

PRELIMINARY OFFICIAL STATEMENT DATED MAY 8, 2025

**NEW AND RENEWAL ISSUES
SERIAL BONDS AND BOND ANTICIPATION NOTES**

See “RATING” herein

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds and the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Bonds and the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds and the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See “Tax Matters” herein).

The District will NOT designate the Bonds or the Notes as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

**KATONAH-LEWISBORO UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK**

**\$12,991,266*
SCHOOL DISTRICT SERIAL BONDS – 2025
(the “Bonds”)**

Date of Issue: Date of Delivery

Maturity Date: June 1, 2026 – 2041

**\$35,018,083
BOND ANTICIPATION NOTES – 2025
(the “Notes”)**

Date of Issue: June 3, 2025

Maturity Date: June 3, 2026

The Bonds and the Notes are general obligations of the Katonah-Lewisboro Union Free School District, in Westchester County, New York (the “District”), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Bonds and the Notes and, unless paid from other sources, the Bonds and the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District without limitation as to rate or amount.

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable semiannually on June 1 and December 1 in each year until maturity, commencing June 1, 2026. The Bonds shall mature on June 1 in each year in the principal amounts specified on the inside cover page hereof. The Bonds will be subject to redemption prior to maturity as described herein. (See “Optional Redemption” herein.)

The Notes are dated their Date of Issue and bear interest from that date until the Maturity Date, at the annual rate(s) as specified by the purchaser(s) of the Notes. The Notes will not be subject to redemption prior to maturity.

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

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

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

The Bonds and the Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Capital Markets Advisors, LLC has served as Municipal Advisor to the District in connection with the issuance of the Bonds and the Notes. It is expected that delivery of the Bonds and the Notes in book-entry form will be made on June 3, 2025.

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

Dated: May __, 2025

* Preliminary, subject to change.

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

The Bonds will mature on June 1, subject to optional redemption, in the following years and principal amounts:

<u>Year</u>	<u>Principal Amount</u> ⁽¹⁾	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP</u> ⁽³⁾	<u>Year</u>	<u>Principal Amount</u> ⁽¹⁾	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP</u> ⁽³⁾
2026	\$766,266				2034 ⁽²⁾	\$ 810,000			
2027	595,000				2035 ⁽²⁾	840,000			
2028	660,000				2036 ⁽²⁾	875,000			
2029	680,000				2037 ⁽²⁾	910,000			
2030	705,000				2038 ⁽²⁾	945,000			
2031	730,000				2039 ⁽²⁾	985,000			
2032	705,000				2040 ⁽²⁾	1,030,000			
2033	780,000				2041 ⁽²⁾	975,000			

- (1) The principal amounts of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale.
- (2) The Bonds maturing in the years 2034 through 2041, inclusive, are subject to optional redemption prior to maturity as described herein. (See "*Optional Redemption*" herein.)
- (3) Copyright 1999-2013, Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP number has been assigned by an independent company not affiliated with the District and is included solely for the convenience of the owners of the Bonds. The District is not responsible for the selection or uses of the CUSIP number, and no representation is made as to its correctness on the Bonds or as indicated above. The CUSIP number is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

**KATONAH-LEWISBORO UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK**

2024-25 Board of Education

JULIA HADLOCKPresident
LORRAINE GALLAGHER Vice President
RORY BURKE Trustee
JON POFFENBERGER Trustee
MARJORIE SCHIFF..... Trustee
BILL SWERTFAGER..... Trustee
BARBARA WILLIAMS..... Trustee

DR. RAYMOND BLANCHSuperintendent of Schools
LISA HERLIHY..... Assistant Superintendent for Business
AGATA SZUMSKI..... District Treasurer
KIM MONZON..... District Clerk

BOND COUNSEL

**HAWKINS DELAFIELD & WOOD LLP
New York, New York**

MUNICIPAL ADVISOR

**CAPITAL MARKETS ADVISORS, LLC
Great Neck and Orchard Park, New York
(516) 274-4502**

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 foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and 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 hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereon.

TABLE OF CONTENTS

	<i><u>Page</u></i>		<i><u>Page</u></i>
THE BONDS	1	TAX MATTERS	9
Description	1	Opinion of Bond Counsel.....	9
Authority for and Purpose of the Bonds.....	1	Certain Ongoing Federal Tax Requirements and	
THE NOTES	2	Certifications.....	9
Description	2	Certain Collateral Federal Tax Consequences.....	9
Authority for and Purpose of the Notes.....	2	Original Issue Discount.....	10
THE BONDS AND THE NOTES	2	Bond Premium	10
Optional Redemption	2	Information Reporting and Backup Withholding.....	11
Nature of Obligation.....	2	Miscellaneous.....	11
REMEDIES UPON DEFAULT	3	LEGAL MATTERS	11
SECTION 99-B OF THE STATE FINANCE LAW	4	DISCLOSURE UNDERTAKING	11
No Past Due Debt.....	5	Disclosure Undertaking for the Bonds	11
Bankruptcy	5	Disclosure Undertaking for the Notes	11
DESCRIPTION OF BOOK-ENTRY SYSTEM	5	MUNICIPAL ADVISOR	12
RISK FACTORS	7	RATINGS	12
CYBERSECURITY	8	ADDITIONAL INFORMATION	12
LITIGATION	8		

APPENDIX A

	<i><u>Page</u></i>		<i><u>Page</u></i>
THE DISTRICT	A-1	The Tax Levy Limit Law	A-12
General Information	A-1	Tax Collection Procedures	A-12
District Organization	A-1	STAR - School Tax Exemption.....	A-12
Financial Organization	A-1	Ten of the Largest Taxpayers.....	A-13
Financial Statements and Accounting Procedures.....	A-1	DISTRICT INDEBTEDNESS	A-14
Budgetary Procedure	A-2	Constitutional Requirements	A-14
School Enrollment Trends.....	A-2	Statutory Procedure.....	A-14
District Facilities	A-2	Statutory Debt Limit and Net Indebtedness	A-15
District Employees	A-3	Short-Term Indebtedness	A-16
Employee Benefits	A-3	Revenue and Tax Anticipation Notes.....	A-16
Other Post Employment Benefits	A-4	Bond Anticipation Notes.....	A-16
Investment Policy	A-5	Trend of Capital Indebtedness.....	A-16
FINANCIAL FACTORS	A-6	Overlapping and Underlying Debt	A-17
COVID-19 Stimulus and Uses	A-6	Debt Ratios.....	A-17
Real Property Taxes	A-6	Authorized but Unissued Debt	A-17
State Aid.....	A-7	Energy Performance Contract	A-18
Events Affecting New York School Districts.....	A-8	Debt Service Schedule	A-18
Other Revenues	A-9	ECONOMIC AND DEMOGRAPHIC DATA	A-18
Independent Audits.....	A-9	Population	A-18
REAL PROPERTY TAXES	A-11	Income.....	A-18
Assessed and Full Valuations.....	A-11	Employment.....	A-18
Tax Limit.....	A-11		

APPENDIX B – FINANCIAL STATEMENT SUMMARIES

APPENDIX C – LINK TO AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR EDNEED JUNE 30, 2024

APPENDIX D – FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL FOR THE BONDS

APPENDIX E – FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL FOR THE NOTES

APPENDIX F – FORM OF DISCLOSURE UNDERTAKING FOR THE BONDS

APPENDIX G – FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS FOR THE NOTES

OFFICIAL STATEMENT

KATONAH-LEWISBORO UNION FREE SCHOOL DISTRICT WESTCHESTER COUNTY, NEW YORK

Relating To

\$12,991,266*

**SCHOOL DISTRICT SERIAL BONDS – 2025
(the “Bonds”)**

and

\$35,018,083

**BOND ANTICIPATION NOTES – 2025
(the “Notes”)**

This Official Statement, including the cover page, inside cover page and appendix hereto, presents certain information relating to the Katonah-Lewisboro Union Free School District in the County of Westchester, State of New York (the "District," "County" and "State," respectively) in connection with the sale of \$12,991,266* School District Serial Bonds – 2025 (the “Bonds”) and \$35,018,083 Bond Anticipation Notes – 2025 (the “Notes”).

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

THE BONDS

Description

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity, payable semiannually on June 1 and December 1 in each year until maturity, commencing June 1, 2026. The Bonds shall mature on June 1 in each year in the principal amounts specified on the inside cover page hereof. The Bonds maturing in the years 2026 to 2033, inclusive, will not be subject to redemption prior to maturity. The Bonds maturing in the years 2034 and thereafter will be subject to redemption prior to maturity as described herein. (See “*Optional Redemption*” herein).

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

Authority for and Purpose of the Bonds

The Bonds shall be issued pursuant to the Constitution and the Laws of the State and a bond resolution duly adopted by the District’s Board of Education on November 17, 2022 (the “Bond Resolution”), authorizing the issuance of \$49,500,000 bonds to finance the construction of improvements and alterations to all District school buildings (the “Project”). The proceeds of the Bonds, along with \$823,734 in available funds, will be used to redeem a \$13,815,000 portion of the District’s outstanding \$25,000,000 Bond Anticipation Notes – 2024, which mature on June 4, 2025 (the “Outstanding Notes”)

* Preliminary, subject to change.

THE NOTES

Description

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

The District will act as Paying Agent for any Notes issued in book-entry form and the purchaser will serve as paying agent for the Notes registered in the name of the purchaser(s). Paying agent fees, if any, for non-book-entry notes will be paid by the purchaser(s). The District's contact information is Ms. Lisa Herlihy, Assistant Superintendent for Business, telephone number: (914) 763-7043; email: lherlihy@klschools.org.

Authority for and Purpose of the Notes

The Notes shall be issued pursuant to the Constitution and the Laws of the State and the Bond Resolution. A \$10,518,083 portion of the proceeds the Notes, together with \$666,917 in available funds, will be used to redeem a \$11,185,000 portion of the Outstanding Notes. The \$24,500,000 balance of the proceeds of the Notes will provide additional original financing for the Project.

THE BONDS AND THE NOTES

Optional Redemption

The Bonds maturing on or before June 1, 2033 are not subject to redemption prior to maturity. The Bonds maturing on or after June 1, 2034 will be subject to redemption prior to maturity, at the option of the District, on any date on or after June 1, 2033, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The District may select the maturities of the Bonds to be redeemed prior to maturity and the amount to be redeemed of each maturity selected, as the District shall determine to be in the best interest of the District at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the District by lot in any customary manner of selection as determined by the District. Notice of such call for redemption shall be given by mailing such notice to the registered owner not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

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

Nature of Obligation

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

The Bonds and the Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefore. However, Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, 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. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. As the Bonds and the Notes are being issued to finance voter approved capital expenditures, the Bonds and the Notes qualify for such exclusion to the annual tax levy limitation. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See “*The Tax Levy Limit Law*” herein.)

Upon default in the payment of principal of or interest on the Bonds and the Notes or certain other obligations of the District, the State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the State Finance Law, to withhold state aid and assistance to the District and apply the amount thereof so withheld to the payment of defaulted principal and interest with respect to said Notes and said other obligations.

REMEDIES UPON DEFAULT

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

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

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

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

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or 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. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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

SECTION 99-B OF THE STATE FINANCE LAW

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, 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 or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note 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 or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes 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 and notes 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 the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes 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 and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes 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 or notes pursuant to said section of the SFL.

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.

Bankruptcy

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes 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 become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds and the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

DESCRIPTION OF BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC"), Jersey City, New Jersey, will act as securities depository for the Bonds and those Notes issued in book-entry form. Such Bonds and 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 and www.dtc.org.

Purchases of the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and 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 Bonds and 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 Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

To facilitate subsequent transfers, all Bonds and 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 Bonds and 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 Bonds and the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and 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 Bonds and 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 Bonds and the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and 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 Bonds and 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, bond 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, bond certificates will be printed and delivered to DTC.

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

Source: The Depository Trust Company

RISK FACTORS

There are certain potential risks associated with an investment in the Bonds and 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 Bonds and the Notes.

In addition, if and when a holder of any of the Bonds and the Notes should elect to sell a Bond or 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 Bonds or Notes. The price or principal value of the Bonds and 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 bondholder 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 Bonds and 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 Bonds and 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 Bonds and 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 State's economy and financial condition and other circumstances. 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.

CYBERSECURITY

The District, like many educational institutions, relies extensively on technology to support instruction, operations, and the secure handling of personal, private, and sensitive information. As both a provider and steward of this data, the District faces ongoing cybersecurity threats including—but not limited to—malware, phishing, hacking attempts, and other forms of cyberattacks targeting our digital infrastructure. In response, the District has made significant investments in cybersecurity controls and modern protective strategies.

These measures include the implementation of multi-factor authentication (MFA) across critical systems, the use of Zero Trust Network Access (ZTNA) to ensure only verified users and devices can access internal resources, and the advanced security capabilities provided through our Microsoft Office 365 A5 licensing, which offers threat detection, identity protection, and automated response capabilities. While no system can be guaranteed to be entirely immune from cyber incidents, these tools and protocols are part of a comprehensive security framework designed to limit risk and minimize potential impact.

In addition, the District maintains cyber insurance policies to help mitigate financial exposure, provide credit monitoring services if sensitive data is compromised, and support business continuity efforts in the event of a significant disruption. The District remains committed to maintaining a secure, resilient digital environment that supports both educational excellence and operational integrity.

LITIGATION

In common with other school districts, the District from time to time receives various notices of claim and is party to litigation. In the opinion of the School District Attorney, 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 is part to several impartial hearings requests and in receipt of several notices of tuition reimbursement claims in which parents are actively seeking or have reserved their right to request the District to pay tuition at private schools where the parents have provisionally placed their children. In such cases, if all parents were to be successful in obtaining tuition reimbursement from the District, the School Attorney projects a total maximum exposure of in excess of \$1.5 million. While the District is rigorously contesting any liability for these cases, the District maintains a liability reserve fund which is currently funded to pay most, if not all, of the liabilities the District faces if all parents were successful.

Tax Certiorari Claims. Various property owners have filed certiorari claims under Article 7 of the Real Property Tax Law. These taxpayers assert that their property values, as presently determined, are excessive and request assessment reductions and, in most actions, a refund of property taxes previously paid. Tax claims are continuous in nature and may not be settled for several years or more. It is not unusual for taxpayers to have multiple pending claims affecting a number of years.

It is not possible to provide an estimate of the District's ultimate financial exposure but historically tax certiorari settlements have resulted in assessment reductions and related tax refunds for amounts less than the original claim. Although tax refunds are generally paid from the operating budget, the District has issued debt to finance large tax refund payments. In addition, the District has established a tax certiorari reserve, which had a balance of \$2,290,956 at June 30, 2024.

TAX MATTERS

Opinion of Bond Counsel

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

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Tax-Exempt Obligations is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

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

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

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

Bond Premium

In general, if an owner acquires an obligation for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the obligation after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that obligation (a “Premium Obligation”). In general, under Section 171 of the Code, an owner of a Premium Obligation must amortize the bond premium over the remaining term of the Premium Obligation, based on the owner’s yield over the remaining term of the Premium Obligation, determined based on constant yield principles (in certain cases involving a Premium Obligation callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Obligation). An owner of a Premium Obligation must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Obligation, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Obligation may realize a taxable gain upon disposition of the Premium Obligation even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Obligations should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Obligations.

Information Reporting and Backup Withholding

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

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

Miscellaneous

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

Prospective purchasers of the Tax-Exempt Obligations should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and the Notes are subject to the respective approving legal opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Bond Counsel's opinions will be in substantially the forms attached hereto as Appendices D and E.

DISCLOSURE UNDERTAKING

Disclosure Undertaking for the Bonds

In order to assist the purchaser in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") with respect to the Bonds, the District will execute an undertaking to Provide Continuing Disclosure, the form of which is attached hereto as Appendix F.

Disclosure Undertaking for the Notes

In order to assist the purchaser(s) in complying with Rule 15c2-12 with respect to the Notes, the District will execute a Certificate to Provide Notices of Events, the form of which is attached hereto as Appendix G.

MUNICIPAL ADVISOR

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

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

RATINGS

The District has applied to Moody’s Investors Service (“Moody’s”) for a rating on the Bonds and the Notes. Such applications are pending at this time.

Moody’s currently maintains an underlying credit rating of “Aa1” for the District’s outstanding uninsured long-term indebtedness.

Such rating reflects only the view of Moody’s, and an explanation of the significance of such ratings may be obtained only from Moody’s at the following address: Moody’s Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. 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 circumstances so warrant. Any such change or withdrawal of such ratings may have an adverse effect on the market price of such bonds and notes or the availability of a secondary market for those bonds and notes.

ADDITIONAL INFORMATION

Periodic public reports relating to the financial condition of the District, its operations and the balances, receipts and disbursements of the various funds of the District are available for the public inspection at the business office of the District.

Additional information may be obtained from the District’s Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 274-4502 or from the District’s Assistant Superintendent for Business, Ms. Lisa Herlihy, (914) 763-7043, lherlihy@klschools.org.

The District will act as Paying Agent with respect to the Bonds and the Notes. The Business Manager noted above should be used as the Paying Agent contact.

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

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the 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 District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The statements contained in this Official Statement and the appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “illustrate,” “example,” and “continue,” or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the District assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material.

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

KATONAH-LEWISBORO UNION FREE SCHOOL DISTRICT

By: _____
Julia Hadlock
President of the Board of Education

DATED: May __, 2025

APPENDIX A

THE DISTRICT

THE DISTRICT

General Information

The District encompasses an area of approximately 60 square miles and is located in the northeastern portion of Westchester County approximately 35 miles north of New York City. Connecticut borders the District to the east. The District is comprised of the Town of Lewisboro (wholly within the District) and includes approximately one-third of the Town of Bedford and small portions of the Towns of Pound Ridge and North Salem.

The District is primarily residential in character. Most residential development consists of single-family homes, but townhouse complexes and estates are also located within the area. Commercial facilities mainly include professional buildings and suburban shopping centers.

Residents work throughout the County or in Manhattan where they hold positions in industry or finance or are engaged in the professions.

Rail service is available by the Metro North Railroad. Highways serving the District include the Interstate 684, State Routes 22 and 35 and the Saw Mill Parkway. The area is also covered by an extensive network of county and town roads. In addition, public bus transportation is available in the area. Commercial airline service is available at the Westchester County airport. In addition, District residents may also use LaGuardia, Kennedy, Newark and Stewart Airports, all of which can be reached within one hour by car.

District Organization

The District is an independent entity governed by an elected Board of Education comprised of seven members. District operations are subject to the provisions of the State Education Law affecting school districts; other statutes applicable to the District include the General Municipal Law, the Local Finance Law and the Real Property Tax Law.

Members of the Board of Education are chosen on a rotating basis by qualified voters at the annual election of the District held on the third Tuesday of May each year. The term of office for each board member is 3 years and the number of terms that may be served is unrestricted. A president is selected by the board from its members and also serves as the chief fiscal officer of the District. The Board of Education is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

The Board of Education appoints the Superintendent of Schools who serves at the pleasure of the Board. Such Superintendent is the chief executive officer of the District and the education system. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board of Education. Also, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the Assistant Superintendent for Business, School Business Administrator and the District Treasurer.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the Chief Fiscal Officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the Assistant Superintendent for Business and the District Treasurer.

Financial Statements and Accounting Procedures

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 Procedure

Annually, pursuant to the Education Law, the District's Board of Education prepares or causes to be prepared a budget for the ensuing fiscal year. The budget must consist of three parts: program, administration, and capital. During November and December, the tentative budget is developed and refined in consultation with school principals and department supervisors. At the February and March meetings of the Board of Education the proposed budget is discussed and further refined. The tentative budget is adopted by the Board at a special March meeting and submitted to referendum at the Annual Meeting held on the third Tuesday of May. Residents of the District who are qualified to vote may participate in the referendum. Prior to the Annual Meeting a public hearing on the proposed budget is held.

The District's budget is subject to the provisions of Chapter 97 of the Laws of 2011, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum on the third Tuesday of May each year. (See "The Tax Levy Limit Law," herein.)

The voters of the District intend to vote to adopt the 2025-26 proposed budget on May 20, 2025. The voters of the District adopted the budget for the 2024-25 fiscal year on May 21, 2024, and the budget for the 2023-24 fiscal year on May 16, 2023. See Appendix B for the summaries of such budgets.

School Enrollment Trends

The following table represents the District's enrollment history for the five most recent completed fiscal years, the current fiscal year, and as projected for the 2026 through 2030 fiscal years.

Fiscal Years Ended June 30:	District Enrollment ⁽¹⁾
2020 (Actual)	2,889
2021 (Actual)	2,897
2022 (Actual)	2,893
2023 (Actual)	2,788
2024 (Actual)	2,792
2025 (Actual)	2,785
2026 (Projected)	2,807
2027 (Projected)	2,848
2028 (Projected)	2,836
2029 (Projected)	2,854
2030 (Projected)	2,860

(1) Elementary through High School (K-12).
Source: District Officials.

District Facilities

The District presently operates three of the four elementary schools, a middle school, and a high school.

Name	Grades	State Rated Capacity	Date of Original Construction	Additions
John Jay Senior High School	9-12	1,268	1956	1960,1976,1988,1999, 2005
John Jay Middle School	6-8	1,294	1966	1971,1998,2005
Katonah Elementary School	K-5	517	1939	1973,1999,2005
Lewisboro Elementary School ⁽¹⁾	K-5	528	1940	1960,1990,1999,2005
Increase Miller Elementary School	K-5	648	1963	1967,1990,1997,2005
Meadow Pond Elementary School	K-5	553	1965	1999,2002,2005
Total School Capacity		4,808		

(1) The District closed this building after the 2013-14 fiscal year. The District retains ownership of the property but the space will not be occupied by students. Since April 1, 2017 the Town of Lewisboro has rented approximately 13,000 square feet of space in this building.

Source: District Officials.

District Employees

As of April 2025, the District employed a staff of 617 employees, including 602 full and 15 part time employees. Information on collective bargaining units and labor contracts is shown below.

Employees Represented	Union Representation	Contract Expiration Date
210	Katonah-Lewisboro Support Staff Association	6-30-26
312	Katonah-Lewisboro District Teachers Association	6-30-25*
18	Katonah-Lewisboro Administrators & Supervisors Association	6-30-25*
19	Not Represented	N/A

* Contract currently in negotiations.

Source: District Officials.

Employee Benefits

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System (“TRS”). Employer pension 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. All members of the respective systems hired on or after July 1, 1976 contribute a portion of their gross annual salary toward the cost of retirement programs. In the case of Tier 5 and Tier 6 employees, there is no provision for these employee contributions to cease after a certain period of service.

All employees hired after April 1, 2012 are eligible to become members of the Tier 6 pension tier. Tier 6 has progressive employee contribution rates between 3% and 6% and such employee contributions continue so long as the employee continues to accumulate pension credits; the retirement age for such employees is 63 and includes provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier is 1.75% for the first 20 years of service and 2% thereafter; vesting occurs after 5 years; the time period for calculation of final average salary is 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. Tier 6 also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

Under current law, the employer pension payments for a given fiscal year are based on the value of the pension fund on the prior April 1 thus enabling the District to more accurately include the cost of the employer pension payment in its budget for the ensuing year. In addition, the District is required to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower payment possible. The annual employer pension payment is due on February 1 of each year.

Legislation has been enacted from time to time that authorizes school districts to amortize or defer a portion of its annual employer pension payments. The District has not amortized any of its employer pension payments pursuant to such legislation and expects to continue to pay all payments in full when due.

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 not and does not reasonably expect to participate in the ERS or TRS SCO program.

Retirement Billing Procedures

TRS. TRS contributions are paid as a reduction in State aid payments due September 15, October 15 and November 15 of the succeeding fiscal year. Any deficiency or excess in TRS contributions are settled on a current basis during the month of January.

ERS. The District's contributions to ERS and TRS are due on or before February 1. Such contributions are based on salary estimates for the State fiscal year ending on March 31 of the next calendar year.

The amounts contributed to ERS and TRS for the fiscal years ended June 30, 2020 through 2024, the amounts budgeted for 2025, and the amounts proposed for 2026 are as follows:

Fiscal Year Ended June 30	ERS	TRS
2020	\$1,717,186	\$3,956,743
2021	1,829,333	4,220,177
2022	1,867,900	4,394,669
2023	1,364,368	4,748,950
2024	1,642,463	4,683,789
2025 (Budget)	1,919,598	5,046,698
2026 (Proposed Budget)	2,185,909	5,152,100

Source: The audited financial statements, the 2024-25 adopted budget, and the 2025-26 proposed budget of the District. The summary itself is not audited.

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's total OPEB liability as of June 30, 2024 was \$253,809,571 using a discount rate of 3.98% and actuarial assumptions and other inputs as described in the District's June 30, 2024 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 to create an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State's OPEB trust and the

governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. The District cannot predict whether such legislation will be enacted into law in the foreseeable future.

Investment Policy

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

Authorized Investments. The District has designated two banks or trust companies which are located and authorized to conduct business in the State to receive deposits of money.

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

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

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

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

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

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, 2024 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.

COVID-19 Stimulus and Uses

On March 11, 2021, the federal government signed into law The American Rescue Plan (ARP) that addresses issues related to the ongoing COVID-19 pandemic. The ARP Act also creates new programs to address continuing pandemic-related crisis and fund recovery efforts. It provides significant funding to local governments and school districts in NYS. -The funds must all be spent by September 30, 2024.

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

The District received approximately \$103,837 in CARES Act funds that offset COVID-19 related expenditures due to the pandemic. The District allocated approximately \$908,847 in additional Federal stimulus funding between the American Rescue Plan Act (“ARP”) and the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA”) to address learning loss, mental health needs and school building related expenditures to upgrade technology and support all students' academic needs.

Real Property Taxes

The District derives a 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). Chapter 97 of the Laws of 2011, as amended, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. (See “*The Tax Levy Limit Law*” herein.)

The following table sets forth General Fund revenue and real property tax revenue during the last five audited fiscal years, the amounts budgeted for the current fiscal year, and the amounts proposed for the upcoming fiscal year.

General Fund Revenue and Real Property Taxes

<u>Fiscal Year</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes As a Percentage of General Fund Revenue</u>
2019-20	\$109,490,295	\$ 91,519,810	83.6%
2020-21	109,987,291	92,027,417	83.7
2021-22	111,133,148	94,484,821	85.0
2022-23	115,495,978	96,082,172	83.2
2023-24	120,429,307	98,251,345	81.6
2024-25 (Budget)	121,118,762	106,007,107	87.5
2025-26 (Proposed Budget)	123,860,469	109,490,423	88.4

(1) Excludes other financing sources.

Source: The audited financial statements, the 2024-25 adopted budget, and the 2025-26 proposed budget of the District. The summary itself is not audited.

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute.

The following table sets forth General Fund revenue and State aid during the last five audited fiscal years, the amounts budgeted for the current fiscal year, and the amounts proposed for the upcoming fiscal year.

General Fund Revenue and State Aid

<u>Fiscal Year Ended June 30:</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>State Aid</u>	<u>State Aid to Revenue (%)</u>
2019-20	\$109,490,295	\$ 8,354,092	7.6%
2020-21	109,987,291	8,691,966	7.9
2021-22	111,133,148	8,503,746	7.7
2022-23	115,495,978	10,344,209	9.0
2023-24	120,429,307	12,223,908	10.2
2024-25 (Budget)	121,118,762	11,556,655	9.5
2025-26 (Proposed Budget)	123,860,469	10,717,380	8.7

(1) Excludes other financing sources.

Source: The audited financial statements, the 2024-25 adopted budget, and the 2025-26 proposed budget of the District. The summary itself 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 has ceased since 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 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.

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 provides \$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.

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).

The Smart Schools Bond Act (the “SSBA”) was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of \$2 billion of general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The SSBA requires that a Review Board review and approve districts’ Smart Schools Investment Plan before any funds may be made available for the program.

Other Revenues

District finances are operated primarily through the General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. 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.

Independent Audits

The District has retained the firm of PFK O’Connor Davies, LLP Certified Public Accountants, to audit its financial statements for the year. From 2020-2023 the District retained the firm Bonadio & Co., LLP Certified Public Accountants.

Appendix B, attached hereto, presents excerpts from the District’s most recent audited reports covering the last five fiscal years. However, the summary itself has not been audited or reviewed by the District’s independent auditor.

State Audits. The financial affairs of the District are subject to periodic compliance reviews by OSC to ascertain whether the District has complied with the requirements of various State and federal statutes. A report reviewing the procurement of goods and services in the District for fiscal year 2022 and was made available on November 18, 2022. Full copies of the report can be obtained by request of the District or their Municipal Advisor. In addition, copies of the report can also be obtained by visiting the official website of the Office of the State Comptroller.

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

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

The most current applicable report, for 2024 data, of the State Comptroller designates the District as “No Designation,” with a fiscal score of 0.0% and an environmental score of 5.0%.

The financial affairs of the District are subject to periodic compliance reviews by OSC to ascertain whether the District has complied with the requirements of various State and federal statutes. The most recent audit conducted by OSC was released on November 18, 2022. The purpose of the audit was to determine whether the District procured goods and services in a cost-effective manner and provided adequate oversight of awarded contracts. The complete report can be obtained from OSC’s website

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

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

REAL PROPERTY TAXES

The District derives its power to levy an ad valorem real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law and County Tax Code. Real property assessment rolls used by the District are prepared by the four towns in which the District is situated. Assessment valuations are determined by each town assessor and the State Office of Real Property Tax Services (“ORPTS”) which is responsible for certain utility and railroad property. In addition, the ORPTS annually establishes State Equalization Ratios for all localities in the State which are determined by statistical sampling of market sales/assessment studies. The equalization ratios are used in the calculation and distribution of certain State aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The District has a debt limit but is not subject to a real property taxing limitation.

Assessed and Full Valuations

Valuations, Rates and Tax Levies For the Fiscal Year Ended June 30:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuations:					
Town of Bedford	\$177,177,903	\$177,472,600	\$178,352,289	\$179,969,227	\$179,985,717
Town of Lewisboro	295,445,358	294,831,295	295,690,779	296,946,568	294,963,914
Town of North Salem	47,926,710	47,924,344	50,986,330	56,392,190	57,177,140
Town of Pound Ridge	<u>19,281,562</u>	<u>19,285,125</u>	<u>18,889,442</u>	<u>19,116,802</u>	<u>19,228,635</u>
Total Assessed Values	<u>\$539,831,533</u>	<u>\$539,513,364</u>	<u>\$543,918,840</u>	<u>\$552,424,787</u>	<u>\$551,355,406</u>
State Equalization Rates: ⁽¹⁾					
Town of Bedford	11.07%	10.83%	11.35%	9.31%	8.49%
Town of Lewisboro	9.60	9.88	9.72	8.18	6.98
Town of North Salem	100.00	97.00	100.00	100.00	100.00
Town of Pound Ridge	18.46	19.05	19.62	16.06	14.30
Full Valuations:					
Town of Bedford	1,600,523,062	1,638,712,835	1,571,385,806	1,933,074,404	2,119,973,110
Town of Lewisboro	3,077,555,813	2,984,122,419	3,042,086,204	3,630,153,643	4,225,844,040
North Salem	47,926,710	49,406,540	50,986,330	56,392,190	57,177,140
Town of Pound Ridge	<u>104,450,498</u>	<u>101,234,252</u>	<u>96,276,463</u>	<u>119,033,636</u>	<u>134,465,979</u>
Total Full Valuations	<u>4,830,456,083</u>	<u>4,773,476,046</u>	<u>4,760,734,803</u>	<u>5,738,653,873</u>	<u>6,537,460,269</u>
Tax Levy: ⁽²⁾	<u>\$97,948,497</u>	<u>\$99,700,394</u>	<u>100,949,190</u>	<u>102,552,198</u>	<u>106,007,107</u>
Tax Rate per 1,000 AV: ⁽³⁾					
Town of Bedford	\$183.17	\$192.85	\$186.80	\$191.84	\$190.99
Town of Lewisboro	211.22	211.40	218.15	218.40	232.31
Town of North Salem	20.27	21.50	21.20	17.87	16.22
Town of Pound Ridge	109.84	109.64	108.06	111.24	113.39

(1) Source: The ORPTS. All equalization rates are final.

(2) Gross tax levy prior to School Tax Relief exemptions.

(3) Tax rates are based on apportionments determined using County equalization rates.

Source: The Joint Statement of School Tax Levy and District officials.

Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. However, Chapter 97 of the Laws of 2011, as amended, imposes a statutory limit on the amount of real property taxes that a school district may levy. (See “*The Tax Levy Limit Law*” herein.)

The Tax Levy Limit Law

Chapter 97 of the Laws of 2011, as amended, (herein referred to as the “Tax Levy Limit Law” or “Law”) modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

The Tax Levy Limit Law imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy increase in excess of the limit. In the event the voters reject the budget, or a subsequent resubmitted budget, the tax levy for the school district’s budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the Bonds and the Notes) and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

Tax Collection Procedures

Real property taxes are levied by the District but are collected by the four towns making up the District. Such taxes may be paid in two equal installments on September 1 and January 1 and may be paid without penalty on or before September 30 and January 31, respectively. Delinquent school tax payments are assessed penalties in accordance with an ascending scale which starts at 2% in the month of October and increases to a maximum of 12% for all payments received the following April and thereafter.

According to the County Tax Code, the towns must remit school tax collections to the District by the fifth day of the month following their collection. In addition, the towns are obligated to pay the District the full amount of its current tax levy by April 1. The District is therefore guaranteed 100% of its real property taxes during the current fiscal year. Subsequently, the towns enforce unpaid school taxes in the same manner as unpaid town taxes.

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 4% of the District’s 2023-2024 school tax levy was exempt by the STAR program and the District received full reimbursement of such exempt taxes from the State in January 2024. Approximately 3.5% of the District’s 2024-2025 school tax levy was exempt by the STAR program and the District received full reimbursement of such exempt taxes from the State in January 2025. (See “*State Aid*” herein.)

Ten of the Largest Taxpayers

The following table presents the taxable assessments of ten of the District’s largest taxpayers for the 2024-2025 fiscal year.

<u>For The Collection of 2024-2025 Taxes</u>			
<u>Taxpayer</u>	<u>Classification</u>	<u>Valuation</u>	<u>Valuation ⁽¹⁾</u>
City of NY Dep	Municipal	\$9,340,895	1.69%
NYC Water	Municipal	2,698,200	0.49
136 Cantitoe Steet LLC	Residence	2,043,565	0.37
NYSEG	Municipal	1,985,943	0.36
Four Winds	Community Service	1,600,000	0.29
Martha Stewart	Residence	1,579,335	0.29
138 Cantitoe Street LLC	Residence	1,500,100	0.27
Benton, Daniel	Residence	1,494,210	0.27
44-48 Upper Hook Road LLC	Residence	1,350,195	0.24
Norwalk City	Municipal	1,000,000	0.18
Total		\$24,592,443	4.46%

(1) The assessed valuation of the District for 2024-2025 is \$551,355,406.

Source: District Officials.

DISTRICT INDEBTEDNESS

Constitutional Requirements

The State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and its obligations:

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 or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the periods of probable usefulness of the objects or purposes as determined by statute or the weighted average period of probable usefulness of the several objects or purposes contracted therefor; no installment may be more than fifty per cent in excess of the smallest prior installment unless the Board of Education provides for substantially level or declining annual debt service in the manner prescribed by the State Legislature. 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. (See “*Nature of the Obligation*” and “*The Tax Levy Limit Law*,” herein.)

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of \$100,000 for construction costs until the plans and specification for such project have been approved by the Commissioner of Education of the State.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The District has complied with such procedure with respect to the Bonds and the Notes.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Bonds and the Notes. However, such finance board may delegate the power to sell the Bonds and the Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate amount thereof shall not exceed ten per centum of the full valuation of taxable real estate of the District and subject to certain enumerated exclusions and

deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of 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 Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined by such authority.

Statutory Debt Limit and Net Indebtedness

**Computation of Statutory
Debt Contracting Limitation
As of May 8, 2025**

<u>Town</u>	<u>Assessed Valuations</u>	<u>Equalization Rates ⁽¹⁾</u>	<u>Full Valuations</u>
Bedford	\$179,985,717	8.49%	\$2,119,973,110
Lewisboro	294,963,914	6.98	4,225,844,040
North Salem	57,177,140	100.00	57,177,140
Pound Ridge	<u>19,228,635</u>	14.30	<u>134,465,979</u>
Total Full Valuations			<u><u>\$6,537,460,269</u></u>
Debt-Contracting Limitation: (10% of Full Valuation)			<u><u>\$ 653,746,027</u></u>

(1) Final rates as established by the ORPTS.

**Statement of Debt Limit and Net Indebtedness
As of May 8, 2025**

	<u>Amount</u>	<u>Percentage</u>
Debt Contracting Limitation:	\$653,746,027	100.00%
Gross Indebtedness: ⁽¹⁾		
Serial Bonds	305,000	0.05
Bond Anticipation Notes ⁽²⁾	<u>25,000,000</u>	<u>3.82</u>
Gross Indebtedness	<u>25,305,000</u>	<u>3.87</u>
Exclusions and Deductions ⁽³⁾	<u>-0-</u>	<u>0.00</u>
Net Indebtedness	<u>25,305,000</u>	<u>3.87</u>
Net Debt Contracting Margin	<u><u>\$628,441,027</u></u>	<u><u>96.13%</u></u>

- (1) Energy performance contract debt has been excluded (\$4,071,292 outstanding as of June 30, 2024).
- (2) To be redeemed from a combination of proceeds from the Bonds and the Notes, and District available funds (see "Authority for and Purpose of the Bonds" and "Authority for and Purpose of the Notes" herein).
- (3) Based on current aid formulas, the District estimates that it will receive approximately \$2.6 million from State school building aid. Such amount has not been certified by the State Education Department and therefore no deduction has been taken to compute the District's debt contracting margin.

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

Short-Term Indebtedness

Bond anticipation notes may be sold to provide moneys for capital projects once a bond resolution has been adopted. Generally, bond anticipation notes are issued in the anticipation of the sale of bonds at some future date and may be renewed from time to time up to five years from the date of the first note. Such notes may not be renewed after the second year unless there is a principal payment on such notes from a source other than the proceeds of bonds. In no event, may bond anticipation notes be renewed after the sale of bonds in anticipation of which the notes were originally issued.

The District is also authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash for operating expenditures. Borrowings for this purpose are restricted by formulas contained in the Local Finance Law and the Regulations issued under the U.S. Internal Revenue Code of 1986, as amended. Notes may be renewed from time to time but not beyond three years in the case of revenue anticipation notes or five years for tax anticipation notes. Budget notes may be issued to finance current operating expenditures for which there is no appropriation or the amount so appropriated is not sufficient. Generally, the amount of budget notes issued may not exceed 5% of the budget and must be redeemed in the next fiscal year.

Revenue and Tax Anticipation Notes

The District has not found it necessary to issue revenue anticipation notes or tax anticipation notes any time in the past five years and, currently, has no plans do so in the foreseeable future.

Bond Anticipation Notes

The District currently has \$25,000,000 Bond Anticipation Notes – 2024 outstanding. Such Notes mature on June 4, 2025, and will be redeemed from a combination of proceeds from the Bonds and the Notes, and District available funds (see “*Authority for and Purpose of the Bonds*” and “*Authority for and Purpose of the Notes*” herein).

Trend of Capital Indebtedness

The following table sets forth the long-term bonded indebtedness outstanding at the end of each of the fiscal years ended June 30, 2020 through 2024. Refunded debt and energy performance contract debt has been excluded.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonded Indebtedness	\$8,500,000	\$6,600,000	\$4,610,000	\$2,560,000	\$ 450,000
Bond Anticipation Notes	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>25,000,000</u>
Total Outstanding Indebtedness	<u>\$8,500,000</u>	<u>\$6,600,000</u>	<u>\$4,610,000</u>	<u>\$2,560,000</u>	<u>\$25,450,000</u>

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

Overlapping and Underlying Debt

In addition to the District, the following 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 estimated net outstanding indebtedness (bonds and notes) of such political subdivisions, based on information furnished by such entities, but not independently verified, is as follows:

Statement of Direct and Overlapping Indebtedness As of May 8, 2025

Gross Direct Indebtedness	\$25,305,000
Exclusions and Deductions	<u>-0-</u>
Net Direct Indebtedness	<u>\$25,305,000</u>

Overlapping Units	Date of Report	Net Overlapping Debt	Percentage Applicable	Applicable Net Overlapping Debt
County of Westchester	12-31-24	1,071,341,812	3.21%	\$34,390,072
Towns:				
Bedford	06-27-24	32,979,040	29.89	9,857,435
Lewisboro	03-07-24	8,143,600	100.00	8,143,600
North Salem	12-31-23	8,465,000	3.08	260,722
Pound Ridge	12-31-22	0	5.02	<u>0</u>
Total				<u><u>\$52,651,829</u></u>

Source: County and Town officials, the Office of the State Comptroller and Official Statements obtained from the Municipal Securities Rulemaking Board.

Debt Ratios

The following table sets forth certain debt ratios relating to the District's indebtedness as of May 8, 2025. Energy performance contract debt has been excluded (\$4,071,292 outstanding as of June 30, 2024).

	Amount	Debt Per Capita ⁽¹⁾	Debt to Estimated Full Value ⁽²⁾
Net Direct Debt	\$25,305,000	\$1,399.77	0.39%
Net Direct and Overlapping Debt	77,956,829	4,312.25	1.19

(1) For 2022, the District's population was estimated to be 18,078 (US Census Bureau).

(2) The District's full valuation of taxable real estate for fiscal year 2024-25 is estimated to be \$6,537,460,269.

Authorized But Unissued Debt

On June 18, 2015, the Board authorized a bond resolution in the amount of \$1,975,000 for the replacement of an elementary school roof. The District issued \$1,374,986 in serial bonds for this purpose in March of 2017. District officials do not anticipate the remaining authorized amount will be utilized.

Following the issuance of the Bonds and the Notes, the District will no longer have any authorized but unissued debt related to the Bond Resolution (see "Authority for and Purpose of the Bonds" and "Authority for and Purpose of the Notes" herein).

Energy Performance Contract

In November 2014, the District entered into a \$7,454,228 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The terms of the contract provide for repayment over eighteen years, with semi-annual installments of \$267,159 through November 2032. Payments include interest ranging from 2.3736% to 3.44%. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms. The balance due June 30, 2024 was 4,071,292.

Debt Service Schedule

The following table presents the debt service requirements to maturity on the District's outstanding general obligation bonded indebtedness. Energy performance contract debt and debt service for the Bonds has been excluded.

Debt Service on Outstanding General Obligation Bonded Indebtedness

Year Ending June 30	Principal	Interest	Total
2025 ⁽¹⁾	\$145,000	\$9,438	\$154,438
2026	150,000	5,750	155,750
2027	155,000	1,938	156,938
Totals	<u>\$450,000</u>	<u>\$17,126</u>	<u>\$467,126</u>

(1) For the Entire Fiscal Year.

ECONOMIC AND DEMOGRAPHIC DATA

The following section provides economic and demographic information for the Town of Lewisboro, the County and the State. Certain information is not available below the County level and, as such, that information is not necessarily representative of conditions within the District.

Population

The District estimates its current population to be approximately 18,078 based on 2022 information from the U.S. Census Bureau. The following table sets forth population statistics for the Town of Lewisboro, the County and the State.

Population Trends

	2010	2020	2024	<u>% Change</u>	
				2010-2020	2020-2024
Town	12,411	12,265	11,929 ⁽¹⁾	1.18%	(2.74)%
County	949,113	968,890	1,006,447	2.1	3.88
State	19,378,102	20,201,249	19,867,245	4.24	(1.65)

(1) Data for the Town is as of 2023
Source: U.S. Department of Commerce, Bureau of the Census.

Income

Per capita money income and median income of family's statistics are not available for the District as such. The smallest area for which such statistics are available, which includes the District, is the Town of Lewisboro and not necessarily representative of the District.

	<u>Per Capita Money Income</u>		
	<u>2010</u>	<u>2023</u>	<u>% Change</u>
Town	\$ 71,725	\$ 102,933	43.5%
County	47,814	70,607	47.7
State	30,948	49,520	60.0

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

Employment

	<u>Average Employed Civilian Labor Force</u>				
	<u>2010-2024</u>				
	<u>2010</u>	<u>2020</u>	<u>2024</u>	<u>% Change</u>	
				<u>2010-2020</u>	<u>2020-2024</u>
County	479,400	500,400	538,800	4.4%	7.7
State	9,633,200	9,569,500	9,834,600	(0.66)	2.8

Source: New York State Department of Labor.

Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2020	7.9%	9.8%
2021	4.7	7.1
2022	3.0	4.3
2023	3.0	4.1
2024	3.3	4.3
2025 ⁽¹⁾		
Jan	3.6	4.6
Feb	3.9	4.3
Mar	3.4	4.1

(1) Monthly Rates.

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

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

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

Major Private Sector Employers in the County

<u>Name of Business</u>	<u>Nature of The Business</u>
Westchester Medical Center	Hospital and Healthcare Services
Pepsico	Multinational Food, Snack and Beverage
IBM	Multinational Technology
Saint John's Riverside Hospital	Hospital and Healthcare Services
White Plains Hospital	Hospital and Healthcare Services
Regeneron	Biotechnology
Saint Joseph's Medical Center	Hospital and Healthcare Services
Northern Westchester Hospital	Hospital and Healthcare Services
Montefiore New Rochelle Hospital	Hospital and Healthcare Services

Source: Westchester County February 2025 Official Statement.

END OF APPENDIX A

APPENDIX B

FINANCIAL STATEMENT SUMMARIES

**KATONAH-LEWISBORO UNION FREE SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION (1)**

AS OF JUNE 30:

	2020	2021	2022	2023	2024
ASSETS					
Cash And Equivalents	\$ 25,817,517	\$ 28,732,395	\$ 30,160,601	\$ 29,341,973	\$ 7,293,228
Investments	0	0	0	0	20,431,557
Receivables:					
Accounts (net)	47,266	54,433	75,328	108,834	107,330
State and Federal Aid	463,347	557,348	488,201	588,170	536,833
Due From Other Governments	2,223,332	1,912,020	1,389,466	2,256,113	3,370,053
Due From Other Funds	623,031	1,104,192	275,362	1,075,639	3,020,775
Advances to Other Funds	22,200	0	81,979	91,843	114,780
	<u>\$ 29,196,693</u>	<u>\$ 32,360,388</u>	<u>\$ 32,470,937</u>	<u>\$ 33,462,572</u>	<u>\$ 34,874,556</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	\$ 1,857,280	\$ 1,933,076	\$ 1,113,127	\$ 1,010,127	\$ 1,548,553
Accrued Liabilities	0	0	373,355	834,618	807,828
Deposits Payable	0	0	767,288	89,261	10,209
Employee Payroll Deductions	0	0	0	0	99,928
Due To Other Governments	329,644	679,475	833,514	963,728	836,139
Due To Other Funds	0	3,461	0	0	0
Due To Retirement System	4,683,025	5,062,785	5,161,154	5,702,969	5,756,662
Unearned Revenue	201,883	293,546	130,844	147,744	131,740
	<u>7,071,832</u>	<u>7,972,343</u>	<u>8,379,282</u>	<u>8,748,447</u>	<u>9,191,059</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows of resources-deferred revenue	311,937	0	162,858	162,858	161,452
Fund Balance:					
Nonspendable	139,124	127,972	81,979	91,843	114,780
Restricted	11,377,913	12,534,047	14,090,932	15,540,695	16,775,288
Assigned	5,135,918	7,464,952	5,339,100	4,411,163	3,675,741
Unassigned	5,159,969	4,261,074	4,416,786	4,507,566	4,956,236
	<u>21,812,924</u>	<u>24,388,045</u>	<u>23,928,797</u>	<u>24,551,267</u>	<u>25,522,045</u>
Total Fund Equity	<u>21,812,924</u>	<u>24,388,045</u>	<u>23,928,797</u>	<u>24,551,267</u>	<u>25,522,045</u>
Total Liabilities and Fund Equity	<u>\$ 29,196,693</u>	<u>\$ 32,360,388</u>	<u>\$ 32,470,937</u>	<u>\$ 33,462,572</u>	<u>\$ 34,874,556</u>

The financial data presented on this page has been excerpted from the audited financial statements of the District for the years ended June 30, 2020 through

The above presentation has not been audited. Complete copies of the District's audited financial statements are available upon request to the District.

**KATONAH-LEWISBORO UNION FREE SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION (1)**

FOR FISCAL YEARS
ENDED JUNE 30:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES:					
Real Property Taxes	\$ 91,519,810	\$ 92,027,417	\$ 94,484,821	\$ 96,082,172	\$ 98,251,345
Other Tax Items	6,424,237	5,894,787	5,215,183	4,867,019	4,267,223
Non-Property Taxes	1,409,634	1,713,543	1,703,758	1,829,821	1,902,875
Charges For Services	403,105	345,689	296,484	393,019	431,317
Use Of Money And Property	662,080	316,625	278,054	1,385,516	2,770,291
Sale Of Property And Compensation For Loss	4,589	56,461	45,957	81,099	69,382
State Aid	8,354,092	8,691,966	8,503,746	10,344,209	12,223,908
Federal Aid	0	103,837	0	0	0
Miscellaneous	712,748	836,966	605,145	513,123	512,966
Total Revenues	<u>109,490,295</u>	<u>109,987,291</u>	<u>111,133,148</u>	<u>115,495,978</u>	<u>120,429,307</u>
EXPENDITURES:					
Current:					
General Support	11,273,140	12,732,836	15,353,414	13,127,981	12,999,420
Instruction	56,536,147	56,799,894	57,017,827	60,511,245	63,005,053
Pupil Transportation	3,998,772	3,892,430	4,361,532	3,977,706	4,333,799
Community Services	21,612	0	13,151	13,806	12,721
Employee Benefits	28,666,638	28,705,281	29,554,780	31,549,856	33,963,542
Debt Service	2,710,156	2,684,506	2,704,268	2,695,537	2,689,231
Total Expenditures	<u>103,206,465</u>	<u>104,814,947</u>	<u>109,004,972</u>	<u>111,876,131</u>	<u>117,003,766</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,283,830</u>	<u>5,172,344</u>	<u>2,128,176</u>	<u>3,619,847</u>	<u>3,425,541</u>
OTHER FINANCING SOURCES (USES):					
Issuance Premium	0	0	0	0	0
Insurance Recoveries	0	0	3,476	1,991	1,247
Refunding bonds issued	0	0	0	0	0
Payment to refunded bond escrow agent	0	0	0	0	0
Transfers - In	0	6,605	0	11,839	0
Transfers - Out	(2,173,165)	(2,603,828)	(2,590,900)	(3,011,207)	(2,456,010)
Total Other Financing Sources (Uses)	<u>(2,173,165)</u>	<u>(2,597,223)</u>	<u>(2,587,424)</u>	<u>(2,997,377)</u>	<u>(2,454,763)</u>
Net Change In Fund Balance	<u>4,110,665</u>	<u>2,575,121</u>	<u>(459,248)</u>	<u>622,470</u>	<u>970,778</u>
Fund Equity - Beginning of Year	17,702,259	21,812,924	24,388,045	23,928,797	24,551,267
Adjustments	0	0	0	0	0
Fund Equity Subtotal	<u>17,702,259</u>	<u>21,812,924</u>	<u>24,388,045</u>	<u>23,928,797</u>	<u>24,551,267</u>
Fund Balance - End of Year	<u>\$ 21,812,924</u>	<u>\$ 24,388,045</u>	<u>\$ 23,928,797</u>	<u>\$ 24,551,267</u>	<u>\$ 25,522,045</u>

The financial data presented on this page has been excerpted from the audited financial statements of the District for the years ended June 30, 2020 through 2024.

The above presentation has not been audited. Complete copies of the District's audited financial statements are available upon request to the District.

KATONAH-LEWISBORO UNION FREE SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF ESTIMATED REVENUES AND APPROPRIATIONS

	Adopted Budget 2023-2024	Adopted Budget 2024-2025	Proposed Budget 2025-2026
ESTIMATED REVENUES:			
Real Property Taxes	\$ 102,522,198	\$ 106,007,107	\$ 109,490,423
Non-Property Tax Items	1,600,000	1,600,000	1,600,000
Charges For Services	490,000	490,000	587,666
Use Of Money & Property	1,000,000	1,300,000	1,300,000
Sale of Property And Compensation For Loss	20,000	20,000	20,000
State Aid	11,011,782	11,556,655	10,717,380
Miscellaneous	145,000	145,000	145,000
TOTAL ESTIMATED REVENUES	116,788,980	121,118,762	123,860,469
APPROPRIATED FUND BALANCE	3,200,000 ⁽¹⁾	3,200,000 ⁽²⁾	3,550,000 ⁽³⁾
TOTAL ESTIMATED REVENUES AND APPROPRIATED FUND BALANCE	119,988,980	124,318,762	127,410,469
APPROPRIATIONS:			
General Support	\$ 12,509,129	\$ 12,977,713	\$ 13,491,638
Instruction	63,257,662	63,840,761	64,523,879
Pupil Transportation	4,805,759	4,722,807	4,871,479
Home & Community Service	26,000	26,000	26,000
Employee Benefits	34,721,198	37,815,323	39,279,709
Debt Service	2,689,232	3,069,158	3,412,764
Interfund Transfers	1,980,000	1,867,000	1,805,000
TOTAL APPROPRIATIONS	119,988,980	124,318,762	127,410,469

(1) Includes the appropriation of undesignated fund balance (\$2,450,000) and committed reserves (\$750,000).
(2) Includes the appropriation of undesignated fund balance (\$2,450,000) and committed reserves (\$750,000).
(3) Includes the appropriation of undesignated fund balance (\$2,450,000) and committed reserves (\$1,100,000).

APPENDIX C

**GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDING JUNE 30, 2024***

**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/P11819615.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. PKF O'Connor Davies, LLP, 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

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL FOR THE BONDS

Hawkins Delafield & Wood LLP
140 Broadway – 42nd Floor
New York, New York 10005

June 3, 2025

The Board of Education of
Katonah-Lewisboro Union Free School District, in the
County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to Katonah-Lewisboro Union Free School District (the “District”), in the County of Westchester, New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$12,991,266 School District Serial Bonds-2025 (the “Bonds”), dated and delivered the date hereof.

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

Contemporaneous with the issuance of the Bonds, the District expects to issue its \$35,018,083 Bond Anticipation Notes-2025 (the “Notes”). The Notes are treated, together with the Bonds, as a single issue for federal tax purposes. We have served and are serving as Bond Counsel with respect to the issuance of the Notes and, on their issue date, we expect to render our opinion with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on the Bonds and the Notes to become subject to federal income taxation retroactive to the date hereof, irrespective of the date on which such noncompliance occurs or is ascertained.

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

1. The Bonds are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the District is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue

Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

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

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

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the District’s representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

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

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX E

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL FOR THE NOTES

Hawkins Delafield & Wood LLP
140 Broadway – 42nd Floor
New York, New York 10005

June 3, 2025

The Board of Education of the
Katonah-Lewisboro Union Free School District,
in the County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to Katonah-Lewisboro Union Free School District (the “School District”), in the County of Westchester, a school district of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$35,018,083 Bond Anticipation Note-2025 (the “Note”), dated and delivered the date hereof.

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

Contemporaneous with the issuance of the Note, the District expects to issue its \$12,991,266 School District Serial Bonds-2025 (the “Bonds”). The Bonds are treated, together with the Note, as a single issue for federal tax purposes. We have served and are serving as Bond Counsel with respect to the issuance of the Bonds and, on their issue date, we expect to render our opinion with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on the Note and the Bonds to become subject to federal income taxation retroactive to the date hereof, irrespective of the date on which such noncompliance occurs or is ascertained.

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

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue

Code of 1986, as amended (the “Code”), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

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

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

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District’s representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

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

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other

information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX F

FORM OF DISCLOSURE UNDERTAKING FOR THE BONDS

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

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

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

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

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

“Issuer” shall mean the **Katonah-Lewisboro Union Free School District**, in the County of Westchester, a school district of the State of New York.

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

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

“Securities” shall mean the Issuer’s **\$12,991,266 School District Serial Bonds-2025**, dated June 3, 2025, maturing in various principal amounts on June 1 in each of the years 2026 to 2041, inclusive, and delivered on the date hereof.

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

- (i) not later than the last day of the sixth month following the end of each fiscal year, commencing with the fiscal year ending June 30, 2025, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for each fiscal year commencing with the fiscal year ending June 30, 2025, if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than the last day of the succeeding fiscal year; provided,

however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933.

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
 - (7) modifications to rights of Securities holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution, or sale of property securing repayment of the Securities, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been

assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

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

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

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

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

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings: "The District", "Economic and Demographic Information", "District Indebtedness", "Financial Factors", "Tax Information", and "Litigation", and in Appendix B.

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

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

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

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

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

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

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **June 3, 2025**.

KATONAH-LEWISBORO UNION FREE SCHOOL DISTRICT

By: _____
President of the Board of Education

APPENDIX G

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS FOR THE NOTES

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

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

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

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

“Issuer” shall mean Katonah-Lewisboro Union Free School District, in the County of Westchester, a school district of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of May 20, 2025.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the Issuer’s \$35,018,083 Bond Anticipation Note-2025 dated June 3, 2025, maturing on June 3, 2026, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;

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

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

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of

a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of June 3, 2025.

KATONAH-LEWISBORO UNION FREE SCHOOL DISTRICT

By _____
President of the Board of Education