

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

**PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 30, 2024**

**NEW ISSUE: TAX ANTICIPATION NOTES**

**Rating: See "Rating" herein**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "Tax Matters" herein.*

*The School District **WILL NOT** designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.*

**CITY SCHOOL DISTRICT OF THE CITY OF MOUNT VERNON  
WESTCHESTER COUNTY, NEW YORK**

**\$17,500,000**

**TAX ANTICIPATION NOTES FOR 2024-2025 TAXES**

**DATED: November 14, 2024**

**DUE: June 30, 2025**

The Notes are general obligations of the Mount Vernon City School District, Westchester County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "Nature of Obligation" and "The Tax Levy Limit Law" herein. The Notes will not be subject to redemption prior to maturity.

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

The Notes are offered when, as and if issued and received by the Purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York City. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or at such other place as may be agreed with the Purchaser on or about November 14, 2024.

*FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE NOTICE OF MATERIAL EVENTS AS DESCRIBED IN SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12, SEE "DISCLOSURE UNDERTAKING" HEREIN.*

Dated: November \_\_, 2024

**CITY SCHOOL DISTRICT OF THE CITY OF MOUNT VERNON  
WESTCHESTER COUNTY, NEW YORK**

**BOARD OF EDUCATION**

Adriane Saunders ..... President  
Sabina Kelly ..... Vice President  
Lorna Kirwan ..... Trustee  
Dr. Donna Marable ..... Trustee  
Christopher McDonough, Ph.D. .... Trustee  
Dr. Lynne Middleton ..... Trustee  
Warren Mitchell II ..... Trustee  
Helene Thompson-Njenga ..... Trustee  
Wanda White ..... Trustee

---

Dr. K. Veronica Smith..... Acting Superintendent  
Jose Formoso..... Assistant Superintendent for Business  
Jose Formoso..... Treasurer  
Rita James ..... District Clerk

---

**BOND COUNSEL**

**Orrick, Herrington & Sutcliffe LLP  
New York, New York**

---

**MUNICIPAL ADVISOR**



**CAPITAL MARKETS ADVISORS, LLC**  
*Long Island \* Hudson Valley \* Southern Tier \* Western New York*  
**(516) 364-6363**

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

**TABLE OF CONTENTS-**

<u>Page</u>	<u>Page</u>		
THE Notes .....	1	THE STATE COMPTROLLER'S FISCAL STRESS	
Description .....	1	MONITORING SYSTEM AND COMPLIANCE	
Authority for and Purpose of the Notes .....	2	REVIEWS .....	11
Nature of Obligation .....	2	LITIGATION .....	11
Book-Entry-Only System .....	4	TAX MATTERS .....	12
TAX LEVY LIMITATION LAW .....	5	LEGAL MATTERS .....	13
SPECIAL PROVISIONS AFFECTING REMEDIES		DISCLOSURE UNDERTAKING.....	13
UPON DEFAULT .....	6	RATING .....	14
NO PAST DUE DEBT .....	10	MUNICIPAL ADVISOR .....	15
MARKET FACTORS AFFECTING FINANCINGS		MISCELLANEOUS.....	15
OF THE STATE AND SCHOOL DISTRICTS OF			
THE STATE .....	10		

**APPENDIX A**

THE DISTRICT.....	A-1	STAR – School Tax Exemption.....	A-11
General Information .....	A-1	DISTRICT INDEBTEDNESS.....	A-11
District Organization .....	A-1	Constitutional Requirements .....	A-11
Financial Statements.....	A-1	Statutory Procedure.....	A-12
Budgetary Procedures.....	A-1	Debt Limit .....	A-13
Enrollment Trends.....	A-2	Statutory Debt limit and Net Indebtedness.....	A-14
District Facilities .....	A-2	Bond Anticipation Notes.....	A-14
Employees .....	A-3	Tax and Revenue Anticipation Notes.....	A-14
Employment Pension Payments .....	A-3	Trend of Outstanding Indebtedness.....	A-15
Other Post Employment Benefits .....	A-4	Overlapping and Underlying Debt .....	A-15
Investment Policy Permitted Investments .....	A-5	Debt Ratios.....	A-15
FINANCIAL FACTORS.....	A-5	Capital Project Plans .....	A-15
Real Property Taxes .....	A-5	Energy Performance Contract Debt Service.....	A-16
State Aid.....	A-6	Debt Service Schedule .....	A-17
Recent Events Affecting New York School		ECONOMIC AND DEMOGRAPHIC DATA .....	A-17
Districts .....	A-8	Population .....	A-17
General Fund Operations.....	A-9	Employment and Unemployment.....	A-18
Independent Audits.....	A-9	Transporation .....	A-18
Other Revenues .....	A-9	Recreation .....	A-18
TAX INFORMATION .....	A-10	Banking Facilities.....	A-19
Real Property Tax Assessment and Rates .....	A-10	Commerce and Industry .....	A-19
Tax Collection Procedure.....	A-10	Utilities.....	A-19
Ten of the Largest Taxpayers.....	A-11	Services .....	A-19

**APPENDIX B – SUMMARY OF BUDGETS AND FINANCIAL STATEMENTS**

**APPENDIX C – LINK TO AUDITED FINANCIAL STATEMENTS**

**APPENDIX D – CASH FLOW STATEMENTS**

**APPENDIX E – FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL**

## **OFFICIAL STATEMENT**

### **CITY SCHOOL DISTRICT OF THE CITY OF MOUNT VERNON WESTCHESTER COUNTY, NEW YORK**

#### **Relating To**

**\$17,500,000\***

#### **TAX ANTICIPATION NOTES FOR 2024-2025 TAXES**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the City School District of the City of Mount Vernon, in the County of Westchester, in the State of New York (the “District”, “County” and “State,” respectively) in connection with the sale of \$17,500,000\* Tax Anticipation Notes For 2024 – 2025 Taxes (the “Notes”).

The factors affecting the School District’s financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the School District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

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

All financial and other information presented herein has been provided by the School District from its records, except information expressly attributed to other sources. The presentation of such information is intended to show recent historical data and is not intended to indicate or predict future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience will necessarily continue or be repeated in the future. The information, estimates and opinions provided herein are subject to change without notice from the date hereof.

### **THE NOTES**

The Notes are general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See “Nature of Obligation” herein and “TAX INFORMATION - The Tax Levy Limit Law” herein.

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

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

If the Notes are issued registered in the name of the successful bidder, a single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District.

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

The School District's contact information is as follows: Mr. Jose Formoso, Assistant Superintendent for Business, 165 North Columbus Avenue Mount Vernon, NY 10553, Phone: (914) 665-5199, [jformoso@mtvernoncsd.org](mailto:jformoso@mtvernoncsd.org).

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

The Notes are issued pursuant to the Constitution and laws of the State, including Sections 24.00 and 39.00 of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and a tax anticipation note resolution adopted by the Board of the District to finance cash flow requirements in anticipation of the collection of 2024-2025 real property taxes levied for school and library purposes on all taxable real property in the District. The proceeds of the Notes may be used only for the purposes for which such taxes were or are to be levied, unless all of said purposes have been paid and satisfied, in which case the proceeds of the notes may be used for any lawful school purpose. The proceeds of the Notes will not be used for the redemption or renewal of any outstanding tax or revenue anticipation notes.

Pursuant to Section 24.00(e) of the Local Finance Law, generally, whenever the amount of the Notes and any additional tax anticipation notes issued by the District in anticipation of the receipt of 2024-2025 real property taxes equals the amount of such taxes remaining uncollected, the District is required to set aside in a special bank account all of such uncollected taxes as thereafter collected, and to use the amounts so set aside only for the purpose of paying such Notes. Interest on the Notes will be provided from budget appropriations.

### ***Nature of Obligation***

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

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

The Notes will be general obligations of the School District and will contain a pledge of the faith and credit of the School District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the School District has power and statutory authorization to levy ad valorem taxes on all real property within the School District subject to such taxation by the School District subject to applicable statutory limitations. See "TAX INFORMATION-The Tax Levy Limit Law" herein.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor, as amended, (the "Tax Levy Limit Law"). The Tax Levy Limit Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the School District is required to pledge its faith and credit for the payment

of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limit Law imposes a statutory limitation on the School District's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law, it also provides the procedural method to surmount that limitation. See "The Tax Levy Limit Law," herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State 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 this is what the courts have held they mean . . . 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 and 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 (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., 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 New York 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 not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York 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.

## **REMEDIES UPON DEFAULT**

**State Aid Intercept For School Districts.** In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

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

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments

out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

**Authority to File For Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

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

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

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law 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 School District.

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

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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

## **BOOK-ENTRY-ONLY SYSTEM**

In the event the Notes are issued in book-entry form, the Depository Trust Company ("DTC"), Jersey City, New Jersey, will act as securities depository for the Notes. The Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by

an authorized representative of DTC. One fully-registered note certificate will be issued for each Note which bears the same rate of interest and CUSIP number, in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company

### ***Certificated Notes***

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the School District and discharging its responsibilities with respect thereto under applicable law, or the School District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized and later discontinued, the following provisions will apply: The Notes will be issued in bearer form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a bank or trust company located and authorized to do business in the State to be named as fiscal agent by the School District. The Notes will remain not subject to redemption prior to their stated final maturity date.

## **RISK FACTORS**

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

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

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

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or at any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein).

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid.

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

## **TAX MATTERS**

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

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "Appendix E".

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Notes”) will be treated as having amortizable note premium. No deduction is allowable for the amortizable note premium in the case of notes, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Note, will be reduced by the amount of amortizable note premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable note premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer’s election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the “original issue discount”). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect an owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective

purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt notes is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of notes presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the District or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

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

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

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

The most current applicable report of the State Comptroller designates the District as "Significant."

See the State Comptroller's official website for more information. Reference to this website implies no warranty of accuracy of information therein. References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

### **MUNICIPAL ADVISOR**

Capital Markets Advisors, LLC (the "Municipal Advisor"), serves as independent financial advisor to the School District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the School District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the School District or the information set forth in this Official Statement or any other information available to the School District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

### **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix E.

### **CYBERSECURITY**

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

### **LITIGATION**

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the School District Attorney for the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

The District's insurance policy with the New York Schools Insurance Reciprocal (NYSIR) was recently terminated and the District is now self-insured. Since insurance coverage is based upon the date of the claim, the District has insurance coverage for some of the pending claims, and partial or no coverage for other claims. The District currently has a self-insured retention of \$500,000 with an excess liability policy which covers liabilities in excess of \$500,000 but less than \$5,000,000. The District is responsible for any liability in excess of \$5,000,000.

The District has received several claims from homeowners surrounding the High School which allege that due to a defect in the retaining wall, the surrounding properties were damaged by flooding during Hurricane Irene. The District is analyzing each claim individually and depositions and discovery are proceeding. The District has a good chance of defending the claims as none of the individual claimants are able to establish causation at this point, especially since the damages stem from a 100 year storm. However, there was a retaining wall on District property which did in fact breach about six weeks before the storm. If each of the claimants are successful, the District's combined exposure would be approximately \$700,000.

The District received a Complaint alleging an injury resulting from a fall at a BOCES program, involving a student with significant physical disabilities. The case has not progressed sufficiently to enable the District to assess the merits of the claim although it appears the BOCES program would have primary liability. If the claimant were to prevail on all claims, it is anticipated that the District's exposure would be approximately \$150,000. There is a self-insured retention of \$500,000 and excess liability coverage.

A student has filed a Complaint alleging damages for an injury at the Grimes Elementary School. The District has filed an answer but the Plaintiff failed to file a notice of claim so the nature of damages and liability are undetermined. There is a self-insured retention of \$500,000 and excess liability coverage.

The District received a Complaint alleging wrongful death resulting from an altercation amongst students, after school hours and off of school property. The District is vigorously defending the claim. To date there are no substantiated interactions between the decedent and the assailant, but a significant disciplinary history for the assailant. If the claimant were to prevail on all claims, it is anticipated that the District's exposure could be millions of dollars, depending heavily on claimants' ability to establish the teen decedent's reasonably anticipated earnings as an adult. There is a self-insured retention of \$500,000 and excess liability coverage.

The District received a Complaint alleging an injury resulting from an altercation and stabbing assault off of school property. The District is vigorously defending the claim and hopes to have the case dismissed prior to trial. If the claimant were to prevail on all claims, it is anticipated that the District's exposure could be in excess of \$500,000. There is a self-insured retention of \$500,000 and excess liability coverage.

The District received a Complaint alleging a brain injury resulting from an assault on school property. The District is defending the claim and proceeding with discovery. The District has a reasonable defense to the claims. If the claimant were to prevail on all claims, it is anticipated that the District's exposure could be in excess of \$500,000. There is a self-insured retention of \$500,000 and excess liability coverage.

The District has indicated that there are ongoing tax certiorari proceedings involving the District, but it is not possible to accurately determine at this time the extent of the liability, if any, of the District with respect to these cases. Any such reduction in assessed value of property may result in the District being required to refund taxes collected in prior years. In total, refunds of taxes collected in prior years are not expected to have a material effect on the financial statements of the District. Such refunds, if any, will be provided for in the annual budgets in the years in which payments are due or the District may issue bonds to finance them. The School District formally intervenes in these actions as permitted by law. Its current policy is to intervene only in the high value claims (involving properties that are valued at \$1,000,000 or above). The District does not intervene in proceedings involving properties valued at less than \$1,000,000. The District independently analyzes the merits of each claim with the City Assessor.

As of June 30, 2024, there are dozens of pending tax certiorari claims dating back five years involving high value properties and many more dozens of proceedings involving smaller properties. The high value claims have a combined exposure in the tens of millions of dollars. While the initial exposure figures are often high, the cases are frequently settled at figures which result in refunds far below the total exposure. It is expected that the cases to be resolved with refunds well below the stated exposure. The District has the ability to bond judgments of tax certiorari proceedings in accordance with the law.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the School District, threatened against or affecting the School District to restrain or enjoin sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same,

or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the School District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the School District.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix E.

## **MATERIAL EVENT NOTICES**

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time, (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), pursuant to the Securities Exchange Act of 1934, the School District has agreed to provide, or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, during the period in which the Note is outstanding, to the Electronic Municipal Markets Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes.
- (g) modifications to rights of Note holders, if material
- (h) Note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the School District
- (m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) incurrence of a “financial obligation” (as defined in the “Rule”) of the District, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect noteholders, if material;

(p) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the District, if any such event reflects financial difficulties

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

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

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

The School District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the School District determines that any such other event is material with respect to the Notes; but the School District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The School District reserves the right to terminate its obligations to provide the afore described notices of events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the School District’s obligations under its material event notices undertaking and any failure by the School District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The School District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the School District; provided that the School District agrees that any such modification will be done in a manner consistent with the Rule.

An “Undertaking to Provide Notice of Material Events” to this effect shall be provided to the purchaser(s) at closing.

The District has reviewed and modified its continuing disclosure practices to ensure that all annual filings and all material event notices are filed in a timely manner and, to the extent necessary, has also corrected any past failures to file.

## **RATING**

The District did not apply to Standard & Poor’s (S&P) for a rating on the Notes.

On July 19, 2023, Moody's downgraded the District's 'Baa1' credit rating on its outstanding uninsured general obligation debt to 'Baa2' Subsequent to that action Moody's also withdrew Mount Vernon CSD, NY's issuer rating and general obligation tax ratings. (See "*Special Provision Affecting Remedies Upon Default*", herein.)

On April 6, 2023, S&P Global Ratings ("S&P") downgraded the District's long-term credit rating on its outstanding uninsured general obligation debt from 'A+' to BBB+' with a negative outlook..

Such rating reflects only the views of Moody's and S&P and any desired explanation of the significance of such ratings should be obtained from Moody's and S&P, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; S&P Global Ratings, 55 Water Street, New York, New York 10041. There can be no assurance that such ratings will continue for any specified period of time or that such ratings will not be revised or withdrawn, if in the judgment of Moody's and S&P circumstances so warrant. Any such change or withdrawal of such ratings may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

## **MISCELLANEOUS**

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

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

Orrick, Herrington & Sutcliffe LLP, New York, New York, bond counsel to the School District, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

Concurrently with the delivery of the Notes, the School District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the School District, as to which no representation can be made.

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

*The School District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future*

events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

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

Additional information may be obtained from the office of the District's Director of Business/Treasurer (914) 665-5213 or the District's Municipal Advisor, Capital Markets Advisors, LLC (CMA) 516-364-6363

CITY SCHOOL DISTRICT OF THE CITY OF MOUNT  
VERNON WESTCHESTER COUNTY, NEW YORK

By: \_\_\_\_\_  
Adriane Saunders  
President of the Board of Education

DATED: November \_\_, 2024

**APPENDIX A**

**THE DISTRICT**

## **THE DISTRICT**

### ***General Information***

The District, coterminous with the City of Mount Vernon (the “City” or “Mount Vernon”), is located in southern Westchester County, directly north of the borough of the Bronx, the City of New York, and covers an area of approximately 4.25 square miles. The area was originally settled in the late 1600’s and its agricultural character remained unchanged until the mid-1800’s when it was part of the Town of Eastchester. Mount Vernon was incorporated as a Village in 1853 and as a city in 1892. Mount Vernon is now a residential suburb of New York City and is known as “The City of Homes”.

### ***District Organization***

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

The legislative power of the District is vested in the Board of Education, which has nine members. The members of the Board of Education are elected to overlap in terms of three years.

During the first seven days of July of each year, the Board of Education meets for the purpose of reorganization. At that time an election is held within the Board to elect a president and vice president, and to appoint standing committees for the school year.

### ***Financial Statements***

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

### ***Budgetary Procedures***

Pursuant to the Education Law, the Assistant Superintendent for Business annually prepares a detailed statement of estimated sums necessary for the various expenditures of the District for the ensuing fiscal year (tentative budget) who then passes it on to the Superintendent, who then recommends it to the Board of Education. The Board by resolution adopts a tentative budget and directs the Assistant Superintendent for Business to distribute that statement not less than seven days prior to the date on which the annual school election is conducted, at which the tentative budget is voted upon. Notice of the annual election is published as required by statute with a first publication not less than forty-five days prior to the day of election.

If the qualified voters at the annual election approve the tentative budget, the Board of Education, by resolution, adopts the tentative budget of the District for the ensuing year. In the event the tentative budget is disapproved by a majority of the voters, the Board of Education may call and hold subsequent elections on a budget. See “Tax Levy Limitation Law” herein for a discussion of new limits on the tax levy in the event of a contingent budget. A summary of the budgets for the 2023-2024 and 2024-2025 fiscal years are shown in Appendix B.

*(The remainder of this page was intentionally left blank.)*

***Enrollment Trends***

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

**School Enrollment Trends**

<u>Fiscal Year</u> <u>Ended June 30:</u>	<u>Enrollment</u>	<u>Fiscal Year</u> <u>Ended June 30:</u>	<u>Projected</u> <u>Enrollment</u>
2019	7,790	2024	6,839
2020	7,477	2025	6,800
2021	7,133	2026	6,800
2022	6,892		
2023	6,839		

Source: District records and estimates.

***District Facilities***

The District currently operates the following school facilities:

**School Statistics**

<u>Name</u>	<u>Capacity</u>	<u>Year of Construction</u>
Thornton High School	915	1925, 1932, 2006
Lincoln Elementary School	510	1979
Parker Elementary School	512	1936, 2007
Hamilton Elementary School	446	1950, 2006
Traphagen Elementary School	405	1968, 2008
Williams Elementary School	640	1931, 1954, 1971
Graham Elementary School	556	1897, 1965
Columbus Elementary School	491	1924, 1929, 1935
Longfellow Elementary School	360	1922, 1930, 1990, 2003
Pennington Elementary School	385	1930, 2005
Holmes Elementary School	499	1954, 2003
Davis Middle School	1,349	1915, 1919, 1926, 1972
Mount Vernon High School	2,969	1963, 1969
Mandela High School	520	1908, 1922, 1927
Longfellow Middle School	773	2005
Grimes Elementary School	553	2005

Source: District Officials, Office of the School Business Administrator.

*(The remainder of this page was intentionally left blank.)*

## ***Employees***

The District provides services through approximately 1,528 full-time and 295 part-time employees, some of whom are represented by the following units of organized labor.

### **Employees**

<u>Number of Employees</u>	<u>Organization</u>	<u>Contract Expiration Date</u>
815	Mount Vernon Federation of Teachers	6/30/22 <sup>(1)</sup>
60	Mount Vernon School Administrators	6/30/24 <sup>(1)</sup>
235	Civil Service Employees Association	6/30/25
233	Teaching Assistants	6/30/22 <sup>(1)</sup>
78	Security Monitors	6/30/22 <sup>(1)</sup>
9	Other Administrators (12 month)	N/A
13	Other Exempt	N/A
85	Lunch Monitors	6/30/25

(1) Currently in negotiations.

Source: District Officials

## ***Employee Pension Payments***

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System (“TRS”). Payments to the TRS are generally deducted from State aid payments. All non-NYS certified/civil service employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employee's Retirement System (“ERS”). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year’s full-time service contribute 3% (ERS) or 3.5% (TRS) of their gross annual salary toward the cost of retirement programs.

On December 10, 2009 a new Tier V was signed into law. The law is effective for new ERS and TRS employees hired after January 1, 2010 and on or before April 1, 2012. Tier V ERS employees will contribute 3% of their salaries and TRS employees will contribute 3.5% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier VI for employees hired on or after April 1, 2012. The new pension tier has progressive contribution rates between 3% and 6% with no provision for these contributions to cease after a certain period of service; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee’s pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

Pension reform legislation enacted in 2003 and 2004 changed the cycle of ERS billing to match budget cycles of the District. The reform legislation also required the District to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would otherwise make a lower contribution possible.

Due to prior poor performance of the investment portfolio of TRS and ERS, the employer contribution rates for required pension contributions to the TRS and ERS in 2011 and certain subsequent years have increased. To help mitigate the impact of such increases, legislation was enacted to permit school districts to amortize a portion of the contributions to the ERS only. Under such legislation, school districts that choose to amortize will be required to set aside and reserve funds with the ERS for certain future rate increases. The District has not and does not reasonably expect to amortize such contributions in the immediate future.

In Spring 2013, the State and TRS approved a Stable Contribution Option (“SCO”) that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates (“ARCs”). ERS followed suit and modified its existing SCO. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below.

The TRS SCO deferral plan is available to school districts for a total of seven years. Under the TRS SCO plan, payment of the deferred amount will commence in year six of the program (2018-19) and continue for five years. School districts can elect to no longer participate in the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five years. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%.

The primary benefit of participation in the SCO plans is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in its ability to create a stable and reliable fiscal plan. The District has not and does not reasonably expect to participate in the ERS or TRS SCO program.

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

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused periodic volatility across all financial markets, including those markets in which the Retirement System funds are invested. While State Comptroller DiNapoli has made recent comments that the Common Retirement Fund is well-positioned to withstand current market disruption, the impacts of such volatility on future contribution rates, if any, cannot be known at this time. (See “*Market Factors Affecting Financings of the State and School Districts of the State*” herein for further detail.)

The District is required to contribute to an actuarially determined rate. Since the 2015 fiscal year, the District's contributions to the Systems were as follows:

Fiscal Year <u>Ended June 30:</u>	<u>ERS</u>	<u>TRS</u>
2019	\$2,407,791	\$11,240,798
2020	2,465,850	9,097,797
2021	2,444,595	9,285,318
2022	2,446,012	9,377,981
2023	2,038,171	10,337,360
2024 (Adopted Budget)	2,614,500	9,577,000

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

The District implemented GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), which replaces GASB Statement No. 45 as of fiscal year ended June 30, 2018. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial

valuation using a measurement date that is no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year.

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

The District also provides OPEB through the State-Wide Schools Cooperative Health Plan ("SWSCHP"). The District's SWSCHP total OPEB liability as of June 30, 2023 was \$319,336,379, using a discount rate of 4.13% and actuarial assumptions and other inputs as described in the District's June 30, 2023 audited financial statements.

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

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

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

### ***Investment Policy Permitted Investments***

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

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District; (5) certificates of participation issued in connection with installment purchase contracts entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

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

The District is in full compliance with the above referenced investment policy.

## FINANCIAL FACTORS

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A Statement of Revenues and Expenditures for the five-year period ending June 30, 2023 is contained in Appendix B. As reflected in Appendix B, the District derives the bulk of its annual revenues from a tax on real property. Capital improvements are generally financed by the issuance of bonds, bond anticipation notes and the use of funds reserved for capital improvements.

### ***Real Property Taxes***

The District derives the major portion of its revenues from a tax on real property (See “*Statement of Revenues, Expenditures and Changes in Fund Balance-General Fund*” in Appendix B, herein). On June 24, 2011, Chapter 97 of the Laws of 2011 was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. (See “*The Tax Levy Limitation Law*” herein).

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years, and real property tax revenues budgeted for the current and next fiscal years.

#### Property Taxes

Fiscal Year <u>Ended June 30</u>	Total <u>Revenues</u> <sup>(1)</sup>	Real Property <u>Taxes</u> <sup>(2)</sup>	Real Property Taxes to <u>Revenues</u>
2019	\$246,304,900	\$118,828,047	48.24%
2020	237,606,976	108,002,918	45.45
2021	242,086,970	117,502,893	48.54
2022	246,281,817	115,586,167	46.93
2023	258,256,712	122,657,440	47.49
2024 (Adopted Budget)	265,969,821	120,947,117	45.47
2025 (Adopted Budget)	271,266,317	135,947,117	50.12

(1) General Fund only.

(2) Inclusive of Other Real Property Tax Items, which represents STAR tax payments made to the District by the State, interest and penalties on real property taxes, and Payment in lieu of taxes (PILOT). (See “STAR - School Tax Exemption,” herein).

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

### ***State Aid***

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

The following table sets forth total general fund revenues and State aid revenues during the last five fiscal years, the most recent budgeted year and the amount budgeted for the current fiscal year.

*(The remainder of this page was intentionally left blank.)*

State Aid

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Total</u> <u>Revenues<sup>(1)</sup></u>	<u>State Aid</u>	<u>State Aid</u> <u>to Revenues</u>
2019	\$246,304,900	\$ 99,523,023	40.4%
2020	237,606,976	105,037,443	44.2
2021	242,086,970	102,381,380	42.3
2022	246,281,817	108,867,702	44.2
2023	258,256,712	112,360,862	43.5
2024 (Adopted Budget)	265,969,821	115,715,952	43.5
2025 (Proposed Budget)	271,266,317	114,201,591	42.1

(1) General Fund only.

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

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

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

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

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

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

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

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

*School district fiscal year (2020-2021):* Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was expected to total \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflected current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues came in below 99% percent of estimates or if actual disbursements exceeded 101% of estimates. See "State Aid" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget.

*School district fiscal year (2021-2022):* For the 2021-2022 school year, the State's Enacted budget provided \$29.5 billion in State funding to school districts for the 2021-2022 school year through School Aid, the highest level of State aid ever, supporting the operational costs of school districts that educate 2.5 million students statewide. This investment represented an increase of 11.3% (\$3.0 billion) compared to the 2020-2021 school year, including a \$1.4 billion (7.6%) Foundation Aid increase. The Enacted budget allocated \$13 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, helped schools safely reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID19 pandemic. The Budget allocated \$629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the Budget used \$105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-2022 school year.

*School district fiscal year (2022-2023):* For the 2022-2023 school year, the State's Enacted provided \$31.3 billion in State funding to school districts for the 2022-23 school year the highest level of State aid ever. This represented a year-to-year funding increase of \$2.1 billion or 7.07%. and included \$21.4 billion of Foundation Aid which increased 8.1% from 2021-22. The 2022-23 school year increase in Foundation Aid primarily reflected the second year of the three-year phase-in of full funding of the current Foundation Aid formula. The Enacted Budget also increased the State's annual investment in prekindergarten to \$1.1 billion, an increase of \$125 million, or 13%. The Budget also included a total of \$100 million of matching funds over two years to be provided to school districts and BOCES with the highest needs to address student wellbeing and learning loss in response to the trauma brought about by the COVID-19 pandemic. This included support for extended school day or school year programs, afterschool programs, mental health professionals and other locally determined initiatives.

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

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

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the remainder of the current fiscal year or in future fiscal years. However, the District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing. (See also “*Risk Factors*” herein).

### ***General Fund Operations***

Appendix B sets forth the General Fund operations for the last five fiscal years which are derived from the District’s annual audited financial statements.

### ***Independent Audits***

The District retained the firm of EFPR Group, Certified Public Accountants to audit its financial statements for the fiscal year ended June 30, 2023. The last audited report covers the period ending June 30, 2023. A link to the District’s 2023 audit is provided in Appendix C. Appendix B to this Official Statement presents excerpts from the District’s most recent audited reports covering the last five fiscal years. In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

### ***Other Revenues***

In addition to property taxes and State Aid, the District receives other revenues from miscellaneous sources as shown in Appendix B.

*(The remainder of this page was intentionally left blank.)*

## TAX INFORMATION

### *Real Property Tax Assessment and Rates*

The following is the Real Property Tax Assessment and Rates for the last five fiscal years ending June 30:

#### Real Property Tax Assessment and Rates

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed Value	\$152,059,066	\$149,954,541	\$147,139,560	\$146,226,840	\$147,288,039
Regular Equalization Rate	2.79%	2.60%	2.34%	2.20%	2.01%
Regular Full Value	\$5,450,145,735	\$5,767,482,346	\$6,288,015,385	\$6,646,674,545	\$7,327,763,134
Special Equalization Rate	2.18%	1.98%	1.85%	1.75%	1.98%
Special Full Value	\$6,975,186,514	\$7,573,461,667	\$7,953,489,730	\$8,355,819,429	\$7,438,789,848
Tax Levy	\$139,956,149	\$135,947,117	\$135,947,117	\$135,947,117	\$135,947,117
Tax Rate <sup>(1)</sup>	\$920.41	\$906.59	\$923.93	\$929.70	\$923.00

(1) Per \$1,000 Assessed Value.

Source: Office of the State Comptroller, Bureau of Municipal Research and District Office of the School Business Administrator.

### *Tax Collection Procedure*

The first half of school taxes are due on July 1 of each year. After July 31, penalties are imposed at the rate of one percent per month. The second half of school taxes are due on January 1, each year. A penalty is added after the return of the warrant on or about February 20<sup>th</sup> of each year. A 5% collection charge is assessed by the City which is retained by the City. The District receives the interest portion on late payments.

The District receives its full levies from the City by no later than the third succeeding fiscal year.

Uncollected school taxes for each of the most recent five completed fiscal years, as of June 30, 2019, are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u> <u>Uncollected</u>
2020	\$4,984,627
2021	3,512,413
2022	3,919,198
2023	4,985,254
2024	6,845,942

Source: District Officials.

*(The remainder of this page was intentionally left blank.)*

## Ten of the Largest Taxpayers

The following table presents the taxable assessments of ten of the District's largest taxpayers.

<b><u>Taxable Assessments</u></b>			
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Value</u>
Consolidated Edison Company	Public Utility	\$12,924,989	8.78%
Westchester Plaza	Apartments & Retail	1,882,460	1.28
Vernon Manor Co-op	Apartments	1,050,000	0.71
Vernon Woods Apts.	Apartments	839,325	0.57
Colonial Village Association	Apartments	600,000	0.41
CVS Albany LLC	Pharmacy & Retail	559,400	0.38
Vernon Manor Co-op No. 2	Apartments	533,520	0.36
280-290 Collins Owners	Apartments	464,800	0.32
PL Apartment Corp.	Apartments	461,950	0.31
MDC Costal 1, LLC	Apartments	<u>407,340</u>	<u>0.28</u>
Totals		<u>\$19,723,784</u>	<u>13.39%</u>

(1) The District's assessed value for the 2023 fiscal year is \$147,288,039.  
Source: District Officials.

## STAR - School Tax Exemption

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

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

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

The 2019-2020 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage home owners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount of the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

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

Approximately 8% of the District's 2023-2024 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 8% of the District's 2024-2025 school tax levy was exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January, 2025. (See "State Aid" herein).

## **DISTRICT INDEBTEDNESS**

### ***Constitutional Requirements***

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

***Purpose and Pledge*** The District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

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

***Payment and Maturity*** Except for certain short-term indebtedness contracted in anticipation of taxes (such as the Notes) or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted; indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the period of probable usefulness of the object or purpose determined by statute or the weighted average maturity of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

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

### ***Statutory Procedure***

In general, the State Legislature has authorized the powers and procedure for the School District 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 the Education Law.

Bond resolutions adopted by the Board of Education, except those to finance judgments, may not be adopted unless a proposition approving the financed capital project shall have been approved prior thereto at a special or annual school district election held in accordance with the Education Law.

**Debt Limit.** Pursuant to the Local Finance Law, the School District has the power to contract indebtedness for any school district purpose authorized by the Legislature of the State of New York, provided the aggregate principal amount thereof shall not exceed ten per centum (10%) of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking

the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

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

The Local Finance Law also provides that where a bond resolution is published 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 School District is not authorized to expend money,

or, (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations

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.

It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. This procedure is not applicable to budget, tax or revenue anticipation notes.

The Board of Education, as the finance board of the School District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the School District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

*(The remainder of this page was intentionally left blank.)*

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

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of October 30, 2024.

	Based on Special Equalization <u>Ratios</u>
Five Year Average Full Valuation of Taxable Real Property	\$7,659,349,438
Debt Limit....5% thereof <sup>1</sup> .....	765,934,943
<u>Indebtedness:</u> <sup>2,3</sup>	
Bonds.....	\$97,705,000
Bond Anticipation Notes .....	<u>0</u>
Total Inclusions.....	97,705,000
<u>Exclusions:</u>	
Appropriations.....	<u>0</u>
Total Exclusions.....	0
Total Net Indebtedness .....	<u>\$97,705,000</u>
Net Debt-Contracting Margin.....	<u>\$668,229,943</u>
Percent of Debt-Contracting Power Exhausted .....	12.76%

- 
- (1) The District's constitutional debt limit has been computed using special equalization ratios, established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. "Regular" State equalization rates are also established by said State Office, and are used for all other purposes. See "Trend of Valuations" herein.
  - (2) Tax anticipation notes and revenue anticipation notes and energy performance contracts are not included in the computation of the statutory debt limit of the District. In May 2016 the District entered into a \$44,940,988 contractual agreement to install energy saving equipment and/or to upgrade existing facilities to enhance performance. The terms of the contract provide for repayment over fifteen and sixteen years. Payments include a net effective combined interest rate at 2.72%. (See "Tax and Revenue Anticipation Notes" and "Energy Performance Contract Debt Service," herein).
  - (3) The District anticipates that it will receive State Aid on a portion of existing indebtedness contracted for school building purposes pursuant to Section 121.20 of the Local Finance Law.

*(The remainder of this page was intentionally left blank.)*

**Debt Limit**

The following table sets forth the constitutional and statutory debt limit of the District as of July 1, 2024.

**Computation of Debt Limit**

Assessment <u>Roll</u>	Assessed <u>Valuation</u>	Special Equalization <u>Rate</u>	Full <u>Valuation</u> <sup>1</sup>
2019	152,059,066	2.18	6,975,186,514
2020	149,954,541	1.98	7,573,461,667
2021	147,139,560	2.34	7,953,489,730
2022	146,226,840	2.20	8,355,819,429
2023	147,288,039	1.98	<u>7,438,789,848</u>
Total Five-Year Full Valuations			<u>\$ 38,296,747,188</u>
Average Full Valuation			<u>\$ 7,659,349,437</u>
Debt Limit - 5 per centum of Average Full Valuation			<u>\$ 382,967,472</u>

<sup>1</sup>The amounts shown as full valuation have been computed with the use of Special Equalization Ratios. Chapter 280 of the Laws of 1978 provides for the determination of special equalization ratios for city school districts which will normally have the effect of increasing the tax base of a city school district for purposes of computing debt limits of such city school districts. Regular state equalization rates are also established by the State Board and are used for all other purposes.

***Bond Anticipation Notes***

The District currently does not have any bond anticipation notes outstanding.

***Tax and Revenue Anticipation Notes***

The District currently does not have any tax or revenue anticipation notes outstanding.

***Trend of Outstanding Indebtedness***

The following table provides information relating to direct capital indebtedness outstanding for each of the last five fiscal years ending June 30:

**Direct Capital Indebtedness Outstanding**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bond Anticipation Notes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Bonds	<u>141,270,000</u>	<u>154,445,000</u>	<u>143,240,000</u>	<u>131,000,000</u>	<u>118,345,000</u>
Totals	<u>\$141,270,000</u>	<u>\$154,455,000</u>	<u>\$143,240,000</u>	<u>\$131,000,000</u>	<u>\$118,345,000</u>

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

***Overlapping and Underlying Debt***

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

**Statement Overlapping Indebtedness**

<u>Issuer</u>	Net Debt <u>Outstanding</u>	<u>As of</u>	<u>District Share</u>	Amount Applicable <u>to District</u>
County of Westchester	\$1,330,629,455	11/16/23	3.26%	\$43,378,520
City of Mount Vernon	8,877,451	05/07/24	100.00	<u>8,877,451</u>
Total Net Overlapping Debt				<u>\$52,255,971</u>

Source: Data provided by County officials.

***Debt Ratios***

The following table presents certain debt ratios relating to the District's direct and overlapping indebtedness

**Debt Ratios**

	<u>Amount</u>	Debt Per <u>Capita<sup>(1)</sup></u>	Debt to <u>Full Value<sup>(2)</sup></u>
Net Direct Debt	\$ 97,705,000	\$1,439.19	1.31%
Net Direct and Overlapping Debt	149,960,971	2,208.91	2.02%

(1) The population of the District is estimated by District officials to be approximately 67,889.

(2) The District's full value of taxable real property for fiscal year 2023 is \$7,438,789,848

***Capital Project Plans***

The District currently has no authorized but unissued debt.

*(The remainder of this page was intentionally left blank.)*

***Energy Performance Contract Debt Service***

The following table shows the debt service requirements to maturity on the District's outstanding energy performance contract.

**Energy Performance Contract Principal and Interest Maturity Table**

Fiscal Year Ending June 30th	Principal	Interest	Total Principal & Interest
2025	\$3,105,399	\$668,800	\$3,774,199
2026	3,190,365	583,834	3,774,199
2027	3,277,661	496,538	3,774,199
2028	3,367,350	406,849	3,774,199
2029	3,459,499	314,700	3,774,199
2030	3,554,174	220,025	3,774,199
2031	3,651,445	122,754	3,774,199
2032	1,793,357	36,185	1,829,542
Totals	<u>\$25,399,250</u>	<u>\$2,849,685</u>	<u>\$28,248,935</u>

***Debt Service Schedule***

The following table shows the debt service requirements to maturity on the District's outstanding bonded indebtedness, any economically defeased obligations, and energy performance contract debt.

**Bond Principal and Interest Maturity Table**

Fiscal Year Ending June 30th	Principal	Interest	Total Principal & Interest
2025	\$11,945,000	\$3,836,447	\$15,781,447
2026	11,725,000	3,311,444	15,036,444
2027	11,820,000	2,804,409	14,624,409
2028	10,880,000	2,332,800	13,212,800
2029	10,595,000	1,905,563	12,500,563
2030	10,960,000	1,510,741	12,470,741
2031	11,350,000	1,117,950	12,467,950
2032	10,920,000	722,394	11,642,394
2033	8,870,000	380,425	9,250,425
2034	4,905,000	145,300	5,050,300
2035	2,130,000	31,084	2,161,084
2036	125,000	2,500	127,500
Totals:	<u>\$106,225,000</u>	<u>\$18,101,057</u>	<u>\$124,326,057</u>

(1) For the entire fiscal year.

Source: Audited Financial Statements of the District and District Office of the School Business Administrator. This summary is not audited.

## ECONOMIC AND DEMOGRAPHIC DATA

### *Population*

The following represents the population trends for the City, County and State, based on recent census data.

#### Population Trend

	<u>2010</u>	<u>2020</u>	Percentage Change <u>2010/2020</u>
City	67,292	73,893	9.8%
County	949,113	1,004,457	5.8
State	19,465,197	20,201,249	4.2

Source: 2010 and 2020 U.S. Census.

### *Employment and Unemployment*

The following tables provide information concerning employment and unemployment in the City of Mount Vernon, County, and State. Data provided below is not necessarily representative of the District.

#### Civilian Labor Force

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City	33,400	33,300	33,600	33,608	33,758
County	484,300	484,400	478,000	480,125	496,400
State	9,574,700	9,514,400	9,289,200	9,441,500	9,617,000

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

#### Yearly and Monthly Unemployment Rates

Unemployment rates are not compiled for the District, but are available for the City of Mount Vernon, County and State. Data provided below is not necessarily representative of the District.

	<u>Year Average</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Mount Vernon City	4.9%	12.3%	7.4%	4.5%	4.6%
Westchester County	3.6%	8.0%	4.8%	3.1%	3.3%
New York State	3.8%	9.8%	7.0%	4.3%	4.2%

#### 2024 Monthly Figures

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Mount Vernon City	5.2%	5.3%	4.8%	4.4%	4.9%	4.5%	5.2%	5.4%	4.3%
Westchester County	3.8%	4.0%	3.8%	3.4%	3.7%	3.6%	4.1%	4.1%	3.1%
New York State	4.3%	4.5%	4.2%	3.9%	4.2%	4.3%	4.9%	4.9%	4.0%

Source: State of New York, Department of Labor. (Note: Figures not seasonally adjusted).

### *Transportation*

Due to its strategic location, the City is easily accessible to and from County and regional markets, in addition to New York City, upstate New York and New England. The City is located thirteen miles from mid-town Manhattan, nine miles from White Plains (the Westchester County seat), eleven miles from the Tappan Zee Bridge off the New York State Thruway, and

eighteen miles from Stamford, Connecticut. Bounded by the Bronx River Parkway to the west and the Hutchinson River Parkway to the east, and bisected by the Cross County Parkway, the City is well served by major arteries.

Metro-North's commuter rail lines have stations in the central and northern sections of the City, within walking distance of most residential neighborhoods. Metro-North's two stations, Fleetwood and Mount Vernon, serve west and north Mount Vernon. Metro-North's Mount Vernon station is located near the Gramatan Avenue business district, the Southeast Industrial Area, and central and southern neighborhoods. The New Haven Line also has a rail station in the City. Midtown Manhattan is less than a one-half hour scheduled trip by rail from most of the City's homes.

### ***Recreation***

Residents enjoy a wide range of recreational facilities within the City, including playgrounds, swimming pools, ballfields, indoor and outdoor tennis courts and public parks including the Wilson Woods, Hunt Woods and Scouts Field Parks. Recent new private recreational facilities include baseball batting cages, a miniature golf course and an ice skating rink.

### ***Banking Facilities***

Banking services are provided by offices of JP Morgan Chase Bank, and Sterling National Bank.

### ***Commerce and Industry***

The business hub lies on Gramatan and Fourth Avenues in the center of the City. A wide range of retail and service establishments make this the City's main shopping center. Shoppers come not only from the City, but also from parts of the Bronx, the Pelhams, New Rochelle, and Yonkers - a trade area of over 200,000 people. Several municipal parking garages, frequent bus service, and the nearby Metro-North Railroad station make the Gramatan-Fourth Avenue strip a convenient shopping location. Two million dollars in federal community development funds were invested in public improvements in the Central Business District.

Aside from having its own established and diverse downtown, City residents live within a few minutes' drive to major shopping facilities in the New York metropolitan area, including the Cross County Shopping Center in neighboring Yonkers, the New Rochelle and the Pelham shopping centers and the major regional retail center in White Plains. Convenient bus and train lines also link these centers to the City.

The City's economic strength lies in its industrial base. Major manufacturers, research facilities, and smaller specialized firms have found the centralized location and its large and stable work force to be beneficial to their businesses. Industrial development is concentrated in three sections: the Southeast Industrial Area, where the Eastchester Creek provides easy and inexpensive access to the Long Island Sound; the MacQuesten Parkway Industrial Area; and the Washington Street Industrial Area.

The following employers, each with 200 or more employees, are located in the District.

<u>Name</u>	<u># of Employees</u>
Mount Vernon CSD	1,708
Montefiore Mount Vernon Hospital	750
Wartburg Adult Care Community	672
Target Corp.	375
Transcare (Ambulette Service)	360
Unitex – Linen Supply	304
Mount Vernon Neighborhood Health Center	260
Landauer Metropolitan – Medical Equipemet	248
First Student – School Bus Service	245

### ***Utilities***

Water supply comes from the New York City Delaware Aqueduct system. Electricity and gas service are provided by the Consolidated Edison Company. Telephone service is provided by the Verizon/LCI. Virtually every section of the City is serviced by municipal storm and sanitary sewers.

### ***Services***

Police protection is provided by the City. Fire protection is provided by the City through a force of paid firefighters augmented by volunteers. The Public Works Department is responsible for collection and disposal of refuse and garbage.

Health services are provided by the Mount Vernon Hospital, a private non-profit institution, and the Mount Vernon Neighborhood Health Center.

**End of Appendix A**

**APPENDIX B**

**SUMMARY OF BUDGETS AND FINANCIAL STATEMENTS**  
*(Summary itself is not audited)*

**Mount Vernon City School District**  
**Revenues, Expenditures and Fund Balance - General Fund**

Year Ended June 30:	2019	2020	2021	2022	2023
<b><u>REVENUES</u></b>					
Real Property Taxes	\$118,828,047	\$108,002,918	\$117,502,893	\$115,586,167	\$122,657,440
Other Tax Items	20,151,504	19,249,290	16,988,940	15,341,726	14,298,512
Non-property Taxes	2,517,912	2,717,133	2,978,283	3,329,896	3,226,985
Charges for Services	1,446,878	1,035,612	285,447	644,323	966,483
Use of Money and Property	1,051,087	623,758	29,832	133,073	405,052
Sale of Property & Comp of Loss	0	0	0	992,232	601,866
Interfund Revenues	221,451	236,075	144,300	213,028	265,566
State Sources	99,523,023	105,037,443	102,381,380	108,867,702	112,360,862
Federal Sources	49,665	18,617	1,055,772	345,546	2,529,086
Medicaid Reimbursement	0	0	0	0	6,924
Miscellaneous	2,515,333	686,130	720,123	828,124	937,936
<b>Total Revenues</b>	<b>246,304,900</b>	<b>237,606,976</b>	<b>242,086,970</b>	<b>246,281,817</b>	<b>258,256,712</b>
<b><u>EXPENDITURES</u></b>					
General Support	\$31,940,912	\$29,944,962	\$30,457,299	\$31,217,423	\$40,433,069
Instruction	140,346,059	136,927,604	130,347,134	136,233,105	138,765,068
Pupil Transportation	10,467,738	5,496,007	6,042,421	10,394,656	8,812,276
Employee Benefits	50,374,501	49,625,859	48,871,945	49,448,808	50,336,897
Debt Service	20,311,638	19,111,849	21,479,340	23,360,671	23,256,733
<b>Total Expenditures</b>	<b>253,440,848</b>	<b>241,106,281</b>	<b>237,198,139</b>	<b>250,654,663</b>	<b>261,604,043</b>
Excess (Deficiency) of Revenues Over Expenditures	(7,135,948)	(3,499,305)	4,888,831	(4,372,846)	(3,347,331)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Insurance Recoveries	\$184,810	\$227,530	\$153,275	\$0	\$0
Premium on Bonds Issued	2,845,650	1,006,416	0	0	0
Operating Transfers In	1,925,034	1,099,911	0	0	0
Operating Transfers Out	(4,468,700)	(5,528,052)	(3,921,000)	(1,256,502)	(437,546)
<b>Total Other Financing Sources</b>	<b>486,794</b>	<b>(3,194,195)</b>	<b>(3,767,725)</b>	<b>(1,256,502)</b>	<b>(437,546)</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(6,649,154)	(6,693,500)	1,121,106	(5,629,348)	(3,784,877)
Fund Balance (Deficit) - Beginning of Year	33,063,601	26,414,447	19,720,947	20,842,053	15,212,705
<b>Fund Balance - End of Year</b>	<b>\$26,414,447</b>	<b>\$19,720,947</b>	<b>\$20,842,053</b>	<b>\$15,212,705</b>	<b>\$11,427,828</b>

Source: Annual audited financial statements of the Mount Vernon City School District (Summary not Audited).

**Mount Vernon City School District  
Budget - General Fund**

Year Ending June 30:	<u>2023-2024 (1)</u>	<u>2024-2025 (2)</u>
	Adopted	Adopted
	Budget	Budget
<b><u>REVENUES</u></b>		
Real Property Taxes	\$120,947,117	\$135,947,117
Other Revenue	24,125,000	14,132,012
State Sources	115,715,952	114,201,591
Fund Balance	<u>5,466,752</u>	<u>6,985,597</u>
 Total Revenues	 <u><u>\$265,969,821</u></u>	 <u><u>\$271,266,317</u></u>
 <b><u>EXPENDITURES</u></b>		
General Support	\$34,326,880	\$36,369,773
Instruction	145,450,344	148,255,503
Pupil Transportation	11,817,638	12,416,860
Employee Benefits	53,316,208	54,075,336
Interfund Transfers	764,471	595,000
Debt Service	<u>20,294,280</u>	<u>19,553,845</u>
 Total Expenditures	 <u><u>\$265,969,821</u></u>	 <u><u>\$271,266,317</u></u>

(1) The budget for the 2023-2024 fiscal year was approved by voters of the District on May 16, 2023.

(2) The budget for the 2024-2025 fiscal year was approved by voters of the District on May 21, 2024.

Source: Annual Adopted Budgets of the District.

**Mount Vernon City School District  
Comparative Balance Sheets - General Fund**

As of June 30:	2022	2023
<b><u>ASSETS</u></b>		
Cash and Equivalents	\$13,011,703	\$18,245,465
Receivables:		
Taxes	25,473,539	26,726,060
Accounts, net of allowance for uncollectible amounts	1,204,115	0
State and Federal Aid Recievable	10,654,923	4,794,158
Due From Other Governments	10,871,356	1,453,271
Prepaid Expenses	0	0
Other	0	1,027,943
Due From Other Funds	4,660,691	15,113,785
<b>TOTAL ASSETS</b>	<b>\$65,876,327</b>	<b>\$67,360,682</b>
<b><u>LIABILITIES</u></b>		
Accounts Payable	\$8,361,388	\$12,487,314
Accrued Liabilities	3,367,703	483,195
Employee Payroll Deductions	14,114	0
Due to Other Funds	2,376,216	209,586
Due to Other Governments	0	0
Due to Retirement System	11,049,574	12,512,637
Deposits Payable	2,500	0
Overpayments	358,042	960,280
Due to Fiduciary Fund	102,326	0
Unearned Revenue	0	5,000,000
Deferred Tax Revenue	25,031,759	24,279,842
<b>TOTAL LIABILITIES</b>	<b>50,663,622</b>	<b>55,932,854</b>
<b><u>FUND BALANCES</u></b>		
Non Spendable	\$0	\$0
Restricted	6,708,304	4,295,842
Assigned	7,495,085	5,845,661
Unassigned	1,009,316	1,286,325
<b>TOTAL FUND BALANCE</b>	<b>15,212,705</b>	<b>11,427,828</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$65,876,327</b>	<b>\$67,360,682</b>

Source: Annual audited financial statements of the Mount Vernon City School District (Summary not Audited).

**APPENDIX C**

**GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING JUNE 30, 2019\***

**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/P11754272.pdf>**

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

**\* Such Financial Statements and opinion are intended to be representative only as of the date thereof. EFPR Group, Certified Public Accountants has not been requested by the District to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

**APPENDIX D**

**CASH FLOW STATEMENTS**

**2023-2024 Cash Flow**

2023-2024 Monthly Cash Flow  
Actual

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
Balance (beg. of month)(1)	17,488,605	23,033,444	44,929,968	26,143,056	7,094,367	7,230,240	6,588,248	38,296,576	36,593,515	51,957,439	26,270,136	27,798,357	17,488,605
<b>Receipts:</b>													
Property Taxes	19,396,229	41,468,707	1,791,059	2,218,980	3,543,310	3,921,725	42,334,044	13,276,955	1,537,498	1,261,951	1,414,369	1,711,005	133,875,831
Sales Tax	210,736	36,032	1,107,173	542,156	242,686	437,449	260,653	298,075	259,861	532,327	346,059	481,870	4,755,076
PILOT	40,295	797,940	0	0	0	0	40,520	494,489	0	0	0	0	1,373,244
STAR	0	0	0	0	0	0	11,279,839	0	0	0	0	0	11,279,839
State Aid	0	0	0	0	4,177,867	3,208,183	0	0	25,489,109	3,103,339	20,763,193	8,944,883	65,686,574
State Aid due to other funds	19,123	0	475,872	325,044	6,896,138	6,744,412	3,775,251	3,155,162	1,339,352	1,230,006	2,588,374	468,840	27,017,574
Other Receipts	317,078	2,694,540	6,019,269	836,357	977,693	7,146,122	1,421,488	2,203,178	8,694,066	628,463	420,924	8,828,801	40,187,979
Interfund Transfers	1,881,780	0	0	0	4,500,000	572,972	0	16,624	0	0	0	0	6,971,377
TAN Proceeds (2)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Receipts</b>	<b>21,865,241</b>	<b>44,997,219</b>	<b>9,393,373</b>	<b>3,922,537</b>	<b>20,337,694</b>	<b>22,030,864</b>	<b>59,111,795</b>	<b>19,444,483</b>	<b>37,319,886</b>	<b>6,756,086</b>	<b>25,532,919</b>	<b>20,435,399</b>	<b>291,147,494</b>
<b>Balance and Receipts</b>	<b>39,353,846</b>	<b>68,030,662</b>	<b>54,323,340</b>	<b>30,065,593</b>	<b>27,432,061</b>	<b>29,261,104</b>	<b>65,700,042</b>	<b>57,741,059</b>	<b>73,913,401</b>	<b>58,713,524</b>	<b>51,803,054</b>	<b>48,233,756</b>	<b>308,636,099</b>
<b>Disbursements:</b>													
Salaries & Benefits	1,703,131	2,218,651	11,269,634	11,047,344	11,087,355	11,286,071	11,490,508	11,112,915	11,161,620	11,076,094	11,131,255	23,162,545	127,747,124
Warrants	12,849,952	14,459,853	11,955,074	10,896,846	7,227,313	7,110,132	15,143,556	9,297,776	8,660,478	10,711,371	8,536,826	9,607,103	126,456,281
Debt Service	1,766,338	5,755,459	2,392,756	0	1,887,100	4,276,603	69,963	736,853	632,318	0	1,887,100	894,103	20,298,592
Interfund transfers	0	666,690	2,562,819	1,026,909	0	0	699,440	0	1,501,484	10,655,876	2,449,500	698,169	20,260,888
Other	981	42	0	127	53	50	0	0	62	47	17	19	1,398
TAN Set Aside	0	0	0	0	0	0	0	0	0	0	0	0	0
TAN Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Disbursements</b>	<b>16,320,402</b>	<b>23,100,695</b>	<b>28,180,284</b>	<b>22,971,225</b>	<b>20,201,821</b>	<b>22,672,857</b>	<b>27,403,467</b>	<b>21,147,544</b>	<b>21,955,963</b>	<b>32,443,389</b>	<b>24,004,698</b>	<b>34,361,939</b>	<b>294,764,282</b>
<b>Balance (end of month)</b>	<b>23,033,444</b>	<b>44,929,968</b>	<b>26,143,056</b>	<b>7,094,367</b>	<b>7,230,240</b>	<b>6,588,248</b>	<b>38,296,576</b>	<b>36,593,515</b>	<b>51,957,439</b>	<b>26,270,136</b>	<b>27,798,357</b>	<b>13,871,817</b>	<b>13,871,817</b>
<b>TAN Set Aside (Payment)</b>													
Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
Disbursements	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance	0	0	0	0	0	0	0	0	0	0	0	0	0

(1) Includes \$4,295,842 in restricted reserves.

(2) The District did not issue a TAN during the 2023-2024 fiscal year.

Note: This cashflow statement has been provided by the Mt. Vernon City SD. The figures contained herein have not been audited by the District's auditors or its Municipal Advisor and are believed to be accurate as of the date hereof.

Source: Mount Vernon City School District.

**2024-2025 Cash Flow**

2024-2025 Monthly Cash Flow  
Projected

	July	Aug.	Sept.	Oct.	Nov.	Dec. 1-15	Dec. 16-30	Jan.	Feb.	Mar.	Apr.	May	June	Total
Balance (beg. of month)(1)	13,871,817	47,479,277	48,501,031	25,285,426	11,427,194	22,138,174	5,302,844	12,019,219	41,015,831	27,416,084	43,459,802	25,970,850	25,273,463	13,871,817
<b>Receipts:</b>														
Property Taxes	49,443,000	16,000,000	1,500,000	2,500,000	3,000,000	500,000	3,500,000	40,000,000	14,000,000	1,500,000	1,200,000	1,500,000	1,800,000	136,443,000
Sales Tax	210,736	36,032	1,107,173	542,156	242,686	0	400,000	260,653	298,075	259,861	532,327	346,059	481,870	4,717,627
PILOT	40,295	797,940	0	0	0	0	0	40,520	494,489	0	0	0	0	1,373,244
STAR	0	0	0	0	0	0	0	11,279,839	0	0	0	0	0	11,279,839
State Aid	0	0	0	0	2,781,140	0	4,781,156	0	0	26,489,109	3,103,339	21,763,193	9,944,883	68,862,819
State Aid due to other funds	5,000,000	0	500,000	300,000	3,000,000	0	1,000,000	4,000,000	3,000,000	1,300,000	1,200,000	2,000,000	500,000	21,800,000
Other Receipts	792,023	2,720,906	8,160,396	863,344	972,169	594,523	6,546,937	1,266,718	2,235,862	8,721,923	580,823	345,322	11,732,831	45,533,777
Interfund transfers	0	0	0	0	4,500,000	0	0	0	16,624	0	0	0	0	4,516,624
TAN Proceeds (1)	0	0	0	0	17,500,000	0	0	0	0	0	0	0	0	17,500,000
<b>Total Receipts</b>	<b>55,486,054</b>	<b>19,554,878</b>	<b>11,267,569</b>	<b>4,205,500</b>	<b>31,995,995</b>	<b>1,094,523</b>	<b>16,228,093</b>	<b>56,847,729</b>	<b>20,045,050</b>	<b>38,270,893</b>	<b>6,616,489</b>	<b>25,954,574</b>	<b>24,459,583</b>	<b>312,026,931</b>
Balance and Receipts	69,357,871	67,034,155	59,768,600	29,490,925	43,423,189	23,232,697	21,530,937	68,866,948	61,060,881	65,686,977	50,076,291	51,925,425	49,733,047	325,898,748
<b>Disbursements:</b>														
Salaries & Benefits	1,895,688	2,407,114	11,120,186	11,157,817	11,198,229	5,748,932	5,650,000	11,605,413	11,224,044	11,273,236	11,186,855	11,242,568	23,394,171	129,104,253
Warrants	18,192,844	10,673,157	20,529,007	6,005,814	7,299,587	6,661,718	3,661,718	15,294,992	9,390,754	8,747,083	10,818,485	8,622,194	9,703,174	135,600,527
Debt Service	1,789,963	5,452,753	2,433,881	0	1,887,100	4,319,103	0	50,612	629,900	296,756	0	1,887,100	808,478	19,555,645
Transportaion Increase	0	0	400,000	400,000	400,000	200,000	200,000	400,000	400,000	400,000	400,000	400,000	400,000	4,000,000
Interfund Transfers	0	0	0	500,000	500,000	1,000,000	0	500,000	500,000	10,000	500,000	3,000,000	1,000,000	7,510,000
Other	100	100	100	100	100	100	0	100	100	100	100	100	100	1,200
TAN Set Aside	0	0	0	0	0	0	0	0	11,500,000	1,500,000	1,200,000	1,500,000	1,800,000	17,500,000
TAN Interest Repay	0	0	0	0	0	0	0	0	0	0	0	0	340,000	340,000
<b>Total Disbursements</b>	<b>21,878,595</b>	<b>18,533,124</b>	<b>34,483,174</b>	<b>18,063,731</b>	<b>21,285,015</b>	<b>17,929,853</b>	<b>9,511,718</b>	<b>27,851,117</b>	<b>33,644,797</b>	<b>22,227,175</b>	<b>24,105,440</b>	<b>26,651,961</b>	<b>37,445,923</b>	<b>313,611,624</b>
Balance (end of month)	47,479,277	48,501,031	25,285,426	11,427,194	22,138,174	5,302,844	12,019,219	41,015,831	27,416,084	43,459,802	25,970,850	25,273,463	12,287,124	12,287,124

(1) Includes \$4,295,842 in restricted reserves.

TAN Set Aside (Payment)

Balance	0	0	0	0	0	0	0	0	0	11,500,000	13,000,000	14,200,000	15,700,000	0
Receipts	0	0	0	0	0	0	0	0	11,500,000	1,500,000	1,200,000	1,500,000	1,800,000	17,500,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	0	17,500,000	17,500,000
Balance	0	0	0	0	0	0	0	0	11,500,000	13,000,000	14,200,000	15,700,000	0	0

Source: Mount Vernon City School District.

**APPENDIX E**

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

Mount Vernon City School District,  
County of Westchester,  
State of New York

Re: Mount Vernon City School District, Westchester County, New York  
\$17,500,000 Tax Anticipation Notes For 2024-2025 Taxes

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$17,500,000 Tax Anticipation Notes For 2024-2025 Taxes (the "Obligations"), of the Mount Vernon City School District, County of Suffolk, State of New York (the "Obligor"), dated November 14, 2024, and maturing June 30, 2025, numbered \_\_, of the denomination of \$ \_\_\_\_\_, bearing interest at the rate of \_\_\_\_\_% (per annum).

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations 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 Obligations 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 Obligations 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 Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. 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 Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (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 appropriate 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 Obligations; 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) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York

and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the 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 Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations 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 Obligations, 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,  
Orrick, Herrington & Sutcliffe LLP