicable subsidies for EFC debt.

Trend of Outstanding Long-Term County Indebtedness

The following schedule sets forth the total long-term bond indebtedness outstanding at the end of each of the last ten fiscal years:

TABLE 9

Outstanding Long-Term County Indebtedness
As of December 31

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2013	\$ 1,108,757,834	2018	\$ 1,211,674,675
2014	1,098,445,984	2019	1,249,373,825
2015	1,103,557,005	2020	1,243,911,018
2016	1,020,539,000	2021	1,323,780,511
2017	1,122,593,660	2022	1,435,280,071

See Table 13 for Bond Anticipation Note history over the past ten years.

Summary of Significant Contingencies and Commitments

Commitments-DASNY

In December 1998, the County financed \$133,007,717 over 25 years through the Dormitory Authority of the State of New York (“DASNY”) in connection with the implementation of the County’s Court Facilities Capital Plan for the County of Westchester Courthouse rehabilitation and facade replacement, and construction of a three-story courthouse annex. Concurrently, the County conveyed to DASNY title to the Courthouse property, including buildings and improvements thereon or to be erected thereon. The parties entered into a Lease and Agreement (the “Lease”) by which DASNY leases the property back to the County (the “Basic Rent”). When the Lease term has expired and all of the bonds have been paid in full, DASNY will convey back to the County all of the property and the improvements thereon. In 2006, DASNY issued \$21 million of new money bonds for the benefit of the County. Through DASNY, the County also refunded a portion of the outstanding 1998 DASNY bonds issued as described above.

In October 2016, DASNY issued \$22,485,000 of Refunding Bonds (the “2016 Bonds”) in connection with the refinancing of the County’s court facilities. The proceeds of the 2016 Bonds together with other available moneys were used (i) to refund certain DASNY Bonds described above and (ii) to pay the Cost of Issuance of the 2016 Bonds. The 2016 Bonds reduced County Lease payments by approximately \$3.9 million through 2023. DASNY’s bonds are not general obligations of the County.

On August 1, 2023, the bond issues associated with this commitment reached final maturity.

Future Issuance of General Obligation Indebtedness

The County Charter establishes a capital program procedure to provide the County with five-year projections of capital projects and estimates of expenditures required. These expenditures are financed from current annual appropriations, the proceeds of bonds and notes and other sources, such as Federal and State funds. (See “COUNTY INDEBTEDNESS - Statutory Procedure” herein).

A Capital Projects Committee, composed of the County Executive as Chairman, the Budget Director and other designated heads of Executive Departments, the Chairman of the Board and the Chairman of its Budget and Appropriations Committee, meet to prepare the proposed capital plan for the ensuing five years. They are required to consider the feasibility of all proposed capital projects in reference to their necessity, priority, location, costs and method of financing, and the plan is required to be printed with the County budget.

The County is required by its Charter to adopt a capital budget annually. Each capital project which is either contemplated or commenced is reflected in either the capital plan or the capital budget. Whenever the County determines to finance the costs of a capital project by borrowing, it adopts acts authorizing bonds and bond anticipation notes. Notwithstanding the inclusion of a capital project in the capital plan or budget or in a bond act, the County may at any time eliminate or terminate such project, subject to any contract liabilities theretofore incurred.

In general, the County has provided for capital projects in accordance with the foregoing capital program procedure, although the County may adopt a bond act even though the project for which it is adopted has not been in any previous capital plan so long as the capital budget is amended.

The current County capital project plan will necessitate further financing by the issuance of bonds and/or bond anticipation notes. General improvement and reconstruction of County roads and bridges will continue as required. Additional building construction and capital improvements at various County facilities including the Westchester Community College and correctional facilities on the Valhalla Campus are anticipated. Recreational improvements and improvements of public transportation facilities, including acquisition of new equipment, may be financed during the next several years. In addition, financing will be required for the expansion of County sewer districts, nutrient removal from the Long Island Sound and for expansion of County Refuse Disposal District No. 1 facilities.

The County expects to close on approximately \$60.0 million of short-term financing with EFC in the first half of 2024.

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TABLE 10

Proposed Capital Budget Projection
 For Fiscal Year Ending December 31, 2024
 (Dollars in Thousands)

	-----Funding Sources ^(c) -----					
	Estimated Total Cost ^(a)	Cumulative Appropriations ^(b)	Operating Budgets ^(d)	Non- County Share ^(e)	Aggregate Bonding Authorized And Anticipated ^(f)	Bonds Issued ^(g)
Buildings, Land & Misc.	\$ 1,946,826	\$ 1,265,231	\$ 102,700	\$ 25,675	\$ 1,136,856	\$ 534,108
Parkways	126,870	113,065	-	-	113,065	59,315
Roads & Bridges	383,973	257,776	-	12,144	245,632	154,992
Recreation Facilities	971,645	808,805	263	8,002	800,540	455,422
Transportation	<u>385,807</u>	<u>332,932</u>	<u>100</u>	<u>166,417</u>	<u>166,416</u>	<u>119,086</u>
Total County	\$ 3,815,121	\$ 2,777,809	\$ 103,063	\$ 212,238	\$ 2,462,509	\$ 1,322,923
Airport	\$ 270,816	\$ 173,732	\$ 2,789	\$ 55,230	\$ 115,712	\$ 59,668
Refuse Disposal District No. 1	132,230	65,230	3,250	100	61,880	20,950
Sewer and Water Districts ^(h)	<u>2,771,079</u>	<u>1,365,479</u>	<u>7,413</u>	<u>80,642</u>	<u>1,277,424</u>	<u>969,582</u>
Grand Total	<u>\$ 6,989,246</u>	<u>\$ 4,382,250</u>	<u>\$ 116,515</u>	<u>\$ 348,210</u>	<u>\$ 3,917,525</u>	<u>\$ 2,373,123</u>

- (a) As estimated in the capital plan, but not necessarily appropriated. Includes projects not yet under the capital budget or the subject of a Bond Act. No assurance can be given that the actual cost will not be greater than estimated, in part because of the anticipatory nature of capital planning.
- (b) As provided in the capital budgets, which provide for the authorization to spend and the plan of financing. Such appropriations remain in effect until the project is completed or terminated.
- (c) As provided in the capital budgets, the County is not committed to the issuance of such bonds and, generally, reduces the final amount of the issue by transfers from the operating budgets and from other sources such as Federal and State funds.
- (d) Reflects contribution from operating budgets.
- (e) Reflects other revenues, primarily Federal and State funds.
- (f) As provided in the capital budget. Includes all bonds issued or anticipated to be issued for the capital projects. Bond anticipation notes may be issued pending the sale of the bonds.
- (g) Bonds in the amounts indicated have been issued in prior years. Certain of these bonds have matured and been retired. Completed projects and bonds issued therefor are not shown since they are not in the capital budget.
- (h) The Sewer and Water Districts costs include system, pump stations and treatment plants upgrades, and rehabilitations as well as biological nutrient removal projects. The County charges and receives the full amount of debt service due on the financing of such projects to the Sewer and Water Districts.

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Short-Term Borrowing

Bond Anticipation Notes. The following table sets forth the ten-year history of bond anticipation notes (“County BANs”) and EFC draw-down notes (“EFC Notes”) issued by the County.

TABLE 11

	County BANs and EFC Notes			Balance December 31	
	Issued ^(a)	Retired	December 31 Balance ^(a)	EFC Notes	County BANs
2013	\$ -	\$ 80,000,000	\$ 55,000,000	\$ 55,000,000	\$ -
2014	88,727,800	55,000,000	88,727,800	48,727,800	40,000,000
2015	39,136,800	54,827,800	73,036,800	73,036,800	-
2016	79,426,000	27,200,000	125,262,800	52,852,800	72,410,000
2017	78,940,000	97,956,000	106,246,800	36,836,800	69,410,000
2018	17,350,000	69,410,000	54,186,800	54,186,800	-
2019	42,124,100	34,030,100	62,280,800	62,280,800	-
2020	43,327,033	30,034,000	75,573,833	32,246,800	43,327,033
2021	69,522,109	129,843,893	15,252,049	15,252,049	-
2022	-	15,252,049	-	-	-

(a) Includes the maximum principal amount available to be drawn down on EFC Notes that closed in any such year, even if such notes have not been drawn.

Tax Anticipation Notes. The following table shows the ten-year history of tax anticipation note issuance by the County:

TABLE 12

Fiscal Year	Tax Anticipation Notes		Balance as of December 31
	Issued	Retired	
2014	\$90,000,000	\$90,000,000	--
2015	105,000,000	105,000,000	--
2016	105,000,000	105,000,000	--
2017	140,000,000	140,000,000	--
2018	150,000,000	150,000,000	--
2019	200,000,000	200,000,000	--
2020	200,000,000	200,000,000	--
2021	200,000,000	200,000,000	--
2022	-	-	--
2023	-	-	--

Except for tax anticipation notes issued during the period shown in Table 12, the County has not issued tax or revenue anticipation notes or any other form of short-term obligations to finance operating cash-flow needs. The timing of the receipt of taxes and other revenues (including Federal and State aid) and its need for such monies, together with its control of the timing of expenditures, has in the past enabled the County to minimize the need for short-term financing.

Underlying Indebtedness of Political Subdivisions Within the County

The estimated gross outstanding indebtedness of other governmental entities within the County, based on unverified information furnished by such entities, is as follows:

TABLE 13

Estimated Underlying Indebtedness
As of June 30, 2023

Cities:	Yonkers	\$ 432,195,000 ^(a)
	Peekskill	44,732,950
	Rye	18,100,000
	White Plains	170,121,677
	Mount Vernon	10,690,000
	New Rochelle	159,492,303
Towns:	Nineteen	361,776,227
Villages:	Twenty-three	652,182,578
School Districts:	Forty-seven	<u>1,656,302,437^(b)</u>
Overall Estimated Underlying Gross Debt:		<u>\$3,505,593,172^(c)</u>

^(a) The amount reported includes the Yonkers School District indebtedness of \$199,040,000.

^(b) Net of State Building Aid of \$65,574,958.

^(c) Does not include deductions for self-supporting debt.

FINANCIAL FACTORS

County finances are operated primarily through the County's General Fund. The County also has sewer, water and refuse disposal districts which are managed through individual district funds into which all special assessments or charges for these purposes are paid and from which all expenditures are made. The County also has an Airport Fund and a Trust Fund, which do not levy taxes. There is also a Capital Projects Fund used for purposes of capital construction, funding for which is derived through appropriations in the operating budget, sale of bonds and bond anticipation notes, and State and Federal receipts. The County's fiscal year begins January 1 and ends December 31. Financial statements for the County are included in a link found in Appendix A of this Official Statement. These statements have been audited by PKF O'Connor Davies, LLP, independent certified public accountants.

Revenues

The County derives its revenues from: State and Federal aid, a direct tax levy on real property, a 1 1/2 % County-wide sales tax, which was increased on October 15, 1991 to 2 1/2% in the towns and in those cities which have not imposed their own sales tax, a hotel occupancy tax, a motor vehicle tax, a mortgage recording tax, and departmental fees and charges. An additional 1/2% sales tax was authorized and imposed in March 2004, within the towns and cities not imposing their own sales tax. An additional 1% sales tax was authorized and became effective as of August 1, 2019, within the towns and cities not imposing their own sales tax.

Real Property Tax

The County derives its power to levy an ad valorem real property tax from Article 8, Section 10 of the State Constitution. The County's property tax levying powers, other than for debt service and certain other purposes, are limited to one and one-half per centum (subject to increase up to 2% by State legislative enactment) of the average full valuation of taxable real estate of the County. See "REVENUES - Municipally Generated Revenues - Real Property Tax" herein. On June 24, 2011, the Tax Levy Limitation Law (as defined below in "FINANCIAL FACTORS - Tax Levy Limitation Law") was enacted and imposes a statutory tax levy limitation upon the County's power to increase its annual tax levy. (See "FINANCIAL FACTORS - Tax Levy Limitation Law" herein).

In each of the years 2020 through 2024, the County levied approximately 30% of its annual revenues from a direct real property tax. Set forth in the following table is the amount of the annual tax levy of the County for the following years.

TABLE 14

	<u>Proposed</u> <u>2024</u> <u>Budget</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Levy for County Purposes	\$542,196,227	\$542,196,227	\$548,196,227	\$568,579,000	\$569,579,000
Tax Levy for Sewer, Water and Refuse Disposal Districts	<u>196,348,420</u>	<u>181,962,820</u>	<u>162,478,587</u>	<u>149,095,814</u>	<u>149,095,814</u>
Total	<u>\$738,544,647</u>	<u>\$724,159,047</u>	<u>\$710,674,814</u>	<u>\$717,674,814</u>	<u>\$718,674,814</u>

Tax Limit. The amount that may be raised by the County-wide tax levy on real estate in any fiscal year for purposes other than for debt service on County indebtedness, is generally limited to one and one-half per centum (subject to increase up to 2% by State legislative enactment) of the average full valuation of taxable real estate of the County. However, the Tax Levy Limitation Law imposes a statutory tax levy limitation on the County’s power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limitation Law. (See “FINANCIAL FACTORS - Tax Levy Limitation Law” herein).

The following table sets forth such real estate taxing limit of the County for the fiscal year 2023.

TABLE 15

Computation of Constitutional Taxing Power-General Fund
For the Fiscal Year 2023

<u>Tax Year</u>	<u>Full Valuation of</u> <u>Real Estate</u>
2023	\$209,995,464,095
2022	190,866,449,724
2021	187,487,527,225
2020	185,037,881,544
2019	<u>180,383,474,053</u>
Total	\$953,770,796,641
Five-year average full valuation	190,754,159,328
Tax Limit: (1.5%)	\$2,861,312,390
Total Additions	<u>191,493,490</u> ^(a)
Total taxing power	3,052,805,880
Total levy for 2023	<u>724,159,047</u>
Tax Margin	<u>\$2,328,646,833</u>

(a) Excluded from the Constitutional Tax Limit is \$183,846,331 appropriated for Net Debt Service and \$7,647,159 for Equipment Replacement/Additional Equipment as per the 2023 adopted budget.

Full Valuation, General Fund County Tax Levy and Rates

The following table sets forth five years of the full valuation of taxable real property, the County's real property tax levy for General Fund County purposes and rates of tax per \$1,000.

TABLE 16
Historic Valuation, Tax Levy and Rates

<u>Tax Levy Year</u>	<u>Full Valuation</u>	<u>Levied for County Purposes</u>	<u>Rate per \$1,000 of Full Valuation</u>
2023	\$209,995,464,095	\$542,196,227	\$2.58
2022	190,866,449,724	548,196,227	2.87
2021	187,487,527,225	568,579,000	3.03
2020	185,037,881,544	569,579,000	3.08
2019	180,383,474,053	570,579,000	3.16

The County-wide real estate tax levy is determined by subtracting all other available revenues from total expenditures necessary for County purposes and Sewer, Water, and Refuse Disposal District purposes.

The County-wide real estate tax levy is collected by the cities and towns within the County, each of which constitutes a separate tax district and, as such, is required by statute to collect its proportionate share of such tax levy. Payment of such share must be made to the Commissioner of Finance of the County as collected, and in any event, not less than 60% must be paid by May 25th and the balance must be paid by October 15th of the year for which such taxes are levied.

Unlike most other counties within the State, the County is not legally responsible or liable to the cities, towns, and other municipal corporations and school districts in the County for the amount of any unpaid delinquent County or local taxes. Instead, pursuant to applicable provisions of its Charter and Administrative Code and the State Real Property Tax Law, the County is required to include the amount of any unpaid County-wide taxes in the levy for the subsequent fiscal year on the particular tax district. Consequently, the cities and towns within the County remain liable for the collection of delinquent taxes and bear the burden of enforcement procedures.

However, in the event of the failure of a tax district to pay when due the full amount of its share of taxes payable to the County, the County may sell tax anticipation notes, which notes are redeemable out of such delinquent taxes and any penalties thereon which are payable by the tax district to the County. The last (and only) time the County sold tax anticipation notes for this purpose was in 1972. See "FINANCIAL FACTORS – Tax Collection Record" and "– Temporary Borrowing."

These statutes relating to collection of the County-wide tax levy place the burden for collecting unpaid delinquent taxes together with enforcement proceedings therefore, upon the respective tax district, with the result that any liability for unpaid delinquent taxes is not shared by all County taxpayers.

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Tax Collection Record

On February 6, 2023, the tax warrants for fiscal year 2023 were approved by the Board of Legislators. The warrants total \$724,159,047. Set forth below (and as a result of the statutory requirements above) is the tax collection record of the County and district levies for the following fiscal years. The City of Rye has withheld approximately \$14 million in taxes owed to the County by the City that were due and owing on October 16, 2023. The City is currently seeking, through a court action, to offset the property taxes it claims are owed on Playland Park against that \$14 million, and to remit only the balance thereof after the deduction (see “LITIGATION” herein).

TABLE 17
Historic Tax Collection Record

Fiscal Year Ending <u>December 31</u>	Total Ad Valorem <u>Property Tax</u>	<u>Actual Collection</u>	<u>Uncollected at End of Tax or Fiscal Year</u>
2023	\$724,159,047	N/A	N/A
2022	710,674,814	710,674,814	--
2021	717,674,814	717,674,814	--
2020	718,674,814	718,674,814	--
2019	719,674,814	719,674,814	--

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 of the State of New York 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, the counties comprising New York City and the Big 5 City School Districts (Buffalo, Rochester, Syracuse, Yonkers and 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. On April 12, 2019, the enacted State budget legislation made the Tax Levy Limitation Law permanent. 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 are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each 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 provisions.

In each year since the Tax Levy Limitation Law took effect, County tax levies have been below the respective limitations as prescribed by the Tax Levy Limitation Law.

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 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 said 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 outside of any statutorily determined tax levy amount 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.

Sales Tax

In 1971, the County imposed a 1-1/2% County-wide sales and use tax on all retail sales.

In July 1991, the State Legislature authorized an additional 1% sales tax (above the 1-1/2% County-wide sales and use tax described above). The additional 1% sales tax is 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 not imposed sales taxes (50%).

The County imposes this additional sales tax in localities other than cities which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991 and was made permanent in 2019.

In February 2004, the State Legislature authorized an increase of 1/2% to the additional 1991 1% sales tax. The County retains 70% of this 1/2 percentage point increase, the municipalities 20% and school districts 10%. This increase became effective March 1, 2004 and was made permanent in 2019. The County imposes this additional sales tax in localities other than cities which have their own sales tax.

In 2019, the County petitioned the State Legislature to authorize a 1% increase to the 3% currently imposed by the County outside of the four cities imposing sales and use taxes. The tax increase was approved and effective as of August 1, 2019. This authorization expires on November 30, 2025. The County retains 70% of the 1%-point increase, the municipalities 20% and school districts 10%.

Additionally, the State imposes a 4% State sales tax and, since May 1, 2005, a 3/8% sales tax levied in the Metropolitan Transportation Authority District.

In summary, the combined sales tax (County, State, and MTA) in the County, exclusive of cities that have imposed sales tax, is 8.375%. The sales tax rate in the city of Yonkers is 8.875%. In the other cities that impose a sales tax, the rate is 8.375%. The total County portion of sales tax equates to a rate of 1.5% on sales in locations with city sales tax and 2.833% (after municipal sharing) on sales in locations that do not have city sales tax. Therefore, the total sales and use tax rate within the County is 8.375% in all jurisdictions except Yonkers (8.875%).

Chapter 59 of the Laws of 2019 requires that a portion of the sales tax be withheld to be distributed as payments to towns and villages in the amounts they had previously received through the Aid and Incentives to Municipalities program in State fiscal year 2018-19. Chapter 56 of the Laws of 2020 requires that a portion of the sales tax be withheld and deposited in the State's Distressed Provider Assistance Account for distribution to distressed nursing homes and hospitals. The impact of these two initiatives was \$1.7 million, \$3 million, \$8 million, and \$2 million in 2019, 2020, 2021, and 2022, respectively. These two initiatives ended in 2022 and sales tax collections are no longer being withheld.

Pursuant to Tax Law §1210(a)(3), the County amended its sales and compensating use taxes to temporarily exempt residential energy sources and services for the period December 1, 2022 through February 28, 2023. The expected temporary impact of these reduced taxes is expected to be a decline of \$12.1 million in revenue to the County for fiscal year end December 31, 2023.

The cities of White Plains, Mount Vernon and New Rochelle, pursuant to State law, have imposed sales and use taxes at a rate of 2-1/2%. The city of Yonkers, pursuant to State law, has imposed sales and use taxes at a rate of 3%. Currently the city of Rye and the city of Peekskill do not impose such a sales tax.

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Set forth below is a summary of Sales Tax revenues.

TABLE 18
Sales Tax Revenue the County of Westchester

<u>Fiscal Year</u>	<u>Gross</u>	<u>County Share</u>
2022	\$890,762,206	\$679,068,986
2021	813,965,453	622,554,401
2020	671,223,684	512,600,025
2019	630,288,471	487,866,640
2018	551,883,494	431,369,350
2017	525,230,119	410,772,156
2016	507,445,900	397,296,155
2015	500,642,409	392,017,318
2014	503,322,529	394,068,933
2013	489,522,517	382,767,743

The 2023 adopted budget includes Sales Tax Revenue in the amount of \$912,880,000 (gross) and \$696,000,000 (County Share). The 2024 proposed budget includes Sales Tax Revenue in the amount of \$939,322,000 (gross).

Other Revenues

Since 1988, the County has imposed a Hotel Occupancy Tax. Since 1991, the County has imposed a Motor Vehicle Tax. Since 2004, the County has imposed a Mortgage Tax.

TABLE 19

	Proposed Budget <u>2024</u>	Budget <u>2023</u>	Actual <u>2022</u>	Actual <u>2021</u>	Actual <u>2020</u>
Hotel Occupancy Tax	\$6,469,200	\$6,370,000	\$6,398,882	\$4,908,847	\$3,307,106
Motor Vehicle Tax	16,768,000	17,029,000	16,199,305	17,028,577	16,019,449
Mortgage Recording Tax	17,041,000	24,658,000	27,212,223	30,195,879	21,763,719

In 2020 State and Federal Aid totaled \$611.0 million, which included \$227.9 million for Social Service programs, \$167.6 in funds under the Federal Coronavirus Aid, Relief and Economic Security Act (CARES Act) and \$215.5 million for mental health, public health, transportation and other County programs. Excluding the CARES Act funds, approximately 45% (\$200.3 million) is Federal Aid and 55% (\$243.1 million) is State Aid.

In 2021 State and Federal Aid totaled \$471.9 million, which included \$244.0 million for Social Service programs and \$227.9 million for mental health, public health, transportation and other County programs. Of such amounts, approximately 42% (\$200.2 million) is Federal Aid and 58% (\$271.7 million) was State Aid.

In 2022 State and Federal Aid totaled \$519.3 million, which included \$254.2 million for Social Service programs and \$265.1 million for mental health, public health, transportation and other County programs. Of such amounts, approximately 42% (\$216.8 million) is Federal Aid and 58% (\$302.3 million) was State Aid.

The 2023 Adopted Budget includes State and Federal Aid totaling \$590.8 million, which includes \$272.7 million for Social Service programs and \$318.1 million for mental health, public health, transportation and other County programs. Of such amounts, approximately 47% (\$277.5 million) is Federal Aid and 53% (\$313.3 million) is State Aid.

The 2024 Proposed Budget includes State and Federal Aid totaling \$638.0 million, which includes \$303.5 million for Social Service programs and \$334.5 million for mental health, public health, transportation and other County programs. Of such amounts, approximately 46.3% (\$295.5 million) is Federal Aid and 53.7% (\$342.5 million) is State Aid.

Expenditures

The County's major expenditures are for social services, public health, public safety and transportation. Municipalities and school districts located within the County provide primary police and fire protection, refuse collection and primary and secondary education.

The 2020 Audited Operating results for the General Fund expenditures and other financing uses totaled approximately \$2.077 billion, of which 34% was spent for economic assistance.

The 2021 Audited Operating results for the General Fund expenditures and other financing uses totaled approximately \$2.111 billion, of which 31% was spent for economic assistance.

The 2022 Audited Operating results for General Fund expenditures and other financing uses totaled approximately \$2.2 billion, of which 29% is for economic assistance.

The 2023 Adopted Budget for General Fund expenditures and other financing uses totals approximately \$2.4 billion, of which 28% is for economic assistance.

The 2024 Proposed Budget for General Fund expenditures and other financing uses totals approximately \$2.4 billion, of which 29% is for economic assistance.

TABLE 20
(in thousands)

	2024 Proposed <u>Budget</u>	2023 Adopted <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
General Government	\$ 403,994	\$392,797	\$337,889	\$306,984	\$293,428
Education	180,926	172,999	154,847	146,794	140,675
Public Safety	338,116	328,778	322,975	304,825	292,468
Health	55,703	61,578	48,048	43,494	43,398
Transportation	218,362	213,746	205,708	188,600	184,715
Economic Assistance	709,965	660,793	641,614	661,957	699,925
Culture and Recreation	72,052	63,355	51,415	52,906	46,283
Home & Community Services	14,967	15,444	9,064	7,306	5,857
Employee Benefits	271,575	276,047	277,994	254,669	240,712
Capital Outlay	900	900	800	721	811
Debt Service	120,007	124,022	151,912	136,495	125,054
Transfers Out & other (net)	<u>50,379</u>	<u>59,232</u>	<u>(5,503)</u>	<u>6,442</u>	<u>3,609</u>
Total Expenditures	<u>\$2,436,946</u>	<u>\$2,369,691</u>	<u>\$2,196,763</u>	<u>\$2,111,193</u>	<u>\$2,076,935</u>

County Deposits and Investments

New York State law strictly limits the investments of county funds and requires counties to designate, with legislative approval, one or more banks or trust companies for the deposit of public funds. All deposits must be made to the credit of the County and all such deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act must be fully collateralized by "eligible securities" held pursuant to a tri-party agreement (under New York State Law) among the County, each depository bank and each custodian bank. In certain instances the institution that holds the deposit can act as the custodian to the applicable collateral. Eligible securities that the County utilizes as collateral by the banks for the benefit of the County, include the following: obligations issued by the United States of America, an agency thereof or a United States Government sponsored corporation or agency; obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America; and obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

Collateral agreements entered into by the County must stipulate that eligible securities are pledged by the bank as security for County deposits and must provide the conditions under which the securities held may be valued, sold, presented for payment, or released and the events of default which will enable the County to exercise its rights and define its obligations as they relate to the pledged securities. Such collateral agreements must also provide that pledged securities will be held by a bank as agent and custodian for the County, will be kept separate and apart from the general assets of the bank and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities of the bank.

The County has the power to invest funds of the County not required for immediate expenditure in special time deposit or money market accounts in, or certificates of deposits issued by, a bank or trust company located and authorized to do business in the State. Any such investments must be payable within such times as the proceeds shall be needed to meet expenditures for which such monies were obtained and must provide that such time deposit account or certificate of deposit be collateralized in the same manner as provided for deposits above. All such temporary investments are structured to be payable or redeemable at the option of the County within such times as the proceeds will be needed by the County. This "matching" investment policy frees the County from having to sell such investments prior to maturity or redemption and thereby avoids market risk for such investments. The County may also make temporary investments of public funds in obligations of the United States of America where the payment of principal and interest are guaranteed by the United States of America or in obligations of the State or with the approval of the New York State Comptroller in short-term obligations of State municipal corporations.

The County's written Investment Policy, as approved by the Board, is conservative in practice as well as in design. All trading partners are either primary dealer investment banks chosen from The Federal Reserve Primary Dealer List or highly rated, well capitalized, commercial banks as determined by the County's own strict due diligence review.

Usual County investments consist of money market accounts, Certificates of Deposit, United States Government Bills, bonds or notes backed by the full faith and credit of the United States, and Repurchase Agreements based in the same United States Government securities, under standardized trading partner repurchase agreements. Securities purchased under Repurchase Agreements are held with third party custodians until their repurchase dates and are marked to market daily, valued at 102% of the Repurchase Agreement contract.

Commercial bank money market accounts and Certificates of Deposit are collateralized with "eligible securities" as described above and held for the benefit of the County.

BUDGETARY PROCESS

The Department of the Budget (the "Budget Department") is by Charter responsible for the formulation and management of the budget and for its execution, revenue estimates, review and financial analysis. The Budget Department assists the County Executive with the preparation of the budget and its presentation to the Board of Legislators. Budget formulation commences in June of each year with a call for budget submissions to all County Departments. By September 10th of each year, department heads submit their requests for the next fiscal year with expenditure and revenue estimates. These estimates are reviewed by the Budget Department and the County Executive, and the County Executive's proposed Operating Budget is then presented to the Board on or before November 10. In turn, the Committee on Budget and Appropriations of the Board of Legislators reviews the proposed budget and makes recommendations to amend and/or adopt the budget by December 27. The budget is presented on a department and program basis by object of expenditure and includes the general operating budget for the County, a budget for each of the water, sewer and refuse disposal districts and the capital budget for the County. The capital budget is presented with a five-year plan and is subject to a separate budget process. Not later than May 1st of each year the head of each department furnishes to the Budget Director, the County Planning Board, and the Capital Projects Committee detailed estimates of any capital projects which should be undertaken within the next five fiscal years. Not later than the tenth day of September, the Planning Board submits to the County Executive, to the Budget Director and the Capital Projects Committee its recommendations. The County Executive submits the Capital Budget along with the report of the Capital Projects Committee to the Board not later than October 15. In turn, the Committee on Budget and Appropriations of the Board reviews the proposed budget and makes recommendations to amend and/or adopt the budget by December 27. The budget is published both in its proposed

and adopted form. For the widest possible dissemination, the County's Budget is available on the County's website at <http://www.westchestergov.com>.

The basic format and content of the operating and capital budgets are fixed by Charter. From time to time during the course of a fiscal year, additional appropriations and modifications of the budget may be enacted. Additional appropriations to the current year's budget requires the recommendation of the County Executive and approval of the Board.

FINANCIAL CONTROLS

During the course of the year, the Budget Department, in addition to the Department of Finance, maintains supervision and control over expenditures and appropriations and monitors revenues. At least monthly, reports on the foregoing are rendered. Once adopted, the annual budget is released to the operating departments. No expenditures may be made unless they are included as part of an allocation. The County operates a full encumbrance accounting system based on allocations wherein requisitions, purchase orders and contracts are encumbered. In addition, all capital outlays must receive a separate allocation. Pursuant to the County Charter, with certain exceptions, contracts must receive prior approval by the Board of Acquisition and Contract, comprised of the Chairman of the Board, the County Executive and the Budget Director. A position control system is maintained with respect to employment. The Commissioner of Finance may not disburse money unless appropriated and allocated and not in excess of the amount of the appropriation or allocation. No appropriation may be used for any purpose other than that for which it is made. All unencumbered balances in the General Fund appropriation for each fiscal year lapse on the last day of the fiscal year.

FINANCIAL STATEMENTS AND ACCOUNTING PROCEDURES

Included in this Appendix A is a link to the financial statements of the County for the year ended December 31, 2022, together with the report thereon, dated August 18, 2023, of PKF O'Connor Davies, LLP, independent certified public accountants. Appendix B contains the budget for the 2022 fiscal year, as amended, the adopted 2023 budget and the proposed 2024 budget.

RESULTS OF OPERATIONS FOR THE GENERAL FUND FOR THE 2021 AND 2022 FISCAL YEARS, THE ADOPTED BUDGET FOR THE 2023 FISCAL YEAR, AND THE PROPOSED BUDGET FOR THE 2024 FISCAL YEAR

Results 2021

The December 31, 2021 General Fund balance totaled \$413.6 million. This balance is made up of the following items: unassigned - \$327.5 million, non-spendable - \$31.0 million, and assigned - \$55.1 million. The detail of the assigned balance is as follows: other post-employment benefits (GASB 75) - \$41.0 million, purchases on order - \$14.1 million.

Results 2022

The December 31, 2022 General Fund balance totaled \$530.8 million. This balance is made up of the following items: unassigned - \$402.3 million, non-spendable - \$26.5 million, and assigned - \$102.0 million. The detail of the assigned balance is as follows: Capital Projects - \$15.0 million, Retirement \$15.0 million, Environmental Contingency \$10.0 million, other post-employment benefits (GASB 75) - \$41.0 million, purchases on order - \$21.0 million.

Adopted 2023 Budget

Total expenditures in the adopted budget are \$2.4 billion. Sales tax revenues are budgeted at \$912.9 million (38.5% of total), property tax is budgeted at \$542.2 million (22.9% of total) and Federal and State Aid is budgeted at \$590.9 million (24.9% of total).

Proposed 2024 Budget

Total expenditures in the proposed budget are \$2.4 billion. Sales tax revenues are budgeted at \$939.3 million (38.5% of total), property tax is budgeted at \$542.2 million (22.2% of total) and Federal and State Aid is budgeted at \$638.0 million (26.2% of total).

EMPLOYEES

As of October 23, 2023, the County provides services through approximately 4,537 full-time equivalent employees; 392 of these employees have been determined to be management level or confidential in nature and thus are not represented by any labor organization. All other employees are in titles that are represented for collective bargaining purposes. As of October 23, 2023, this representation is provided by nine labor organizations, which are:

- The Local 456, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, AFL-CIO (the “Teamsters”) representing 136 administrators and managers;
- The Westchester County Correction Officers Benevolent Association (the “COBA”) representing 692 correction officers;
- The Westchester County Correction Department Superior Officers Association (the “SOA”) representing 118 senior assistant wardens, sergeants, captains and specialists;
- The New York State Nurses Association (the “NYSNA”) representing 32 registered nurses in various County departments;
- The Westchester County Police Officers Benevolent Association, Inc. (the “PBA”) representing 262 police officers and sergeants in the Police Division, Public Safety Services;
- The Westchester County Police Officers Benevolent Association, Superior Officers Unit (the “SOU”) representing 25 Captains and Lieutenants in the Police Division, Public Safety Services;
- The District Attorney Investigators PBA of Westchester County (the “DA Investigators”) representing 33 Criminal Investigators in the District Attorney’s Office;
- The Civil Service Employees Association (the “CSEA”) representing 2,847 employees; and
- The Civil Service Employees Association Local 1000, American Federation of State, County and Municipal Employees Union, AFL-CIO, Westchester County Local 860, Westchester H.O.U.R. Unit.

The Primary Government has nine labor organizations which represent most of the County work force for collective bargaining purposes. The status of the various union contracts is as follows:

The County is a party to eight collective bargaining agreements. The County’s two police contracts (PBA and SOU) cover the term from January 1, 2020 through December 31, 2023. The County’s contract with the Teamsters will expire on December 31, 2025. Additionally, the County’s contract with the NYSNA will expire on December 31, 2026.

The County recently renegotiated a contract with CSEA that will expire on December 31, 2027. The County is in the process of renegotiating agreements with the two Corrections units (COBA and SOA). The Corrections units and DA Investigators contracts expired on December 31, 2019, and are currently in negotiations.

Pension Systems

Defined Benefit Plan

The primary government participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") (collectively the "Systems"). The Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory with respect to those employees in Tier 1 and Tier 2. Those employees in Tier 3 and Tier 4 having less than ten years of service, must contribute 3% of their salary. Those employees in Tier 5 contribute 3% of their salary without regard to their years of service. Tier 6 members are required to contribute from 3% to 6% of their salaries based on a sliding scale toward pension costs as long as they accumulate additional pension credits. Contributions are certified by the State Comptroller and expressed as a plan.

Contribution rates applicable to the County for the plan year ended March 31, 2023, are as follows:

TABLE 21

	<u>Tier</u>	<u>Rates</u>
ERS	1	17.5%
	2	15.9% - 16.0%
	3	13.0% - 17.9%
	4	13.0% - 17.9%
	5	11.1% - 16.0%
	6	8.2% - 12.7%
PFRS	2	29.0%
	3	29.7%
	5	27.6%
	6	20.2%

The County's expense in connection with the Systems is funded on an actuarial basis provided by the State and the billing is on a fiscal year basis from April 1 to March 31.

The County's cost for the last five years is set forth as follows:

TABLE 22

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018^(a)</u>
ERS	\$74,957,379	\$85,829,804	\$76,738,761	\$81,108,813	\$67,769,770
PFRS	<u>15,945,287</u>	<u>16,498,072</u>	<u>13,312,729</u>	<u>13,875,922</u>	<u>11,611,637</u>
Total Payment	<u>\$90,902,666</u>	<u>\$102,327,876</u>	<u>\$90,051,490</u>	<u>\$94,984,735</u>	<u>\$79,381,407</u>

^(a) In 2018, the County elected to amortize the maximum ERS contribution (2019 annual invoice due February 1, 2019) of \$4,171,106. Therefore, the gross bills for ERS and PFRS were \$71,940,876 and \$11,611,637, respectively.

The County did not amortize any portion of the 2019, 2020, 2021 and 2022 payments. The County does not plan on amortizing any portion of the 2023 payments.

Defined Contribution Plan

The New York State Voluntary Defined Contribution Program (the “VDC Program”) is a defined contribution Retirement Plan and is an alternative option to the defined benefit plans described above. The VDC Program includes an employee and employer contribution. The employee contribution is required for the duration of employment. The employer contribution rate currently is 8% of gross salary. Retirement benefits will depend on the value of individually owned retirement contracts purchased and issued by one or more of the authorized investment providers.

Eligibility for the VDC Program is limited to unrepresented employees hired on or after July 1, 2013 with an estimated annual salary rate of \$75,000 or greater. Vesting occurs after 366 days of active service. All contributions will become the property of, and all investments will be directed by, the participant upon vesting.

GASB 75 and Other Post-Employment Benefit (OPEB)

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), replaces GASB Statement No. 45. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

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

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

Danziger & Markhoff LLP completed its analysis and actuarial valuation of the County’s OPEB obligation as of the fiscal year ended December 31, 2022 in accordance with GASB 75. The actuarial report determined that as of December 31, 2022, the County’s total OPEB liability was \$2,765,190,616 using a discount rate of 4.31% and healthcare cost trend rates of 8% decreasing to 7%. For the year ended December 31, 2022, the County recognized OPEB expenses of \$73,688,097 in the Government Wide Financial Statements, the County reported deferred inflows of \$1,293,428,094 and deferred outflows of \$472,372,830.

Actuarial valuations are required every two years since the County’s OPEB plan has more than 200 members.

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

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

Legislation has been introduced to create an optional investment pool to help the State and local governments fund retiree health insurance and 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 would be no limits on how much a local government can deposit into the trust. The County cannot predict whether such legislation will be enacted into law in the foreseeable future.

REMEDIES UPON DEFAULT

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

Upon default in the payment of principal of or interest on the Bonds at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the County. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefore or, in the absence thereof, to order the County to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the County and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Bonds, the owners of such Bonds could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the County to assess, levy and collect an ad valorem tax, upon all taxable property of the County subject to taxation by the County sufficient to pay the principal of and interest on the Bonds as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Bondholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

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

Pursuant to Article VIII, Section 2 of the State Constitution, the County is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such

appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith and credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

MUNICIPAL BANKRUPTCY

The undertakings of the County should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended (“Chapter IX”) and, in general, to other bankruptcy laws affecting creditors’ rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner’s creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the County could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the County after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the “indubitable equivalent”. The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the County, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor’s rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental

bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a finance control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the County in the future cannot be assured.

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

The above references to the Bankruptcy Act are not to be construed as an indication that the County is currently considering or expects to resort to the provisions of the Bankruptcy Act.

FINANCIAL CONTROL BOARDS

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

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

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

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

Several municipalities in the State are presently working with the FRB. The County has not applied to the FRB and does not reasonably anticipate submission of a request nor has it applied to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

NO PAST DUE DEBT

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

RISK FACTORS

The County's credit rating could be affected by circumstances beyond the County'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 County 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 County's credit rating could adversely affect the market value of the Bonds.

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

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

The County 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 County's receipt of State Aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the County 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 County 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 County will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the County requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures.

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

Changes to the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the County, without providing exclusion for debt service on obligations

issued by municipalities and fire districts, may affect the market price and/or marketability for the Bonds. (See “FINANCIAL FACTORS – Tax Levy Limitation Law” herein.)

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

An outbreak of disease or similar public health threat, such as the COVID-19 pandemic, could have an adverse impact on the County’s financial condition and operating results. COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. In 2020 and 2021, the outbreak of the disease affected travel, commerce and financial markets globally, and economic growth worldwide.

Impact of COVID-19

While public health conditions related to COVID-19 have improved substantially since wide-scale vaccinations commenced, there can be no assurances against a resurgence of the disease and an imposition of public health restrictions in response. Variants of the coronavirus responsible for COVID-19 could lead to greater disease rates. Any future impact of COVID-19 and its variants to the County’s operations and finances cannot be predicted at this time due to the dynamic nature of COVID-19, including uncertainties relating to its duration and severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact.

While the County remains cautiously optimistic, there can be no assurances that the spread of COVID-19 will not materially adversely impact the financial condition of the County in the future. The County is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

Since the onset of the COVID-19 pandemic the following three major federal relief bills have been enacted to mitigate public health and economic impacts related to the COVID-19 outbreak:

Coronavirus Aid, Relief and Economic Security (CARES) Act enacted on March 27, 2020

In April 2020, the County received from the federal government, pursuant to the CARES Act, \$168.8 million. In addition, the County received an award under the CARES Act of \$30.1 million from the Federal Transit Administration (“FTA”) for bus operations and \$23.6 million from the Federal Aviation Administration (“FAA”) for airport operations.

Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) contained within the Consolidated Appropriations Act, 2021 enacted on December 21, 2021

Pursuant to CRRSAA the County has been awarded \$53.0 million by the FTA for bus operations and \$4.3 million by the FAA for airport operations. In addition, the County assigned its allocation of Emergency Rental Assistance Programs (ERAP I) received pursuant to CRRSAA to New York State to administer for the benefit of Westchester residents. The amount allocated and assigned was \$22.8 million.

The American Rescue Plan Act of 2021 (ARPA) enacted on March 11, 2021

Pursuant to ARPA the County was awarded \$187.9 million in Local Fiscal Recovery Funds. The payments were made in two equal tranches with the first tranche of \$93.9 million paid in 2021. The second tranche was paid in 2022. The funds provided under both tranches must be used for eligible expenses incurred prior to December 31, 2024. As of December 31, 2022, \$146.7 million of these funds are recorded as unearned revenues. The County, also pursuant to ARPA, has been awarded \$79.7 million from the FTA for bus operations and \$8.9 million from the FAA for airport operations. In addition, the County assigned its allocation of Emergency Rental Assistance Programs (ERAP II) received pursuant to ARPA to New York State to administer for the benefit of Westchester residents. The amount allocated and assigned was \$27.0 million.

Cybersecurity

The County, like other large private and public entities, relies on a large and complex network of technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County faces multiple cyber threats including, but not limited to, hacking, viruses, malware, and other attacks on computers and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the County's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. The County has implemented cybersecurity policies and has adopted methodologies including a third-party annual comprehensive security audit, desktop and network security features, and performance of phishing and end user testing. However, no assurance can be given that the County's security and operational control measures will be successful in guarding against all cybersecurity threats. As cybersecurity threats continue to evolve, the County may in the future be required to expend significant additional resources to strengthen security measures, investigate and remediate any vulnerabilities or invest in new technologies designed to mitigate security risks. The result of any successful attack on the County's computer and information technology systems could impact its operations and the costs of remedying any damage could be substantial.

Environmental

Environmental factors, including climate change, pose significant risks to the region and the County. The magnitude of the impact on the County's operations, economy, and financial condition of rising sea levels, coastal flooding, and more frequent and extreme weather events is indeterminate and unpredictable. No assurance can be given that the County will not encounter natural disaster risks, such as hurricanes, tropical storms, heatwaves, or catastrophic sea level rise in the future, or that such risks will not have an adverse effect on the operation, economy, or financial condition of the County.

LITIGATION

The County, its officers, and its employees are the defendants in a number of lawsuits. The County Department of Law, headed by the County Attorney, has determined that there are no pending lawsuits which will have the potential for an expenditure of more than \$5,000,000 in excess of any amounts not provided for in the self-insurance reserves, except as noted below.

With regard to the other pending litigation, it is the opinion of the County Attorney that the final determination of such litigation, either individually or in the aggregate, would not materially affect the County's financial position.

The County also receives numerous notices of claim each year. These notices, however, are usually not explicit enough for the County Attorney to accurately ascertain their potential for liability to the County.

Certiorari Proceedings. The various towns and cities within the County are defendants in numerous certiorari proceedings, the results of which generally require tax refunds on the part of the County. The dollar value of the actions currently pending is not available. General Fund refunds of \$ 4,261,633 and \$4,211,589 were expended in 2022 and 2021, respectively. The 2023 adopted budget includes \$6,993,000 for general fund tax certiorari claims.

Save the Sound and Atlantic Clam Farms of Connecticut, Inc. v. Westchester County, New York, et al. (initiated sub nom Connecticut Fund for the Environment, Inc. d/b/a Save the Sound v. Westchester County, New York, et al.) Plaintiffs commenced this action in 2015 against the County and local municipalities, alleging violations of the Clean Water Act with respect to four sanitary sewer districts maintained by the County and the local sewer infrastructure maintained by the municipalities. The District Court has given the parties an adjournment subject to periodic reports while all involved discuss potential settlement. Due to the inherent uncertainty of this proceeding, the County is unable to express an opinion on the probable outcome of the case at this stage.

Yonkers Contracting Company Inc. v. The County of Westchester et al. This is a claim for recovery of monetary losses of approximately \$38,000,000 by a County hired contractor who claims alleged construction delays, inefficiencies, non-payment of materials and labor expenses related to the County project identified as the Composite Performance Implementation and Expansion at the New Rochelle Wastewater Treatment Plant (Contract

08-540) and the construction of the Biological Nutrient Removal Facilities at the New Rochelle Wastewater Treatment Plant (Contract 09-514). In August 2015, Plaintiff commenced an action against the County and eight (8) other defendants seeking said alleged construction damages. The parties have been attempting to negotiate a settlement of plaintiff's claims. The County's answer to the complaint was filed on May 23, 2016. By Decision and Order filed on July 9, 2020, the Westchester Supreme Court granted the County's motion for summary judgment dismissing the claims against the County. On April 13, 2023, the Court granted the County's motion for re-argument and dismissed Yonkers' claim for payment based on an alleged settlement agreement and granted Yonkers' motion for re-argument but adhered to its prior decision that granted the County summary judgment dismissing Yonkers' claims. Yonkers filed a Notice of Appeal from these orders and thereafter obtained an extension to perfect its appeal to December 23, 2023. The parties have reached a settlement in principle which is expected to resolve the matter. This settlement is subject to County legislative approval. The settlement will not have a material impact on the County's financial condition.

105 Mt. Kisco Assoc., et. al. v. Carozza, Westchester County Department of Health, et. al. In this federal lawsuit brought under the Comprehensive Environmental Response, Compensation, and Liability Act, plaintiffs alleged actions by various parties, including the Westchester County Department of Health ("WCDOH") in connection with the contamination of their property. Specifically, plaintiffs asserted that the WCDOH arranged for the transportation and disposal of contaminated soil. The County's motion to dismiss the Amended Complaint was denied on December 20, 2019. On June 15, 2020, the County filed an Amended Answer to the Amended Complaint. On April 27, 2022, the parties entered into a settlement agreement. The action has been discontinued.

County of Westchester and Standard Amusements LLC v. The City of Rye, et al. The County is currently in a dispute with the City of Rye over the City's decision to revoke the property tax exemption for Playland Park, and to impose property taxes on that parcel. The lower court has already ruled that the revocation was unlawful and has ordered the City to restore the property tax exemption. The City has filed a notice of appeal, which has automatically stayed the order to restore the property tax exemption. The County has moved to vacate the automatic stay, which is pending. In the interim, the City has withheld approximately \$14 million in taxes owed to the County by the City that were due and owing on October 16, 2023. The City is currently seeking, through a court action, to offset the property taxes it claims are owed on Playland Park against that \$14 million, and to remit only the balance thereof after the deduction.

Self Insurance

The County, in 1986, pursuant to the authority granted under New York General Municipal Law ("GML") Section 6-n, is self-funding its casualty and liability exposures, including exposure for general, automobile, professional, and public officials, with certain exceptions where insurance coverage applies, as well as medical malpractice exposures deriving from the activities of the Westchester County Medical Center (the "6-n Fund"). The County's medical malpractice exposures from the Westchester County Medical Center were limited after 1998 when the Westchester County Health Care Corporation took over those responsibilities. In 1989, pursuant to the authority granted under GML Section 6-j, the County began self-funding the administration and payment of its worker's compensation claims (the "6-j Fund"). (The 6-n Fund and the 6-j Fund are collectively referred to as "Self-Insurance Funds.")

The Laws of Westchester County section 295.21 provides that payment into the 6-n Fund during any fiscal year "shall not exceed \$33,000.00 or 1 2/3 per centum of the total budget for such fiscal year, whichever is the greater amount".

Accordingly, the County has retained the services of an independent actuary to evaluate its loss history and provide recommendations in establishing the County's liabilities for all past claims and its funding for future claims.

The actuary has certified as to the adequacy of the amount accrued as of December 31, 2022 for claims arising from 1986 through 2022 occurrences.

Of those cases instituted after the September 30, 2022 actuarial estimates which are covered by the County's Self-Insurance Funds, none is expected to result in exposure in excess of \$5,000,000. The 6-n Fund retains an adequate and sufficient unallocated reserve to pay for claims exceeding that amount, as a contingency, in lieu of purchasing commercial insurance policies.

See “Utility Services” herein for a discussion of certain administrative proceedings involving the County and State and federal environmental regulatory agencies, relating to the County’s obligations to provide certain sewage treatment and sludge disposal facilities.

TAX MATTERS

TAX MATTERS — SERIES A BONDS

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the County for the Series A Bonds (“Series A Bond Counsel”), under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Series A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Series A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Series A Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the County (the “Tax Certificate”) which will be delivered concurrently with delivery of the Series A Bonds will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Series A Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the County and others in connection with the Series A Bonds, and Series A Bond Counsel has assumed compliance by the County with certain provisions and procedures set forth in the Tax Certificate relating to compliance with certain applicable requirements of the Code to assure the exclusion of interest on the Series A Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Series A Bond Counsel, under existing statutes, interest on the Series A Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York and the City of Yonkers.

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

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series A Bonds in order that interest the Series A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series A Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The County, in executing the Tax Certificate, will certify to the effect that the County will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Series A Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

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

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

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

Bond Premium

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

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

Information Reporting and Backup Withholding

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

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

Miscellaneous

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

Prospective purchasers of the Series A Bonds should consult their own tax advisors regarding the foregoing matters.

TAX MATTERS — SERIES B BONDS

Tax Exemption

The delivery of the Series B Bonds is subject to the opinion of Norton Rose Fulbright US LLP, Bond Counsel to the County for the Series B Bonds ("Series B Bond Counsel"), to the effect that interest on the Series B Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in Section 61 of the Code, pursuant to Section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be an item of tax preference for purposes of the alternative minimum tax on individuals. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Series B Bond Counsel will rely upon representations and certifications of the County made in a certificate (the "Tax Certificate") dated the date of delivery of the Series B Bonds pertaining to the use, expenditure, and investment of the proceeds of the Series B Bonds and will assume continuing compliance by the County with the provisions of the Tax Certificate subsequent to the issuance of the Series B Bonds. The Tax Certificate contains covenants by the County with respect to, among other matters, the use of the proceeds of the Series B Bonds and the facilities financed therewith by persons other than state or local governmental units, the

manner in which the proceeds of the Series B Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage “profits” from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Series B Bonds to be includable in the gross income of the owners thereof from the date of the issuance.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent on the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer’s applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Series B Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Series B Bonds.

Series B Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the County described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Series B Bond Counsel, and Series B Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Series B Bonds is commenced, under current procedures the IRS is likely to treat the County as the “taxpayer,” and the owners of the Series B Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Series B Bonds, the County may have different or conflicting interests from the owners of the Series B Bonds. Public awareness of any future audit of the Series B Bonds could adversely affect the value and liquidity of the Series B Bonds during the pendency of the audit, regardless of its ultimate outcome.

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

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

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

Tax Accounting Treatment of Discount and Premium on Certain Series B Bonds

The initial public offering price of certain Series B Bonds (the “Discount Bonds”) may be less than the amount payable on such Series B Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment

at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Series B Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

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

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

In rendering its opinion, Series B Bond Counsel will rely on the approving opinion of Bond Counsel to the County with respect to the Series A Bonds as to the validity and legality of the Series A Bonds and as to the exclusion of interest thereon from the gross income of the owners thereof for federal income tax purposes.

TAX MATTERS — SERIES C BONDS

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the County for the Series C Bonds ("Series C Bond Counsel"), interest on the Series C Bonds (i) is included in gross income for federal income tax purposes pursuant to the Code and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of New York and its political subdivision thereof, including The City of New York.

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Series C Bonds by original purchasers of the Series C Bonds who are "U.S. Holders," as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Series C Bonds will be held as "capital assets"; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Series C Bonds as a position in a "hedge" or

“straddle,” U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Series C Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements and file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series C Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below. In addition, for tax years beginning after December 31, 2022, interest on the Series C Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

U.S. Holders of Series C Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Series C Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount

In general, if Original Issue Discount (“OID”) is greater than a statutorily defined de minimis amount, a U.S. Holder of a Series C Bond having a maturity of more than one year from its date of issue must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such U.S. Holder holds such Series C Bond) the daily portion of OID, as it accrues (generally on a constant-yield method) and regardless of the U.S. Holder’s method of accounting. “OID” is the excess of (i) the “stated redemption price at maturity” over (ii) the “issue price.” For purposes of the foregoing: “issue price” means the first price at which a substantial amount of the Series C Bond is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); “stated redemption price at maturity” means the sum of all payments, other than “qualified stated interest,” provided by such Series C Bond; “qualified stated interest” is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and “de minimis amount” is an amount equal to 0.25 percent of the Series C Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on a Series C Bond using the constant-yield method, subject to certain modifications.

Acquisition Discount on Short-Term Bonds

Each U.S. Holder of a Series C Bond with a maturity not longer than one year (a “Taxable Short-Term Bond”) is subject to rules of Sections 1281 through 1283 of the Code, if such U.S. Holder is an accrual method taxpayer, bank, regulated investment company, common trust fund or among certain types of pass-through entities, or if the Taxable Short-Term Bond is held primarily for sale to customers, is identified under Section 1256(e)(2) of the Code as part of a hedging transaction, or is a stripped bond or coupon held by the person responsible for the underlying stripping transaction. In any such instance, interest on, and “acquisition discount” with respect to, the Taxable Short-Term Bond accrue on a ratable (straight-line) basis, subject to an election to accrue such interest and acquisition discount on a constant-interest-rate basis using daily compounding. “Acquisition discount” means the excess of the stated redemption price of a Taxable Short-Term Bond at maturity over the U.S. Holder’s tax basis therefor.

A U.S. Holder of a Short-Term Taxable Bond not described in the preceding paragraph, including a cash-method taxpayer, must report interest income in accordance with the U.S. Holder’s regular method of tax accounting, unless such U.S. Holder irrevocably elects to accrue acquisition discount currently.

Bond Premium

In general, if a Series C Bond is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Series C Bond other than “qualified stated interest” (a “Taxable Premium Bond”), that Taxable Premium Bond will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Series C Bond elects to amortize the premium as “amortizable bond premium” over the remaining term of the Series C Bond, determined based on constant-yield principles (in certain cases involving a Series C Bond callable prior to its stated maturity date, the amortization period and yield may be

required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder's basis in the Series C Bond. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Series C Bond may realize a taxable gain upon disposition of the Series C Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Series C Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the Series C Bond.

The County may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Series C Bonds to be deemed to be no longer outstanding. For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Series C Bonds subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate U.S. Holders of the Series C Bonds with respect to payments of principal, payments of interest, and the accrual of OID on a Series C Bond and the proceeds of the sale of a Series C Bond before maturity within the United States. Backup withholding may apply to U.S. Holders of Series C Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term "U.S. Holder" means a beneficial owner of a Series C Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series C Bonds under state law and could affect the market price or marketability of the Series C Bonds.

Prospective purchasers of the Series C Bonds should consult their own tax advisors regarding the foregoing matters.

TAX MATTERS — SERIES D BONDS

State Tax Exemption

In the opinion of Norton Rose Fulbright US LLP, Bond Counsel to the County for the Series D Bonds ("Series D Bond Counsel"), under existing law interest on the Series D Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Certain Federal Income Tax Considerations

The following is a general summary of certain federal income tax consequences of the purchase and ownership of the Series D Bonds. The discussion is based upon the Code, U.S. Treasury Regulations, rulings, and decisions now in effect, all of which are subject to change (possibly, with retroactive effect) or possibly differing interpretation. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with federal income tax consequences applicable to all categories of investors and generally does not address consequences relating to the disposition of a Series D Bond by a beneficial owner thereof. Further, this summary does not discuss all aspects of federal income taxation that may be relevant to a particular investor in the Series D Bonds in light of the investor's particular circumstances (for example, persons subject to the alternative minimum tax provisions of the Code), or to certain types of investors subject to special treatment under the federal income tax laws (including insurance companies, tax-exempt organizations and entities, financial institutions, broker-dealers, persons who have hedged the risk of owning the Series D Bonds, traders in securities that elect to use a mark-to-market method of accounting, thrifts, regulated investment companies, pension and other employee benefit plans, partnerships and other pass-through entities, certain hybrid entities and owners of interests therein, persons who acquire Series D Bonds in connection with the performance of services, or persons deemed to sell Series D Bonds under the constructive sale provisions of the Code). The discussion below also does not discuss any aspect of state, local, or foreign law or U.S. federal tax laws other than U.S. federal income tax law. The summary is limited to certain issues relating to initial investors who will hold the Series D Bonds as "capital assets" within the meaning of Section 1221 of the Code, and acquire such Series D Bonds for investment and not as a dealer or for resale. This summary addresses certain federal income tax consequences applicable to beneficial owners of the Series D Bonds who are United States persons within the meaning of Section 7701(a)(30) of the Code ("United States persons") and, except as discussed below, does not address any consequences to persons other than United States persons. Prospective investors should note that no rulings have been or will be sought from the IRS with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN, AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF THE SERIES D BONDS.

Stated Interest and Reporting of Interest Payments

The stated interest on the Series D Bonds will be included in the gross income, as defined in Section 61 of the Code, of the beneficial owners thereof as ordinary income for federal income tax purposes at the time it is paid or accrued, depending on the tax accounting method applicable to the beneficial owners thereof. Subject to certain exceptions, the stated interest on the Series D Bonds will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099 which will reflect the name, address, and taxpayer identification number ("TIN") of the beneficial owner. A copy of IRS Form 1099 will be sent to each beneficial owner of a Series D Bond for federal income tax purposes.

Medicare Contribution Tax

Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Beneficial Owners of the Series D Bonds should consult with their own tax advisors concerning this additional tax, as it may apply to interest earned on the Series D Bonds as well as gain on the sale of a Series D Bond.

Original Issue Discount on Series D Bonds

If the first price at which a substantial amount of the Series D Bonds of any stated maturity is sold at original issuance (the “Issue Price”) is less than the face amount by more than one quarter of one percent times the number of complete years to maturity, the Series D Bonds of that maturity will be treated as being issued with “original issue discount”. The amount of the original issue discount on each Series D Bond of that maturity will equal the excess of the principal amount payable on that Series D Bond at maturity over the Issue Price, and the amount of the original issue discount on such Series D Bond will be accrued over its term using the “constant yield method” provided in the Treasury Regulations. As original issue discount on a Series D Bond accrues under the constant yield method, the beneficial owner of a Series D Bond with original issue discount will be required to include as interest each such accrual in its gross income regardless of its regular method of accounting. This can result in taxable income to the beneficial owner of a Series D Bond issued with original issue discount that exceeds actual cash distributions on that Series D Bond in the taxable year. The amount of any original issue discount that accrues on the Series D Bonds each year will be reported annually to the IRS and to the beneficial owners. The portion of the original issue discount included in each beneficial owner’s gross income while the beneficial owner holds a Series D Bond will increase the adjusted tax basis of the Series D Bond in the hands of such beneficial owner.

Premium

If a beneficial owner purchases a Series D Bond for an amount that is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased the Series D Bond with “amortizable bond premium” equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of the Series D Bond and may offset interest otherwise required to be included in respect of the Series D Bond during any taxable year by the amortized amount of such excess for the taxable year. Series D Bond premium on a Series D Bond held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Series D Bond. However, if the Series D Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Series D Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Backup Withholding

Under Section 3406 of the Code, a beneficial owner of the Series D Bonds who is a United States person may, under certain circumstances, be subject to “backup withholding” (currently at a rate of 24 percent) on current or accrued interest on the Series D Bonds or with respect to proceeds received from a disposition of the Series D Bonds. This withholding applies if such beneficial owner of Series D Bonds: (i) fails to furnish to the payor such beneficial owner’s social security number or other TIN; (ii) furnishes the payor an incorrect TIN; (iii) fails to report interest properly; or (iv) under certain circumstances, fails to provide the payor or such beneficial owner’s broker with a certified statement, signed under penalty of perjury, that the TIN provided to the payor or broker is correct and that such beneficial owner is not subject to backup withholding. To establish status as an exempt person, a beneficial owner will generally be required to provide certification on IRS Form W-9 (or substitute form).

Backup withholding will not apply, however, if the beneficial owner is a corporation or falls within certain tax-exempt categories and, when required, demonstrates such fact. **BENEFICIAL OWNERS OF THE SERIES D BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THEIR QUALIFICATION FOR EXEMPTION FROM BACKUP WITHHOLDING AND THE PROCEDURE FOR OBTAINING SUCH EXEMPTION, IF APPLICABLE.** The backup withholding tax is not an additional tax and taxpayers may use amounts withheld as a credit against their federal income tax liability or may claim a refund as long as they timely provide certain information to the IRS.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations

Under Sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding of U.S. federal income tax by the payor at the rate of 30 percent on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest income of such a beneficial owner of the Series D Bonds is not treated as effectively connected income within the meaning of Section 864 of the Code, such interest will be subject to 30 percent withholding, or any lower rate specified in an income tax treaty, unless such income is treated as “portfolio interest.” Interest will be treated as portfolio interest if (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a United States person and providing the name and address of such beneficial owner, (ii) such interest is treated as not effectively connected with the beneficial owner’s United States trade or business, (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion, (iv) interest payable with respect to the Series D Bonds is not deemed contingent interest within the meaning of the portfolio debt provision, (v) such beneficial owner is not a controlled foreign corporation within the meaning of Section 957 of the Code, and (vi) such beneficial owner is not a bank receiving interest on the Series D Bonds pursuant to a loan agreement entered into in the ordinary course of the bank’s trade or business.

Assuming payments on the Series D Bonds are treated as portfolio interest within the meaning of Sections 871 and 881 of the Code, then no withholding under Sections 1441 and 1442 of the Code, and no backup withholding under Section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished IRS Form W-8 BEN, IRS Form W-8 BEN-E, IRS Form W-8 EXP, or IRS Form W-8 IMY, as applicable, provided the payor has no actual knowledge or reason to know that such person is a United States person.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act (“FATCA”) imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Series D Bonds and sales proceeds of Series D Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including original issue discount or acquisition discount). In general, withholding under FATCA currently applies to payments of U.S. source interest (including original issue discount) and will apply to “foreign passthru payments” but no earlier than two years after the date of publication of final regulations defining the term “foreign passthru payment.”

The preceding discussion of certain U.S. federal income tax consequences is for general information only and is not tax advice. Accordingly, each investor should consult its own tax advisor as to particular tax consequences to it of purchasing, owning, and disposing of the Series D Bonds, including the applicability and effect of any state, local, or foreign tax laws, and of any proposed changes in applicable laws.

LEGAL MATTERS

Legal Matters - Series A Bonds

The legality of the authorization and issuance of the Series A Bonds will be covered by the unqualified legal opinion of Hawkins Delafield & Wood LLP, Series A Bond Counsel, New York, New York. Such legal opinion will be delivered in substantially the form attached hereto as Appendix E.

Legal Matters - Series B Bonds

The legality of the authorization and issuance of the Series B Bonds will be covered by the unqualified legal opinion of Norton Rose Fulbright US LLP, Series B Bond Counsel, New York, New York. Such legal opinion will be delivered in substantially the form attached hereto as Appendix F.

Legal Matters - Series C Bonds

The legality of the authorization and issuance of the Series C Bonds will be covered by the unqualified legal opinion of Hawkins Delafield & Wood LLP, Series C Bond Counsel, New York, New York. Such legal opinion will be delivered in substantially the form attached hereto as Appendix G.

Legal Matters - Series D Bonds

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

DISCLOSURE UNDERTAKING

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”) with respect to the Bonds, the County will execute Undertakings to Provide Continuing Disclosure for the Bonds, the form of which is attached hereto as Appendix I.

Compliance History

The continuing disclosure undertakings or agreements executed by the County in accordance with the Rule with respect to each of its general obligation serial bond borrowings required the County to annually file with EMMA (i) certain annual financial information in the form generally consistent with the information contained in or cross-referenced in the official statements for such serial bond issues, and (ii) its audited financial statements for each fiscal year.

RATINGS

The County has applied to Moody’s Investors Service (“Moody’s”), Standard & Poor’s Ratings Services (“S&P”), and Fitch Ratings (“Fitch”) for ratings on the Bonds and such ratings are pending at this time.

On November 18, 2022, Fitch affirmed its “AA+” rating and revised the outlook from stable to positive on the County’s limited tax general obligation bonds and its issuer default rating. On November 21, 2022, Moody’s affirmed the County’s “Aa1” rating with a stable outlook on its general obligation limited tax debt outstanding. On November 22, 2022, S&P affirmed the County’s “AA+” rating with stable outlook on its general obligation debt outstanding.

An explanation of the significance of such ratings may be obtained from Moody’s, S&P, and Fitch. The ratings reflect the views of such rating agencies, based on information and materials furnished to them and on investigations, studies and assumptions made by such rating agencies, and the County makes no representation as to the appropriateness of the ratings. Further, there is no assurance that such ratings will continue for any given period of time or that they will not be revised downward, suspended or withdrawn entirely if, in the sole judgment of such rating agencies, circumstances so warrant. Any such downward revision, suspension or withdrawal of a rating may have an adverse effect on the trading value and the market price of such bonds. The County undertakes no responsibility after issuance of such bonds to assure the maintenance of the ratings or to oppose any revision, suspension or withdrawal thereof.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

MUNICIPAL ADVISOR

The County has retained Capital Markets Advisors, LLC of Great Neck, New York, as Municipal Advisor in connection with the issuance and sale of the Bonds. Capital Markets Advisors, LLC is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Municipal Advisor is not a public accounting firm and has not been engaged by the County to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. Capital Markets Advisors, LLC is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

ADDITIONAL INFORMATION

Periodic public reports relating to the financial condition of the County, its operations and the balances, receipts and disbursements of the various funds of the County are prepared by the Department of Finance, Department of Budget and independent certified public accountants of the County. In addition, the County regularly receives reports from consultants, commissions and special task forces relating to various aspects of the County's financial affairs, including capital projects, County services, taxation, revenue estimates, pensions and other matters. Additional copies may be obtained upon request from the office of the Commissioner of Finance, Karin Hablow, at (914) 995-2757. **This Official Statement is also available at www.capmark.org.**

Any questions on any financial aspect of the County may be directed to the Commissioner of Finance, Karin Hablow, at (914) 995-2757.

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 County and the purchasers or holders of any of the Bonds.

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

COUNTY OF WESTCHESTER, NEW YORK

By: /s/ _____
Karin Hablow
Commissioner of Finance and Chief Fiscal Officer

Dated: November ____, 2023

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Form of Undertaking to Provide Continuing Disclosure with respect to the BondsI-1

Note: Appendix C has been extracted from Westchester County's Comprehensive Annual Financial Report for the Year Ending December 31, 2022. As such, some references are made to specific page numbers or exhibits that do not correspond to this Official Statement. A complete copy of the County's 2022 Comprehensive Annual Financial Report can be accessed at www.westchestergov.com/finance (Finance Department). Alternately, you may contact the Office of the Commissioner of Finance (see Additional Information, herein).

APPENDIX A

**AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED
DECEMBER 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/P21758597.pdf>

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

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

APPENDIX B

STATEMENTS OF BUDGETED REVENUES AND EXPENDITURES

COUNTY OF WESTCHESTER, NEW YORK
Statement of Budgeted Revenues and Expenditures
General Fund

	For the Years Ended December 31,		
	2024 (a)	2023 (b)	2022 (c)
REVENUES:			
Tax Levy on Real Property.....	\$ 542,196,227	\$ 542,196,227	\$ 548,196,227
Sales Tax.....	939,322,000	912,880,000	832,964,000
Mortgage Tax.....	17,041,000	24,658,000	25,305,000
Hotel Tax.....	6,469,200	6,370,000	6,060,000
Auto Use Tax.....	16,768,000	17,029,000	16,382,000
	<u>1,521,796,427</u>	<u>1,503,133,227</u>	<u>1,428,907,227</u>
Federal Aid:			
Social Services	203,859,000	173,929,700	165,086,000
Other.....	91,647,370	103,607,214	78,941,920
	<u>295,506,370</u>	<u>277,536,914</u>	<u>244,027,920</u>
State Aid:			
Social Services.....	99,587,599	98,747,300	98,767,000
Other.....	242,758,432	214,607,306	194,259,401
	<u>342,346,031</u>	<u>313,354,606</u>	<u>293,026,401</u>
Charges for Services:			
Departmental Income.....	147,036,263	152,439,442	142,813,923
Earnings on Investments.....	15,626,000	9,330,000	6,201,068
Miscellaneous Revenues:			
Harness Racing Admissions Tax.....	-	4,000	1,000
Services to WCHCC.....	13,307,643	12,945,669	8,587,119
Other.....	96,115,714	97,113,000	92,460,000
	<u>109,423,357</u>	<u>110,062,669</u>	<u>101,048,119</u>
Total Revenues.....	<u>2,431,734,448</u>	<u>2,365,856,858</u>	<u>2,216,024,658</u>
Other Financing Sources-			
Operating Transfers In.....	5,211,785	3,832,780	3,387,893
Total Revenues and Other Financing Sources.....	<u>\$ 2,436,946,233</u>	<u>\$ 2,369,689,638</u>	<u>\$ 2,219,412,551</u>

(a) As proposed

(b) As adopted

(c) As amended

COUNTY OF WESTCHESTER, NEW YORK
Statement of Budgeted Revenues and Expenditures
General Fund

	For the Years Ended December 31,		
	2024 (a)	2023 (b)	2022 (c)
EXPENDITURES:			
Current:			
General Government.....	\$ 403,993,754	\$ 392,796,554	\$ 349,999,600
Education.....	180,925,711	172,998,836	155,345,494
Public Safety.....	338,116,297	328,777,971	325,071,590
Health.....	55,703,478	61,577,964	51,086,342
Transportation.....	218,362,131	213,745,732	205,719,796
Economic Assistance and Opportunity.....	709,965,085	660,792,993	644,989,601
Culture and Recreation.....	72,051,885	63,355,179	51,429,948
Home and Community Services.....	14,967,359	15,443,862	9,355,011
Employee Benefits.....	271,574,891	276,046,954	278,036,274
Capital Outlay.....	900,000	900,000	800,625
Debt Service.....	120,007,041	124,021,700	152,706,004
Total Expenditures.....	<u>2,386,567,632</u>	<u>2,310,457,745</u>	<u>2,224,540,285</u>
Other Financing Uses-			
Operating Transfers Out.....	50,378,601	59,231,893	8,951,295
Total Expenditures and Other Financing Uses.....	<u>2,436,946,233</u>	<u>2,369,689,638</u>	<u>2,233,491,580</u>
Deficiency of Revenues and Other Financing Sources			
Over Expenditures and Other Financing Uses	-	-	(14,079,029)
Appropriated Fund Balance.....	-	-	14,079,029
Net Budgeted Revenues and Expenditures.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(a) As proposed

(b) As adopted

(c) As amended

COUNTY OF WESTCHESTER, NEW YORK

Statement of Budgeted Revenues and Expenditures
Combined Sewer Districts Fund

	For the Years Ended December 31,		
	2024 (a)	2023 (b)	2022 (c)
REVENUES:			
Tax Levy on Real Property.....	\$ 130,564,634	\$ 120,497,665	\$ 105,734,588
Federal Aid.....	10,000,000	11,000,000	7,987,000
Departmental Income.....	3,870,170	3,966,265	3,912,385
Earnings on Investments.....	8,879,737	8,715,516	8,321,049
Miscellaneous.....	1,029,750	567,751	867,939
Total Revenues.....	154,344,291	144,747,197	126,822,961
Other Financing Sources:			
Operating Transfers In.....	-	-	25,176
Total Revenues and Other Financing Sources.....	154,344,291	144,747,197	126,848,137
EXPENDITURES:			
Current:			
General Government.....	970,000	995,000	1,277,420
Home and Community Services.....	80,673,609	75,120,735	73,349,296
Employee Benefits.....	17,994,876	17,297,044	16,423,947
Capital Outlay.....	1,244,078	1,200,000	1,083,812
Debt Service.....	53,136,306	49,775,790	47,719,400
Total Expenditures.....	154,018,869	144,388,569	139,853,875
Other Financing Uses:			
Operating Transfers Out.....	325,422	358,628	456,000
Total Expenditures and Other Financing Uses.....	154,344,291	144,747,197	140,309,875
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses			
	-	-	(13,461,738)
Appropriated Fund Balance.....	-	-	13,461,738
Net Budgeted Revenues and Expenditures.....	\$ -	\$ -	\$ -

(a) As proposed

(b) As adopted

(c) As amended

COUNTY OF WESTCHESTER, NEW YORK

Statement of Budgeted Revenues and Expenditures
Combined Water Districts

	For the Years Ended December 31,		
	2024 (a)	2023 (b)	2022 (c)
REVENUES:			
Tax Levy on Real Property.....	\$ 4,698,623	\$ 4,098,623	\$ 4,098,623
Departmental Income.....	20,100,000	19,970,000	19,970,000
Earnings on Investments.....	1,000	1,000	1,000
Miscellaneous.....	144,851	460,000	460,000
Total Revenues.....	<u>24,944,474</u>	<u>24,529,623</u>	<u>24,529,623</u>
EXPENDITURES:			
Current:			
Home and Community Services.....	22,766,670	22,832,433	22,760,743
Employee Benefits.....	551,321	531,519	464,552
Capital Outlay.....	290,000	290,000	435,373
Debt Service.....	<u>2,398,095</u>	<u>2,251,604</u>	<u>2,250,037</u>
Total Expenditures.....	26,006,086	25,905,556	25,910,705
Appropriated Fund Balance.....	<u>1,061,612</u>	<u>1,375,933</u>	<u>1,381,082</u>
Net Budgeted Revenues and Expenditures.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- (a) As proposed
(b) As adopted
(c) As amended

COUNTY OF WESTCHESTER, NEW YORK

Statement of Budgeted Revenues and Expenditures
Refuse Disposal District No. 1

	For the Years Ended December 31,		
	2024 (a)	2023 (b)	2022 (c)
REVENUES:			
Tax Levy on Real Property.....	\$ 61,085,163	\$ 57,366,532	\$ 52,645,376
Federal Aid.....	1,000,000	4,360,000	-
Departmental Income.....	19,337,290	20,187,290	18,489,737
Earnings on Investments.....	134,113	141,172	82,221
Miscellaneous.....	82,000	80,000	85,000
Total Revenues.....	81,638,566	82,134,994	71,302,334
Other Financing Sources:			
Operating Transfers In.....	50,000	50,000	50,000
Total Revenues and Other Financing Sources	81,688,566	82,184,994	71,352,334
EXPENDITURES:			
Current:			
General Government.....	4,648,269	4,475,099	4,228,384
Home and Community Services.....	80,698,651	73,902,550	68,957,161
Employee Benefits.....	1,459,062	1,402,559	1,394,337
Debt Service.....	1,189,987	1,404,786	1,994,419
Total Expenditures.....	87,995,969	81,184,994	76,574,301
Other Financing Uses:			
Operating Transfers Out.....	-	1,000,000	250,000
Total Expenditures and Other Financing Uses.....	87,995,969	82,184,994	76,824,301
Deficiency of Revenues Over Expenditures and Other Financing Uses.....	(6,307,403)	-	(5,471,967)
Appropriated Fund Balance.....	6,307,403	-	5,471,967
Net Budgeted Revenues and Expenditures.....	\$ -	\$ -	\$ -

- (a) As proposed
(b) As adopted
(c) As amended

COUNTY OF WESTCHESTER, NEW YORK

Statement of Budgeted Revenues and Expenditures
Westchester Community College

	For the Fiscal Years Ended		
	August 31, 2024	August 31, 2023	August 31, 2022
REVENUES:			
State Aid.....	\$ 30,286,961	\$ 30,484,172	\$ 29,372,698
Charges for Services.....	49,274,423	49,125,836	52,082,382
Earnings on Investments.....	680,000	95,000	150,000
Total Revenues.....	80,241,384	79,705,008	81,605,080
Other Financing Sources:			
Operating Transfers In.....	25,350,000	25,000,000	24,443,000
Total Revenues and Other Financing Sources.....	105,591,384	104,705,008	106,048,080
EXPENDITURES:			
Current:			
Education.....	91,909,951	91,108,717	86,507,708
Employee Benefits.....	28,534,433	28,377,291	28,103,372
Total Expenditures.....	120,444,384	119,486,008	114,611,080
Other Financing Uses:			
Operating Transfers Out.....	75,000	75,000	75,000
Total Expenditures and Other Financing Uses.....	120,519,384	119,561,008	114,686,080
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses.....			
	(14,928,000)	(14,856,000)	(8,638,000)
Appropriated Fund Balance.....	14,928,000	14,856,000	8,638,000
Net Budgeted Revenues and Expenditures.....	\$ -	\$ -	\$ -

APPENDIX C

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS (2013-2022)

County of Westchester, New York
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017
Revenues					
Taxes on Real Property	\$ 694,904,941	\$ 694,609,543	\$ 694,597,306	\$ 694,597,306	\$ 694,597,306
Sales Tax	489,522,517	503,322,529	500,642,409	507,445,900	525,230,119
Federal Aid	282,135,691	294,842,966	268,349,007	241,643,092	226,580,659
State Aid	280,259,431	307,951,830	286,756,313	287,777,139	296,151,380
Departmental Income	235,534,388	228,155,204	239,703,175	243,021,433	240,497,892
Use of Money and Property	6,965,587	8,460,954	9,063,180	9,223,767	9,610,582
Miscellaneous Revenues	133,971,763	141,453,394	164,880,461	167,903,926	153,505,728
Total Revenues	2,123,294,318	2,178,796,420	2,163,991,851	2,151,612,563	2,146,173,666
Expenditures					
Current					
General Government	207,872,944	203,057,865	209,718,912	216,527,136	216,381,353
Education	155,264,128	155,767,999	159,050,745	161,350,743	149,666,455
Public Safety	284,779,779	283,206,725	279,916,654	261,306,306	277,545,282
Health Services	99,477,411	94,424,051	95,678,175	90,341,575	91,722,256
Transportation	186,604,135	191,146,332	198,966,517	198,122,971	204,147,119
Economic Assistance and Opportunity	619,253,621	640,873,206	634,829,795	629,596,633	613,480,432
Culture and Recreation	49,955,021	49,784,906	50,575,448	45,068,400	46,539,775
Home and Community Services	140,648,597	145,214,511	150,340,416	144,947,792	142,867,017
Employee Benefits	219,618,040	229,337,567	242,365,196	263,344,808	271,763,947
Debt Service					
Principal	84,986,856	93,785,319	95,216,972	110,126,986	102,710,754
Interest	37,680,022	41,163,943	39,997,571	42,361,572	43,660,740
Costs of Issuance	2,187,788	1,241,333	809,771	1,415,537	1,516,186
Advance Refunding Escrow	—	—	—	—	—
Capital Outlay	171,359,650	166,082,318	113,889,492	162,499,270	183,513,640
Total Expenditures	2,259,687,992	2,295,086,075	2,271,355,664	2,327,009,729	2,345,514,956
Deficiency of Revenues					
Over Expenditures	(136,393,674)	(116,289,655)	(107,363,813)	(175,397,166)	(199,341,290)
Other Financing Sources (Uses)					
Sale of Real Property	—	—	—	20,400,000	—
Bonds Issued	183,994,000	85,957,000	103,975,000	26,494,000	197,439,660
Refunding Bonds Issued	—	9,245,000	—	109,980,000	—
Bond Premium	7,340,303	27,948	15,252,938	22,802,961	28,418,745
Premium on Refunding Bonds	—	—	—	—	—
Bond Anticipation Note Premium	—	—	—	—	—
Tax Anticipation Note Premium	—	—	—	—	—
Leases Issued	—	—	—	—	—
Transfers In	19,126,697	13,705,419	10,420,109	27,393,071	19,435,965
Transfers Out	(17,027,445)	(11,911,444)	(6,778,900)	(18,685,156)	(17,701,263)
Payment to Refunded Bond Escrow Agent	—	(9,157,006)	—	(131,480,682)	—
Total Other Financing Sources	193,433,555	87,866,917	122,869,147	56,904,194	227,593,107
Net Change in Fund Balances	\$ 57,039,881	\$ (28,422,738)	\$ 15,505,334	\$ (118,492,972)	\$ 28,251,817
Debt Service as a Percentage of					
Non-capital Expenditures	5.86%	6.31%	6.28%	7.02%	6.72%

(1) Reflects initial implementation of Governmental Accounting Standards Board Statement No. 84 "Fiduciary Activities".

(2) Reflects initial implementation of Governmental Accounting Standards Board Statement No. 87 "Leases".

Source: County of Westchester ACFR

See independent auditors' report

	2018	2019 (1)	2020	2021	2022 (2)
\$	705,565,775	\$ 719,674,814	\$ 718,674,814	\$ 717,674,814	\$ 710,674,814
	551,883,494	630,288,471	671,223,684	813,965,453	890,762,206
	242,957,439	245,428,421	456,853,083	276,713,094	380,866,281
	318,545,265	364,528,855	308,158,559	338,865,673	376,096,830
	241,966,750	253,197,117	197,722,437	239,204,641	226,378,352
	11,057,489	11,814,664	9,712,646	8,612,381	40,430,705
	196,800,695	187,892,424	253,223,437	275,820,582	237,262,334
	<u>2,268,776,907</u>	<u>2,412,824,766</u>	<u>2,615,568,660</u>	<u>2,670,856,638</u>	<u>2,862,471,522</u>
	235,442,312	251,319,883	300,861,335	316,153,681	346,491,800
	155,795,752	160,306,636	140,675,320	146,793,675	154,846,710
	287,280,735	295,819,577	309,009,723	321,623,048	341,834,781
	96,821,308	97,568,395	104,728,899	111,631,382	126,514,468
	216,668,422	224,191,666	226,111,834	232,547,298	254,446,895
	681,954,970	683,403,729	740,993,254	705,708,648	686,701,954
	50,423,538	51,949,155	47,268,677	54,059,091	52,869,035
	152,427,988	149,168,944	147,600,698	155,928,696	169,046,948
	263,779,157	278,368,039	265,265,602	276,070,692	299,615,686
	104,698,999	114,923,105	120,453,440	134,612,580	152,755,433
	44,751,222	53,634,494	56,027,545	54,419,831	53,255,356
	898,226	1,163,786	1,922,685	1,461,599	1,199,837
	—	1,394,683	—	—	—
	180,968,501	217,671,188	237,830,339	238,268,183	343,606,480
	<u>2,471,911,130</u>	<u>2,580,883,280</u>	<u>2,698,749,351</u>	<u>2,749,278,404</u>	<u>2,983,185,383</u>
	<u>(203,134,223)</u>	<u>(168,058,514)</u>	<u>(83,180,691)</u>	<u>(78,421,766)</u>	<u>(120,713,861)</u>
	—	—	—	—	—
	182,155,000	148,857,652	101,472,897	203,779,614	241,973,457
	—	46,775,000	50,920,000	—	—
	20,400,000	23,618,258	11,153,797	18,495,000	16,171,218
	—	5,265,278	441,003	—	—
	—	—	—	487,523	—
	—	—	—	2,265,650	—
	—	—	—	—	19,197,298
	20,620,276	20,352,936	24,262,294	21,526,190	17,603,199
	(18,976,690)	(18,467,420)	(22,223,213)	(19,434,836)	(15,626,972)
	—	(53,134,328)	(50,728,569)	—	—
	<u>204,198,586</u>	<u>173,267,376</u>	<u>115,298,209</u>	<u>227,119,141</u>	<u>279,318,200</u>
\$	<u>1,064,363</u>	<u>\$ 5,208,862</u>	<u>\$ 32,117,518</u>	<u>\$ 148,697,375</u>	<u>\$ 158,604,339</u>
	6.59%	7.13%	7.16%	7.52%	7.79%

APPENDIX D

ADOPTED CURRENT OPERATING BUDGET COMPARATIVE ANALYSIS

COUNTY OF WESTCHESTER, NEW YORK

**Adopted Current Operating Budget Comparative Analysis
General Fund - Revenues**

	For the Years Ended December 31,		Change
	2024(a)	2023(b)	
REVENUES:			
Tax Levy on Real Property.....	\$ 542,196,227	\$ 542,196,227	\$ -
Sales Tax.....	939,322,000	912,880,000	26,442,000
Mortgage Tax.....	17,041,000	24,658,000	(7,617,000)
Hotel Tax.....	6,469,200	6,370,000	99,200
Auto Use Tax.....	16,768,000	17,029,000	(261,000)
	<u>1,521,796,427</u>	<u>1,503,133,227</u>	<u>18,663,200</u>
Federal Aid:			
Social Services	203,859,000	173,929,700	29,929,300
Other.....	91,647,370	103,607,214	(11,959,844)
	<u>295,506,370</u>	<u>277,536,914</u>	<u>17,969,456</u>
State Aid:			
Social Services.....	99,587,599	98,747,300	840,299
Other.....	242,758,432	214,607,306	28,151,126
	<u>342,346,031</u>	<u>313,354,606</u>	<u>28,991,425</u>
Charges for Services:			
Departmental Income.....	147,036,263	152,439,442	(5,403,179)
Earnings on Investments.....	15,626,000	9,330,000	6,296,000
Miscellaneous Revenues:			
Harness Racing Admissions Tax.....	-	4,000	(4,000)
Services to WCHCC.....	13,307,643	12,945,669	361,974
Other.....	96,115,714	97,113,000	(997,286)
	<u>109,423,357</u>	<u>110,062,669</u>	<u>(639,312)</u>
Total Revenues.....	2,431,734,448	2,365,856,858	65,877,590
Other Financing Sources:			
Operating Transfers In.....	5,211,785	3,832,780	1,379,005
Total Revenues and Other Financing Sources.....	<u>2,436,946,233</u>	<u>2,369,689,638</u>	<u>67,256,595</u>

(a) As proposed

(b) As adopted

COUNTY OF WESTCHESTER, NEW YORK

**Adopted Current Operating Budget Comparative Analysis
General Fund - Expenditures**

EXPENDITURES:	For the Years Ended December 31,		Change
	2024(a)	2023(b)	
Current:			
General Government.....	\$ 403,993,754	\$ 392,796,554	\$ 11,197,200
Education.....	180,925,711	172,998,836	7,926,875
Public Safety.....	338,116,297	328,777,971	9,338,326
Health.....	55,703,478	61,577,964	(5,874,486)
Transportation.....	218,362,131	213,745,732	4,616,399
Economic Assistance and Opportunity.....	709,965,085	660,792,993	49,172,092
Culture and Recreation.....	72,051,885	63,355,179	8,696,706
Home and Community Services.....	14,967,359	15,443,862	(476,503)
Employee Benefits.....	271,574,891	276,046,954	(4,472,063)
Capital Outlay.....	900,000	900,000	-
Debt Service.....	120,007,041	124,021,700	(4,014,659)
Total Expenditures.....	2,386,567,632	2,310,457,745	76,109,887
Other Financing Uses-			
Operating Transfers Out.....	50,378,601	59,231,893	(8,853,292)
Total Expenditures and Other Financing Uses.....	\$ 2,436,946,233	\$ 2,369,689,638	\$ 67,256,595

(a) As proposed

(b) As adopted

APPENDIX E

**FORM OF LEGAL OPINION OF HAWKINS DELAFIELD & WOOD LLP
SERIES A BONDS**

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

The Board of Legislators
County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the County of Westchester (the “County”), New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$125,468,652 General Obligation Bonds-2023 Series A (the “Bonds”), dated and delivered on the date hereof. The Bonds were sold and are issued contemporaneously with the \$27,467,885 General Obligation Bonds-2023 Series B (the “Series B Bonds”).

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

The Bonds are treated, together with the Series B Bonds, as a single issue for federal tax purposes. We have served as bond counsel with respect to the issuance of the Bonds and will render our opinion with respect to the validity and legality of the Bonds and the exclusion of interest thereon from gross income of the owners thereof for federal income tax purposes in substantially the form set forth below and subject to the same conditions and limitations set forth herein. Norton Rose Fulbright US LLP has served as bond counsel with respect to the Series B Bonds and, on the date hereof, has rendered its opinion as to the validity and legality of the Series B Bonds and as to the exclusion of interest thereon from gross income of the owners thereof for federal tax purposes. In connection with the following opinions, we have relied on and assumed the correctness of the opinion of Norton Rose Fulbright US LLP with respect to the Series B Bonds. Noncompliance with the conditions and limitations set forth herein and the conditions and limitations set forth in the opinion of Norton Rose Fulbright US LLP with respect to the Series B Bonds may cause interest on the Bonds and the Series B Bonds to become subject to federal income taxation retroactive to the date hereof, irrespective of the date on which such noncompliance occurs or is ascertained.

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

1. The Bonds are valid and legally binding general obligations of the County for which the County has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the County is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended. The enforceability of rights or remedies with respect to such

Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions, and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Bonds are included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

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

In rendering the opinion in paragraph 2 hereof, we have relied upon and assumed (i) the material accuracy of the County's representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the County with the procedures and certifications set forth in the Tax Certificate as to such tax matters. We have also relied on the approving opinion of bond counsel with respect to the Series B Bonds as to the validity and legality of such bonds and as to the exclusion of interest thereon from gross income of the owners thereof for federal tax purposes.

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

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other

reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Official Statement of the County relating to the Bonds, or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relating to the Bonds, which have been or may be furnished or disclosed to purchasers of the Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX F

**FORM OF LEGAL OPINION OF NORTON ROSE FULBRIGHT US LLP
SERIES B BONDS**



December 14, 2023

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

County of Westchester,
State of New York

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

Re: County of Westchester, New York
\$27,467,885* General Obligation Bonds - 2023 Series B

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$27,467,885* General Obligation Bonds - 2023 Series B (the "Obligation"), of the County of Westchester, New York (the "Obligor"), dated December 14, 2023.

We have examined:

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

*Preliminary; subject to change.

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright South Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Tax Certificate, and we have relied upon the approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Obligor with respect to the Obligor's General Obligation Bonds - 2023 Series A, dated the date hereof (the "Series A Bonds") as to the validity and legality of the Series A Bonds and as to the exclusion of interest thereon from gross income of the owners thereof for federal income tax purposes. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights; and (ii) may be subject to the exercise of judicial discretion in certain cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights.

(c) Under existing law, interest on the Obligation (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, assuming continuing compliance after the date hereof by the Obligor with the provisions of the Tax Certificate, and (2) will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals. Under existing law, interest on the Obligation is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligation. Ownership of tax-exempt obligations such as the Obligation may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security

or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

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

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinion expressed herein. Such opinion is not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement, dated November 30, 2023, prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

APPENDIX G

**FORM OF LEGAL OPINION OF HAWKINS DELAFIELD & WOOD LLP
SERIES C BONDS**

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

The Board of Legislators
County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the County of Westchester (the “County”), New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$34,035,016 General Obligation Bonds-2023 Series C (Federally Taxable) (the “Bonds”), dated and delivered on the date hereof.

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

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

1. The Bonds are valid and legally binding general obligations of the County for which the County has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the County is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.
2. Interest on the Bonds is included in gross income for federal income tax purposes pursuant to the Code.
3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Except as stated in paragraphs 2 and 3 above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, for any facts or circumstances that may hereafter come to our attention, for any changes in law or in interpretations thereof that may hereafter occur or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters.

We give no assurances as to the adequacy, sufficiency or completeness of the Official Statement of the County relating to the Bonds, or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relating to the Bonds, which have been or may be furnished or disclosed to purchasers of the Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX H

**FORM OF LEGAL OPINION OF NORTON ROSE FULBRIGHT US LLP
SERIES D BONDS**

December 14, 2023

County of Westchester,
State of New York

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

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

Re: County of Westchester, New York
\$15,625,093* General Obligation Bonds, 2023 Series D (Federally Taxable)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$15,625,093* General Obligation Bonds, 2023 Series D (Federally Taxable) (the "Obligation"), of the County of Westchester, New York (the "Obligor"), dated December 14, 2023.

We have examined such portions of the Constitution and Statutes of the State of New York as we deemed relevant. We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the federal government affecting the enforcement of creditors' rights; and (ii) may be subject to the exercise of judicial discretion in certain cases.
- (b) Under existing law, interest on the Obligation is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligation.

*Preliminary; subject to change.

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

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

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinion expressed herein. Such opinion is not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement, dated November 30, 2023, prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

APPENDIX I

**FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE WITH
RESPECT TO THE BONDS**

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

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

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

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

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

“Issuer” shall mean the County of Westchester, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s \$ _____ General Obligation Bonds-2023 Series A dated December 14, 2023, maturing in various principal amounts on December 1 in each of the years 2025 to 2038 inclusive, \$ _____ General Obligation Bonds–2023 Series B, dated December 14, 2023, maturing in various principal amounts on December 1 in each of the years 2025 to 2041 inclusive, \$ _____ General Obligation Bonds-2023 Series C (Federally Taxable), dated December 14, 2023, maturing in various principal amounts on December 1 in each of the years 2025 to 2036 inclusive, and \$ _____ General Obligation Bonds-2023 Series D (Federally Taxable), dated December 14, 2023, maturing in various principal amounts on December 1 in each of the years 2025 to 2041 inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide to the EMMA System:

- (i) not later than the last day of the ninth month following the end of each fiscal year, commencing with the fiscal year ending December 31, 2023, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for each fiscal year commencing with the fiscal year ending December 31, 2023, if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than the last day of the succeeding fiscal year; provided, however, that the unaudited financial statements shall be provided for any fiscal year only if the County has made a determination that providing such unaudited financial statements would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933.
- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

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

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer 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 Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation, as defined in Rule 15c2-12, of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

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

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

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings: "THE COUNTY OF WESTCHESTER," "COUNTY INDEBTEDNESS," "FINANCIAL FACTORS," "BUDGETARY PROCESS," "FINANCIAL CONTROLS," "FINANCIAL STATEMENTS AND ACCOUNTING PROCEDURES," "RESULTS OF OPERATIONS FOR THE GENERAL FUND FOR THE 2021 AND 2022 FISCAL YEARS, THE ADOPTED BUDGET FOR THE 2023 FISCAL YEAR, AND THE PROPOSED BUDGET FOR THE 2024 FISCAL YEAR," "EMPLOYEES," "RISK FACTORS," and "LITIGATION".

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year shall be prepared in accordance with New York State regulatory requirements or GAAP as in effect from time to time. Such financial statements shall be audited by an independent accounting firm.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with subsection (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premium, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of December 14, 2023.

COUNTY OF WESTCHESTER

By _____
Commissioner of Finance and Chief Fiscal Officer