

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 14, 2024

**RENEWAL ISSUES
BOND ANTICIPATION NOTES**

RATINGS: See “RATINGS” 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 Series A 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 Series A Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Series A 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 the opinion of Bond Counsel to the District interest on the Series B Notes is not excludable from gross income for federal income tax purposes under existing law. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Series A Notes and the Series B Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See “Tax Matters for the Series A Notes” and “Tax Matters for the Series B Notes” herein.)

The District WILL NOT designate the Series A Notes as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.

**CITY SCHOOL DISTRICT OF THE CITY OF NEW ROCHELLE
WESTCHESTER COUNTY, NEW YORK**

**\$17,700,000 BOND ANTICIPATION NOTES – 2024 SERIES A
(the “Series A Notes”)**

Date of Issue: April 4, 2024

Maturity Dates: April 3, 2025

**\$5,400,000 BOND ANTICIPATION NOTES – 2024 SERIES B (FEDERALLY TAXABLE)
(the “Series B Notes” and, together with the Series A Notes, the “Notes”)**

Date of Issue: April 4, 2024

Maturity Dates: April 3, 2025

The Notes are general obligations of the City School District of the City of New Rochelle, 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 Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District without limitation as to rate or amount. (See “*Nature of the Obligation*” herein).

The Notes are dated their Date of Issue and will 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.

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

If the Notes are registered in the name of the purchaser(s), a single note certificate will be issued for those Notes of a series 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 purchaser(s).

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as Securities Depository for such Notes. Said Notes will be registered to Cede & Co. as partnership nominee for DTC. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Notes issued in book-entry-only form. Payment of the principal of and interest on such Notes will be made by the Village to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Notes as described herein. (See “*Book-Entry Only System*” herein.)

The Notes are offered when, as and if issued 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, and certain other conditions. It is anticipated that delivery of the Notes will be made on or about April 4, 2024, through the offices of DTC, or such place agreed to by the purchaser(s) and the District.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM “DEEMED FINAL” BY THE DISTRICT FOR THE PURPOSES OF THE SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 (THE “RULE”). FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THE RULE, SEE “*DISCLOSURE UNDERTAKINGS*,” HEREIN.

DATED: March __, 2024

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

**CITY SCHOOL DISTRICT OF THE CITY OF NEW ROCHELLE
WESTCHESTER COUNTY, NEW YORK**

2023-24 Board of Education

**William Lannuzzi
President**

Adina Berrios Brooks Vice President
Margaret E. Bavosa..... Trustee
Katie Castellano Minaya.....Trustee
Makeda Lewis.....Trustee
Roshanie RossTrustee
Don VegaTrustee
Valarie WilliamsTrustee

Dr. Corey W. Reynolds..... Superintendent of Schools
Carlos LealAssistant Superintendent for Business
Dawn Cupano..... District Treasurer
Joy Myke..... Business Administrator
Millie BonillaDistrict Clerk & Board Secretary

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

MUNICIPAL ADVISOR



Capital Markets Advisors, LLC
Long Island & Western New York
(516) 274-4501

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 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.

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OFFICIAL STATEMENT

**CITY SCHOOL DISTRICT OF THE CITY OF NEW ROCHELLE
WESTCHESTER COUNTY, NEW YORK**

relating to

\$17,700,000

**BOND ANTICIPATION NOTES – 2024 SERIES A
(the “Series A Notes”)**

and

\$5,400,000

**BOND ANTICIPATION NOTES – 2024 SERIES B (FEDERALLY TAXABLE)
(the “Series B Notes” and, together with the Series A Notes, the “Notes”)**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the City School District of the City of New Rochelle, in Westchester County, in the State of New York (the “District,” “County,” and “State,” respectively), in connection with the sale of \$17,700,000 Bond Anticipation Notes – 2024 Series A (the “Series A Notes”) and \$5,400,000 Bond Anticipation Notes – 2024 Series B (Federally Taxable) (the “Series B Notes” and, together with the Series A Notes, 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. All references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description of the Notes

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

The District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s). The District’s contact information is Mr. Carlos Leal, Assistant Superintendent for Business, 515 North Avenue, New Rochelle, NY 10801, Phone: (914) 576-4240, E-mail: cleal@nredlearn.org.

Authority for and Purpose of the Series A Notes

The Series A Notes are issued pursuant to the Constitution, the laws of the State, including, among others, the Local Finance Law and the Education Law, and a bond resolution adopted by the Board of Education of the District on March 22, 2022 and subsequently approved as a proposition by a majority of qualified voters of the District voting thereon at the Annual District Meeting and Election held on May 17, 2022, authorizing the issuance of bonds in the principal amount of not to exceed \$24,300,000 to finance the construction of various building and site improvements and certain flood mitigation and storm hardening measures. The proceeds from the sale of the Series A Notes will be used to redeem the District’s \$17,700,00 Bond Anticipation Notes – 2023 Series A at maturity.

Authority for and Purpose of the Series B Notes

The Series B Notes are issued pursuant to the Constitution, the laws of the State, including, among others, the Local Finance Law and the Education Law, and a bond resolution adopted by the Board of Education of the District on March 22, 2022 and subsequently approved as a proposition by a majority of qualified voters of the District voting thereon at the Annual District Meeting and Election held on May 17, 2022, authorizing the issuance of bonds in the principal amount of not to exceed \$24,300,000 to finance the construction of various building and site improvements and certain flood mitigation and storm hardening measures. The proceeds from the sale of the Series B Notes will be used to redeem the District's \$5,400,000 Bond Anticipation Notes – 2023 Series B (Federally Taxable) at maturity.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Nature of the Obligation

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

The Notes are 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 (See "*Tax Levy Limit Law*" herein.)

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 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 Notes are being issued to finance voter approved capital expenditures, 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.)

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. 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 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 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 Notes, the owners of such 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 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 Notes and the proceedings with respect thereto all of which are included in the contract with the owners of 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 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 holders of obligations, 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.

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 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.

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.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”) will act as securities depository for the Notes issued in book-entry form. The Notes issued in book-entry form 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 issued in book-entry form bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

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

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

credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

Source: The Depository Trust Company and Clearing Corporation.

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE NOTES OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTE OWNERS.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES

OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

RISK FACTORS

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

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

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

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

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

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 other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial. The District invests in two cyber insurance policies to help with business interruption and credit monitoring if compromised.

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is a party to litigation. In our opinion as counsel for the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the District has not asserted a substantial and adequate defense, nor which, if determined against the District, would have an adverse material effect on the financial condition of the District, in view of the District's ability to fund the same through use of appropriate funding mechanisms provided by the Local Finance Law.

Child Victim's Act Claim – One lawsuit has been commenced against the District under the Child Victim's Act. The plaintiff in the case alleges instances of sexual assault by a former District employee. The District denies all allegations and liability in the lawsuit. The District continues to explore whether there is insurance coverage from its prior carrier for the claim. Should the plaintiff be successful in the action against the District, any liability in excess of any insurance coverage that may be available will be a District charge and would be funded either through budgetary appropriations or through the issuance of bonds.

Due Process Complaints – The District is in the process of defending 11 impartial hearing matters involving claims that the special education placement provided by the District was inappropriate. These claims vary in value from \$50,000 to \$200,000 in tuition payments, together with attorneys' fees. We anticipate several of the cases settling at relatively low amounts (under \$50,000) with others settling in the \$100,000 range or proceeding to an impartial hearing.

Tax Certiorari Claims Pending as of June 30, 2023 – There are numerous pending tax certiorari claims filed for the current year and prior years that could reduce the District's tax base and require tax refunds. The District decides to litigate or settle each case on an individual basis. Absent extensive discovery and analysis, it is not possible to provide a firm estimate of the District's realistic potential exposure with respect to pending tax certiorari claims. The District has a tax certiorari reserve fund to pay refunds on these claims.

TAX MATTERS FOR THE SERIES A NOTES

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 Series A 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 Series A Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Series A 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. The Tax Certificate of the District (the "Tax Certificate"), which will

be delivered concurrently with the delivery of the Series A Notes 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 Series A Notes, 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 Series A Notes 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 Series A Notes 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 Series A Notes, 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 Series A Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series A Notes in order that interest on the Series A Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series A Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series A Notes 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 Series A Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Series A Note (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 note with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Series A Notes. In general, the issue price for each maturity of Series A Notes 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 Series A Notes having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series A Notes.

In general, under Section 1288 of the Code, OID on a Discount Note 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 Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Note. 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 Note even though there will not be a corresponding cash payment.

Owners of Discount Notes 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 Notes.

Series A Note Premium

In general, if an owner acquires a Series A Note 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 Series A Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “note premium” on that Series A Note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note, determined based on constant yield principles (in certain cases involving a Premium Note 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 Series A Note). An owner of a Premium Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the note premium allocable to that period. In the case of a tax-exempt Premium Note, if the note 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 Note may realize a taxable gain upon disposition of the Premium Note 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 Notes should consult their own tax advisors regarding the treatment of note 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 note premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

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

purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series A Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series A Notes 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 Series A Notes under federal or state law or otherwise prevent beneficial owners of the Series A Notes 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 Series A Notes.

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

TAX MATTERS FOR THE SERIES B NOTES

Opinion of Bond Counsel

In the opinion of Bond Counsel to the District, interest on the Series B Notes (the “Taxable Notes”) (i) is included in gross income for federal income tax purposes pursuant to the Code and (ii) is exempt, under existing statutes, from personal income taxes of New York State and its political subdivisions, including The City of New York.

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Taxable Notes by original purchasers of the Taxable Notes who are “U.S. Holders,” as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Taxable Notes will be held as “capital assets”; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Series B Notes as a position in a “hedge” or “straddle,” U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Taxable Notes in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements and file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Taxable Notes at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below. In addition, interest on the Taxable 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.

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

Original Issue Discount

In general, if Original Issue Discount (“OID”) is greater than a statutorily defined de minimis amount, a U.S. Holder of a Taxable Note having a maturity of more than one year from its date of issue must include in federal gross

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

Acquisition Discount on Short-Term Series B Notes

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

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

Note Premium

In general, if a Taxable Note is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Taxable Note other than "qualified stated interest" (a "Premium Taxable Note"), that Premium Taxable Note will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Premium Taxable Note elects to amortize the premium as "amortizable bond premium" over the remaining term of the Premium Taxable Note, determined based on constant-yield principles (in certain cases involving a Premium Taxable Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder's basis in the Premium Taxable Note. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Premium Taxable Note may realize a taxable gain upon disposition of the Premium Taxable Note even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

Disposition and Defeasance

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

Information Reporting and Backup Withholding

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

U.S. Holders

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

Miscellaneous

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

Prospective purchasers of the Taxable Notes should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series A Notes and the Series B 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 in Appendices D and E, respectively.

DISCLOSURE UNDERTAKINGS

In order to assist the purchaser(s) 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 Notes, the District will execute an Undertaking to Notices of Events for the Notes, the form of which is attached hereto as Appendix F.

RATINGS

The District has not applied to Standard and Poor's Rating Services ("S&P") for a rating on the Notes.

The District's outstanding uninsured long-term indebtedness currently maintains a rating of "AA-" by S&P.

Such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency, at the following address: Standard and Poor's Rating Services, 55 Water Street, 40th Floor, New York, NY 10041. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of S&P circumstances so warrant. Any

such change or withdrawal of such rating may have an adverse effect on the market price of such bonds and notes or the availability of a secondary market for those bonds and notes.

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 Notes.

ADDITIONAL INFORMATION

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) 274-4501 or from Mr. Carlos Leal, Assistant Superintendent for Business, 515 North Avenue, New Rochelle, NY 10801, Phone: (914) 576-4240, E-mail: cleal@nredlearn.org.

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 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 Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

CITY SCHOOL DISTRICT OF THE CITY OF NEW ROCHELLE
WESTCEHSTER COUNTY, NEW YORK

By: /s/ _____
William Lannuzzi
President of the Board of Education

DATED: March __, 2024

APPENDIX A

THE DISTRICT

THE DISTRICT

General Information

The District is located in the southeastern portion of the County on Long Island Sound, approximately fifteen miles from midtown Manhattan, and is coterminous with the City, which was settled in 1688 and was incorporated as a city in 1899.

The character of the District is both urban and suburban residential. Residential housing is comprised of single-family as well as multi-family units. Commercial and industrial activity is principally located in those areas of the City close to Interstate 95 and U.S. Route 1.

The City provides general governmental services including, but not limited to, police and fire protection, garbage collection, street maintenance, sewage collection and library and recreational programs. The County is responsible for social and health programs and maintains a corrections system. Sewage treatment is provided through various County sewer districts.

Higher education is offered by Iona College and Monroe Business College, which are situated in the District, as well as various colleges and universities in the County, including Westchester Community College, sponsored by the County.

The City is served by three major highways; the New England Thruway (Interstate 95), the Boston Post Road (U.S. Route 1) and the Hutchinson River Parkway. CSX provides railroad freight service. The Metro-North Commuter Railroad provides passenger service to and from New York City and Connecticut, while Amtrak provides service nationwide. The County Airport provides scheduled airline service to many major metropolitan airports. LaGuardia, John F. Kennedy, and Newark airports are all less than one hour from the City and residents may utilize various airport limousine services to reach these airports.

City residents and businesses receive electric and natural gas service from the Consolidated Edison Company. The water supply and distribution system for the City is maintained by United Water Company of New Rochelle, a private utility. Local and some long distance telephone services are generally provided by Verizon.

District Organization

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

Board of Education. The legislative power of the District is vested in its Board of Education (the “Board”). The Board consists of nine members who serve overlapping five-year terms. An election is generally held on the third Tuesday in May to elect one or more members to the Board. As nearly as practicable, an equal number of members is elected to the Board each year. Board members may succeed themselves. During the first ten days of July of each year, the Board conducts a reorganization meeting. At that time, the Board elects a President and Vice President and appoints other District officials.

Administration. The Board of Education appoints a superintendent of schools (the “Superintendent”) who is employed through a contract with the Board. Such Superintendent is the chief executive officer of the District and the education system. In addition, the Superintendent is an ex officio member of the Board of Education with the right to speak on all matters before the Board but not to vote. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the District 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 Assistant Superintendent for Business and the District Treasurer, who are also appointed by the Board of Education.

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, the District Clerk, 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. (See “*FINANCIAL FACTORS*,” herein.)

Budgetary Procedure

Pursuant to the Education Law, the District's Board of Education generally prepares or causes to be prepared a budget for the ensuing fiscal year. The budget, effective for fiscal years beginning on or after July 1, 1998, must consist of three parts: program, administration and capital. During November and December the tentative budget is developed and refined in consultation with school administrators. At the March and April meetings of the Board of Education, the proposed budget is discussed and further refined. The tentative budget is adopted by the Board at its April meeting and submitted to referendum at the Annual District Meeting and Election 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 District Meeting and Election a public hearing on the proposed budget is held.

The District's budget is subject to the provisions of Chapter 97 of the New York Laws of 2011, as amended, 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 “*Tax Levy Limit Law*” herein for a further discussion regarding the budget vote, revote, contingency budget and the tax cap. The District has never exceeded the tax cap.

On May 17, 2023, qualified voters of the District approved the 2023-2024 budget. See Appendix B for summaries of the 2022-2023 and 2023-2024 adopted budgets of the District.

School Enrollment Trends

The trend of school enrollments is outlined in the below table.

<u>Fiscal Year Ended June 30:</u>	<u>Enrollment ⁽¹⁾</u>
2020 (Actual)	10,286
2021 (Actual)	9,952
2022 (Actual)	9,839
2023 (Actual)	9,734
2024 (Actual)	9,870
2025 (Projected)	9,554
2026 (Projected)	9,437
2027 (Projected)	9,364
2028 (Projected)	9,496

(1) Represents enrollment for kindergarten through grade 12.

District Facilities

The District operates 10 schools; statistics relating to each are shown below.

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year of Original Construction or Addition ⁽¹⁾</u>
Barnard Elementary School	PreK-2	733	1930,1952,1958
Columbus Elementary School	K-5	1,167	1968, 2000
Davis Elementary School	K-5	930	1952,1953,1957,1988
Jefferson Elementary School	K-5	777	1930,1970
Trinity Elementary School	K-5	1,144	1955,1958,2001
Ward Elementary School	K-5	1,570	1960,1984,1994
Webster Elementary School	K-5	789	1930,1994,1996
Albert Leonard Middle School	6-8	1,837	1960,1964
Isaac E. Young Middle School	6-8	1,548	1926,1960,2001
New Rochelle High School	9-12	3,736	1926,1930,1966,1972,1994,2005

(1) The District is presently in the process of completing a district-wide capital improvement project.

Source: School District Officials.

Employees

The District provided services through 1,498 full time unionized and 32 nonunion employees. The District also employs approximately 694 part-time employees. Information concerning union membership and contract expiration dates are as follows:

<u>Number of Employees</u>	<u>Organization</u>	<u>Contract Expiration Date</u>
58	Administrators-Supervisory Association	06-30-26
1,440	Federation of United School Employees (FUSE)	06-30-26

Source: School 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.

Pursuant to current law, employee contribution rates are progressive and require employee contributions of between 3% and 6% and such employee contributions continue so long as the employee continues to accumulate pension credits. The retirement age was also increased to 63 and includes provisions allowing early retirement with penalties. 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. A voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more, is now available.

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 established such a reserve fund as of June 30, 2019.

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 in the month of January.

ERS. The District’s contributions to ERS 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 audited fiscal years ended June 30, 2019 through 2023 and amounts budgeted for the most recent and current fiscal years are as follows:

Fiscal Year Ended June 30	TRS ⁽¹⁾	ERS ⁽²⁾
2019	\$12,361,179	\$3,804,377
2020	10,686,938	4,046,579
2021	11,842,945	4,468,938
2022	12,821,581	3,755,017
2023	14,072,553	4,092,117
2024 (Budgeted)	14,492,966	5,036,251

(1) Includes contribution in the General Fund and Special Aid Fund.

(2) Includes contribution in the General Fund, Special Aid Fund, School Lunch Fund, and Public Library Fund.

Source: The Audited Financial Statements, the Adopted Budget and the Proposed Budget of the District.

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, 2023 was \$376,660,620 using a discount rate of 4.00% and actuarial assumptions and other inputs as described in the District's June 30, 2023 audited financial statements.

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

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

Legislation has been introduced in recent years 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 Deputy Superintendent for 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 eight banks or trust companies which are located and authorized to conduct business in the State to receive deposits of money. The District is permitted to invest in special time deposits or certificates of deposit.

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 agreed 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 summary statement of revenues and expenditures for the five-year period ended June 30, 2023 can be found in Appendix B of this Official Statement. Information included in the summary has been derived from the Districts audited financial statements, but the summary itself has not been audited. As reflected in the aforementioned summaries, 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, President Biden signed into law the American Rescue Plan Act of 2021. Included in this bill was \$350 billion in direct aid to state and local governments. Payments to local governments were made in two tranches, the first half 60 days after enactment and the second half one year later. The funding is available through, and must be spent by, the end of calendar year 2026.

The District was awarded approximately \$8,732,644 in stimulus funds through the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA”) beginning in the 2021-22 fiscal year, with a term ending September 30, 2023. The District also expects to receive approximately \$14,803,344 in stimulus funds through the American Rescue Plan Act (“ARP”) beginning in the 2021-2022 fiscal year, with a term ending September 30, 2024. To date, the District has received a total of \$5,036,482 of these funds. The funds will be, and have been, used to respond to the COVID-19 pandemic, including its impact on the social, emotional, mental health, and academic needs of students.

Real Property Taxes

The District derives a major portion of its revenues from a tax on real property. Chapter 97 of the New York Laws of 2011, as amended, 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).

As set forth in the following tables, excluding other financing sources, property taxes accounted for approximately 70.1% of General Fund revenue for the fiscal year ended June 30, 2023, while State aid accounted for approximately 21.8%.

The following table sets forth General Fund revenue, excluding other financing sources, and real property tax revenue during the last five completed fiscal years and the amounts budgeted for the current fiscal year.

Real Property Taxes to General Fund Revenue

<u>Fiscal Years Ended June 30:</u>	<u>Total General Fund Revenue ⁽¹⁾</u>	<u>Real Property Tax Revenue</u>	<u>Real Property to General Fund Revenue %</u>
2019	\$269,089,256	\$190,552,248	70.8%
2020	281,203,112	197,495,295	70.2
2021	278,289,911	198,916,051	71.5
2022	286,665,103	204,255,446	71.3
2023	300,586,450	210,718,122	70.1
2024 (Adopted Budget) ⁽²⁾	314,385,242	222,785,588	70.7

(1) Excludes other financing sources.

(2) Excludes appropriated fund balance of \$1,750,000 for the 2023-24 fiscal year.

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

State Aid

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

The following table sets forth General Fund revenue, excluding other financing sources, and State aid revenue during the last five completed fiscal years and the amounts budgeted for the current fiscal year.

State Aid to General Fund Revenue

<u>Fiscal Year Ended June 30:</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>State Aid</u>	<u>State Aid to Revenue (%)</u>
2019	\$269,089,256	\$48,346,360	18.0%
2020	281,203,112	51,470,106	18.2
2021	278,289,911	49,766,484	17.9
2022	286,665,103	53,161,037	18.5
2023	300,586,450	65,401,362	21.8
2024 (Adopted Budget) ⁽²⁾	314,385,242	79,682,514	25.4

(1) Excludes other financing sources.

(2) Excludes appropriated fund balance of \$1,750,000 for the 2023-24 fiscal year.

Source: The Audited Financial Statements and Adopted Budgets 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 amount of State aid to school districts is dependent in part upon the financial condition of the State. Due to the outbreak of COVID-19 the State initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. The use of federal stimulus funds allowed the State to avoid gap closing measures.

The State’s 2023-24 Enacted Budget provides \$34.5 billion in State funding to school districts for the 2023-24 school year the highest level of State aid ever. This represents 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 2023-24 school A-7 year increase in Foundation Aid is to complete the three-year phase-in of full funding of the current Foundation Aid formula.

The State’s 2023-24 Enacted Budget also increases the State’s annual investment in prekindergarten to \$1.2 billion, an increase of \$125 million, or 9.09%. The Budget also includes a total of \$20 million in grant funding to support the establishment of new early college high school programs.

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. The State’s budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State’s 2023-24 Enacted Budget was adopted on May 2, 2023, which was later than in most recent years. No assurance can be given that the State will not experience delays in 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.

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, the COVID-19 pandemic, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision. Reductions in federal funding levels could have a materially adverse impact on the State budget.

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.

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 (2019-2020): For the 2019-20 school year, the State’s Enacted Budget included a total of \$27.9 billion for School Aid, a year-to-year funding increase of approximately \$1.2 billion. The majority of the increases were targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education continued in full, as is the State’s usual practice. Transportation aid increased by approximately 4.5% and building aid increased by approximately 3.7%. The State 2019-2020 Enacted Budget continued to link school aid increases for 2019-2020 and 2020-2021 to teacher and principal

evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

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

School district fiscal year (2023-2024): For the 2023-2024 school year, the Enacted Budget provides \$34.5 billion in State funding to school districts for the 2023-24 school year the highest level of State aid ever. This represents 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 increases the State's annual investment in prekindergarten to \$1.2 billion, an increase of \$125 million, or 9.09%. The Budget also includes 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 will provide \$35.3 billion in State funding to school districts for the 2024-25 school year the highest level of State aid ever. This will represent a year-to-year funding increase of \$825 million or 2.4% and will include \$24.6 billion of Foundation Aid which increased 2.1% from 2023-24. The Enacted Budget will allow for districts to retain \$207 million of Foundation aid in the 2025 school year in excess of their respective full funding targets. The Enacted Budget also increases the State's

expense-based aids by \$318 million, or 3.2% and will include a total of \$100 million in grant funding to provide additional aid to school districts in the 2025 school year.

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

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

Independent Audits

The District retained the firm of EFPR Group, CPAs, PLLC, to audit its financial statements for the fiscal year ended June 30, 2023. Appendix B, attached hereto, presents excerpts from the District’s most recent audited reports covering the last five fiscal years. Appendix C contains a link to the last fiscal year audit.

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

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 of the State Comptroller designates the District as “no designation” with a fiscal score of 10.0 and an environmental score of 38.3.

See the State Comptroller’s official website for more information regarding the foregoing.

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 was on December 17,

2021 to determine whether District officials established adequate controls over network and financial application user accounts to prevent unauthorized access, use and/or loss.

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

REAL PROPERTY TAXES

Assessed and Full Valuations

The following table sets forth the assessed and full valuation of taxable real property, the District’s real property tax levy, including taxes levied for library purposes, and rates of tax per \$1,000 assessed valuation for the last five fiscal years.

	Real Property Tax Assessments, Rates and Collections				
	<u>Fiscal Years Ended June 30:</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Taxable Assessed Values	\$264,835,590	\$264,854,215	\$264,796,820	\$265,669,277	\$267,144,227
STAR Exemptions	<u>20,428,609</u>	<u>17,712,796</u>	<u>15,865,878</u>	<u>15,199,709</u>	<u>12,290,611</u>
Gross Assessed Values	285,264,199	282,567,011	280,662,698	280,868,986	279,434,838
Equalization Rate ⁽¹⁾	<u>2.44%</u>	<u>2.34%</u>	<u>2.33%</u>	<u>2.32%</u>	<u>1.94%</u>
Full Values	<u>\$11,691,155,697</u>	<u>\$12,075,513,291</u>	<u>12,045,609,356</u>	<u>12,106,421,810</u>	<u>14,403,857,629</u>
Tax Levy ⁽²⁾⁽³⁾					
District	\$197,440,238	\$199,413,848	\$205,462,563	208,365,127	210,449,794
Library	<u>5,680,081</u>	<u>5,680,081</u>	<u>5,838,171</u>	<u>6,082,680</u>	<u>6,500,404</u>
	<u>\$203,120,319</u>	<u>\$205,093,929</u>	<u>211,300,734</u>	<u>214,447,807</u>	<u>216,950,198</u>
Tax Rate Per \$1,000 Assessed Valuation ⁽²⁾					
District	\$806.19	\$806.18	\$824.79	\$830.22	\$833.78
Library	<u>21.45</u>	<u>21.45</u>	<u>22.05</u>	<u>22.90</u>	<u>24.33</u>
	<u>\$827.64</u>	<u>\$827.63</u>	<u>\$846.84</u>	<u>\$853.12</u>	<u>\$858.11</u>

(1) Regular State equalization rates as determined by the ORPTS.

(2) The District is responsible for levying library taxes.

(3) Net of STAR.

Source: The Joint Statement of School Taxes and the STAR Reimbursement Application Form.

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 New York 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 and the refinancing or refunding of such bonds or notes (such as the 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. (See “*Nature of Obligation*” herein).

Tax Collection Procedures

The real property taxes of the District are collected by the City. School taxes are due and payable in two equal installments due on October 1 and April 1, and may be paid without penalty to the end of those respective months. District taxes, including any delinquent payments, are remitted to the District by the City as they are collected. Interest accrues on delinquent taxes at a rate of 2% per month; such interest is paid to the District by the City. A 5% penalty, which is retained by the City, is added to all current school taxes unpaid as of July 20th. The City must remit to the District any school taxes which remain unpaid two years after the date on which the District certifies the unpaid taxes to the City.

The District is responsible for the taxes levied for the New Rochelle Public Library (the “Library”) and pays the full amount of such taxes to the Library on or before June 30th each year. The Library receives 50% of its taxes in November and 50% in May.

The following table sets forth the amount of the annual real property tax levy and the current tax collection record of the District for the five most recently completed fiscal years and the most recently available figures for the current fiscal year.

Fiscal Years Ended June 30:	Tax Levy ⁽¹⁾	Current Taxes Collected	Percentage Collected
2018	\$189,761,425	\$186,073,303	98.1%
2019	195,175,712	187,366,376	96.0
2020	203,120,319	188,003,656	92.6
2021	205,023,500	198,916,052	97.0
2022	211,300,734	204,255,446	96.7
2023	220,623,478	220,564,533	99.9
2024 ⁽²⁾	222,785,588	108,312,566	50.9

(1) Includes Library taxes but net of STAR estimated payments.

(2) As of March 13, 2024

Source: School District Officials.

STAR - School Tax Exemption

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

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

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

The State’s 2019-2020 Enacted Budget included changes to the STAR program. For those homeowners with incomes over \$250,000, the STAR exemption benefit was capped at the 2019 fiscal year level, rather than allowed to grow by up to 2% annually under the STAR credit program. Those homeowners with incomes between \$250,000 and \$500,000 are able to convert to the credit program to maintain the full STAR benefit.

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 5.5% of the District’s 2022-2023 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 5.3% of the District’s 2023-2024 school tax levy was exempted by the STAR program and the District received full reimbursement of such exempt taxes from the State in January 2024 (see “*State Aid*” herein).

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Ten of the Largest Taxpayers

**Larger Taxpayers
(For the Collection of 2023-2024 Taxes)**

Name	Property Use	Assessed Valuation	% Total Assessed Valuation ⁽²⁾
Con Edison Co. of NY	Public Utility	\$10,272,339	3.66%
SUEZ Water	Public Utility	2,861,860	1.02
NEW ROC Associates LP	Entertainment	1,903,200	0.68
Harbor One Company LLC ⁽¹⁾	Apartment Building	1,457,350	0.52
GHP 145 Huguenot Delaware LLC ⁽¹⁾	Office Building	725,000	0.26
Costco Wholesale Corporation ⁽¹⁾	Retail	693,550	0.25
Joyce Road E&A LLC	Retail	667,000	0.24
210-220-230 Owners Corp	Apartment Building	661,500	0.24
HD Development of Maryland ⁽¹⁾	Retail Services	646,600	0.23
Palmer-Petersville Leopold LP	Retail Services	555,000	0.20
Totals		\$20,443,399	7.28%

- (1) Currently has a tax cert pending with the City of New Rochelle.
- (2) The City's total assessed valuation for the 2023 fiscal year is \$ 280,868,986.

Source: The City of New Rochelle Assessors Office and District Officials.

DISTRICT INDEBTEDNESS

Constitutional Requirements

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

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

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

Debt Limit. The District has the power to contract indebtedness for any District purpose so long as the principal amount thereof shall not exceed five per centum of the average full valuation of taxable real estate of the District, subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the

assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the rate which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Tax Services (the "ORPTS"). The State Legislature is required to prescribe the manner by which such rate shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedure

In general, the State Legislature has, 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. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. Except on rare occasion the District complied with this estoppel procedure.

The Board of Education, as the finance board of the District, has the power to enact tax anticipation note resolutions. Such resolutions may authorize the issuance of tax anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes, previously received by the District.

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. However, such finance board may delegate the power to sell the Bonds 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.

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Statutory Debt Limit and Net Indebtedness

**Computation of Constitutional
Debt Contracting Limitation
As of March 14, 2024**

<u>Fiscal Years Ended June 30:</u>	<u>Year of Assessment Roll:</u>	<u>Assessed Valuation</u>	<u>Special State Equalization Ratio ⁽¹⁾</u>	<u>Full Valuations</u>
2020	2019	\$285,264,199	2.44%	\$11,691,155,697
2021	2020	282,567,011	2.34	12,075,513,291
2022	2021	280,662,698	2.33	12,045,609,356
2023	2022	280,868,986	2.32	12,106,421,810
2024	2023	279,434,838	1.94	14,403,857,629
				<u>\$62,322,557,783</u>
Total Five Year Average Full Valuation				<u>12,464,511,557</u>
Constitutional Debt Limit (5%)				<u><u>\$623,225,578</u></u>

(1) Special State Equalization Rates established by the ORPTS.

**Statutory Debt Limit and Net Indebtedness
As of March 14, 2024**

	<u>Amount</u>	<u>% of Debt Limit</u>
Debt Contracting Limitation: Five Per Centum of Five-Year Average Full Valuation ⁽¹⁾	<u>\$623,225,578</u>	<u>100.00%</u>
Gross Debt:		
Serial Bonds	\$ 91,658,981	14.71
Bond Anticipation Notes ⁽²⁾	<u>23,100,000</u>	<u>3.71</u>
Total Gross Debt ⁽³⁾	<u>\$114,758,981</u>	<u>18.41</u>
Less Exclusions and Deductions: ⁽⁴⁾		
Appropriations to Pay Principal Debt	<u>\$4,650,000</u>	<u>0.75</u>
Total Exclusions	<u>\$4,650,000</u>	<u>0.75</u>
Net Indebtedness ⁽³⁾	<u>\$110,108,981</u>	<u>17.67</u>
Debt Contracting Margin	<u><u>\$513,116,597</u></u>	<u><u>82.33%</u></u>

(1) Based on Special State Equalization Rates as established by the ORPTS.

(2) To be redeemed by the proceeds of the the Notes (See, "Authority for and Purpose of the Series A Notes" and "Authority for and Purpose of the Series B Notes")

(3) Debt excludes energy performance contract debt of \$6,438,619 as of June 30, 2023. Payments will be made semi-annually though the 2030 fiscal year.

(4) State law makes no provision for deducting State School Building Aid to determine the debt contracting power of a city school district. Based on current State aid data, the District estimates it will receive approximately \$32.7 million in such State building aid.

Revenue and Tax Anticipation Notes

The District has not issued revenue anticipation notes in any of the past five fiscal years and currently has no plans of issuing any in the foreseeable future.

In common with other school districts in the State, the District periodically borrows in anticipation of the receipt of its real property tax levy. Historically, the District has paid all notes on their due date and such notes have been paid by the end of the fiscal year. The District has not issued tax anticipation notes in any of the past five fiscal years and currently has no plans of issuing any in the 2023-2024 fiscal year.

Bond Anticipation Notes

The District’s currently has three series of notes outstanding, \$17,700,000 Bond Anticipation Notes – 2023 Series A, \$5,400,000 Bond Anticipation Notes – 2023 Series B (Federally Taxable) and \$2,400,000 Bond Anticipation Notes 2023 Series C, which mature on April 5, 2024, April 5, 2024 and September 25, 2024, respectively. The proceeds of the Series A Notes will be used to redeem the outstanding 2023 Series A notes and the proceeds of the Series B Notes will be used to redeem the outstanding 2023 Series B (Federally Taxable) notes, at maturity (see “*Authority for and Purpose of the Series A Notes*” and “*Authority for an Purpose of the Series B Notes*”, respectively).

Energy Performance Contract Lease

The following table sets forth all principal and interest payments required on all outstanding energy performance contract lease obligations of the District.

Energy Performance Contract Lease Principal and Interest Maturity

<u>Fiscal Year</u> <u>Ending December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual</u> <u>Lease Payment</u>
2024 ⁽¹⁾	\$1,103,335	\$142,014	\$1,245,349
2025	1,129,532	115,817	1,245,349
2026	1,146,355	88,995	1,249,350
2027	928,476	61,673	990,149
2028-2032	<u>2,130,921</u>	<u>88,404</u>	<u>2,219,325</u>
Totals:	<u>\$6,438,619</u>	<u>\$496,903</u>	<u>\$6,949,522</u>

(1) For entire Fiscal Year

Trend of Capital Indebtedness

The following table provides information relating to the outstanding indebtedness of the District for the years ended June 30, 2019 through 2023. Refunded debt and energy performance contract debt has been excluded.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bond Anticipation Notes	\$54,325,000	\$52,515,000	\$ 0	\$ 0	\$23,100,000
Bonds	<u>26,251,756</u>	<u>50,540,327</u>	<u>100,958,005</u>	<u>94,494,635</u>	<u>94,335,017</u>
Totals:	<u>\$80,576,756</u>	<u>\$103,055,327</u>	<u>\$100,958,005</u>	<u>\$94,494,635</u>	<u>\$117,435,017</u>

Source: Audited financial statements of the District.

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Overlapping Debt and Underlying Debt

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

Statement of Direct and Overlapping Indebtedness As of March 14, 2024

Gross Direct Indebtedness	\$114,758,981
Exclusions and Deductions	<u>4,650,000</u>
Net Direct Indebtedness ⁽¹⁾	\$110,108,981

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Net Indebtedness</u>	<u>Percentage Applicable</u>	<u>Applicable Net Indebtedness</u>
Westchester County	11/16/23	\$1,043,271,034	5.45%	\$ 56,858,271
City of New Rochelle	01/26/23	125,822,000	100.00	<u>125,822,000</u>
				<u><u>\$182,680,271</u></u>

(1) Excludes energy performance contract debt.

Source: Official Statements obtained from the Municipal Securities Rulemaking Board.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of March 14, 2024.

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Ratio to Estimated Full Value of Taxable Property ⁽²⁾</u>
Net Direct Debt	\$110,108,981	\$2,220.01	0.76%
Net Direct and Overlapping Debt	292,789,252	3,558.10	2.03

(1) The 2022 population of the City (coterminous with the District) is estimated at 82,288, according to estimated data obtained from the US Census Bureau (2021 Estimates).

(2) The District's full value of taxable property, computed with regular state equalization rates, for fiscal 2023-2024 is \$14,403,857,629 (See "Real Property Taxes" herein).

Authorized and Unissued Debt

The District currently has \$26,600,000 in authorized but unissued debt to finance the construction of various buildings and site improvements. The District also has \$400,000 authorized but unissued debt to finance the costs of improvements and reconstruction needed as a result of Hurricane Ida from September 2021. A \$1.2 million portion of the costs of the Hurricane Ida project are being paid from insurance recoveries.

Debt Service Schedule

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

Years Ending June 30:	Principal	Interest	Total	Cumulative % Principal Paid
2024 ⁽¹⁾	\$7,326,036	\$3,226,815	\$10,552,851	7.77%
2025	7,697,670	2,834,031	10,531,701	15.93
2026	4,734,534	2,523,365	7,257,899	20.94
2027	4,966,642	2,289,292	7,255,934	26.21
2028	5,214,010	2,043,504	7,257,514	31.74
2029	5,466,656	1,784,979	7,251,635	37.53
2030	5,714,602	1,537,208	7,251,810	43.59
2031	5,957,873	1,304,878	7,262,751	49.91
2032	6,141,495	1,115,780	7,257,275	56.42
2033	6,335,499	925,299	7,260,798	63.13
2034	6,400,000	757,000	7,157,000	69.92
2035	6,540,000	616,600	7,156,600	76.85
2036	3,845,000	473,000	4,318,000	80.92
2037	3,800,000	382,700	4,182,700	84.95
2038	3,885,000	295,500	4,180,500	89.07
2039	3,370,000	206,200	3,576,200	92.64
2040	3,435,000	138,800	3,573,800	96.28
2041	3,505,000	70,100	3,575,100	100.00
Totals	<u>\$94,335,017</u>	<u>\$22,525,051</u>	<u>\$116,860,068</u>	
(1)	For entire fiscal year.			

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table sets forth population statistics for the City, the County and the State.

	<u>Population</u>			<u>% Change</u>	
	<u>2010</u>	<u>2020</u>	<u>2022</u>	<u>2010-2020</u>	<u>2020-2022</u>
City	77,062	79,726	82,288	3.5%	3.21%
County	949,113	1,004,457	990,427	5.8	(1.40)
State	19,378,102	20,201,249	19,677,151	4.2	(2.59)

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

Income

Income levels for the City are below the County as a whole but have consistently exceeded those of the State.

Per Capita Money Income 2022

	<u>2022</u>
City	\$62,145
County	67,776
State	47,173

Source: The U.S. Department of Commerce, Bureau of the Census. 2022 Estimates.

Employment

Civilian employment levels are not compiled for the District, but are available for the City, County and State.

Average Employed Civilian Labor Force 2010 - 2023

	<u>2010</u>	<u>2020</u>	<u>2023</u>	<u>% Change</u>	
				<u>2010-2020</u>	<u>2020-2023</u>
City	35,500	35,100	41,833	(1.1)%	19.2
County	443,100	437,800	503,683	(1.2)	15.0
State	8,790,600	8,361,000	9,731,808	(4.8)	16.4

Source: The New York State Department of Labor.

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

Unemployment rates are not compiled for the District, but are available for the City, County and State.

Average Unemployment Rates ⁽¹⁾

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>
2018	4.3%	3.9%	4.1%
2019	4.0	3.6	3.9
2020	8.4	8.0	9.8
2021	5.2	4.8	7.0
2022	3.5	3.1	4.3
2023	3.5	3.2	4.2
2023 ⁽²⁾			
Jan	4.2	3.5	4.6
Feb	4.0	3.3	4.5
Mar	3.4	2.9	4.0
Apr	2.6	2.3	3.7
May	2.9	2.8	3.8
Jun	3.1	3.0	4.2
Jul	3.2	3.1	4.1
Aug	3.7	3.5	4.4
Sep	3.4	3.2	4.0
Oct	3.8	3.6	4.4
Nov	3.8	3.5	4.0
Dec	4.2	3.7	4.4

(1) Figures in this section are historical and do not speak as to current or projected employment rates. Unemployment has drastically increased since mid-March due to the COVID-19 global pandemic. (See “*Risk Factors*” herein.)

(2) Monthly Rates.

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

Major Private Sector Employers in the County

<u>Name Of Business</u>	<u>Nature Of Business</u>
Westchester Medical Center	Hospital and 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: Official Statement for Westchester County dated December 2023. Information was compiled by Data Axle Reference Solutions as of August 2023.

Development Activities

Major planned developments and the estimated cost of construction based on permits issued for each of the developments within th District is set forth below.

2021-2022 Permits Issued

<u>Development</u>	<u>No. of Units</u>	<u>Estimated Cost</u>
Church/Division Street (Tower B)	390	\$131,000,755
500 Main Street	477	115,000,000
26 garden Street (Phase 1b)	186	56,036,992
11 Garden Street	19	73,000,000
327 Huguenot Street	249	80,000,000
247 North Avenue	307	100,000,000
116 Guion Place	179	97,000,000
57 Grand Street	70	11,865,000
8 Westcehster Place	72	14,025,000
64 Centre Avenue	144	28,025,000

2023-2024 Projected Permits

<u>Development</u>	<u>No. of Units</u>	<u>Estimated Cost</u>
316 Huguenot Street	315	\$84,720,000
438 Main Street	115	25,000,000
14 Le Count Place (Phase 11)	173	45,000,000
277 North Avenue	442	129,082,788
2 Shearwood Place	301	120,000,000
525 Main STreet	243	100,000,000
45 Harrison Street	238	84,400,000
Pratt Landing (224 main Street)	450	465,000,000
Prospect St Parking Lot Site	700	300,000,000

Source: Official Statement of the City of New Rochelle, Westchester County, dated Janaury 26, 2023 (obtained from the Electronic Municipal Market Access website, ("EMMA")). The District cannot predict whether such projects will move forward.

END OF APPENDIX A

APPENDIX B

**UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND
ADOPTED BUDGETS**

CITY SCHOOL DISTRICT OF THE CITY OF NEW ROCHELLE
Statement of Budgeted Revenues and Expenditures
Fiscal Year Ending June 30:

	<u>2022-2023</u> Adopted Budget	<u>2023-2024</u> Adopted Budget
<u>REVENUES</u>		
Real Property Taxes	\$220,623,478	\$222,785,588
Real Property Tax Items	2,956,421	2,956,421
Non-Property Tax Items	3,300,000	3,300,000
Charges For Services	2,895,000	2,870,000
Use of Money & Property	685,000	685,000
Sale of Property and Compensation for loss	50,000	10,000
Interfund Revenue	512,225	234,719
State Aid	64,337,474	79,682,514
Federal Aid	326,000	326,000
Miscellaneous	1,310,000	1,535,000
Appropriated Fund Balance	1,765,359	1,750,000
	<u>\$298,760,957</u>	<u>\$316,135,242</u>
Total Revenues	\$298,760,957	\$316,135,242
 <u>EXPENDITURES</u>		
General Support	\$33,716,286	\$35,678,097
Instruction	165,723,490	171,056,799
Pupil Transportation	16,456,908	20,424,190
Employee Benefits	66,699,656	71,584,273
Community Services	25,333	33,230
Interfund Transfers	3,877,207	3,766,213
Debt Service	12,262,076	13,592,440
	<u>\$298,760,956</u>	<u>\$316,135,242</u>
Total Expenditures	\$298,760,956	\$316,135,242

Source: Annual Budgets of the City School District of the City of New Rochelle.

CITY SCHOOL DISTRICT OF THE CITY OF NEW ROCHELLE
Comparative Balance Sheet - General Fund
Fiscal Years Ended June 30:

As of June 30:	<u>2022</u>	<u>2023</u>
<u>ASSETS</u>		
Cash and Equivalents	\$52,086,736	\$69,915,681
Taxes	5,765,421	2,475,655
Accounts Receivable	0	0
State & Federal Aid Receivable	3,898,014	4,519,320
Due from Other Governments	27,240,028	11,878,310
Due from other funds	10,253,058	24,117,359
Other	198,752	84,673
Prepaid Expenditures	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u><u>\$99,442,009</u></u>	<u><u>\$112,990,998</u></u>
 <u>LIABILITIES</u>		
Accounts Payable	\$9,916,441	\$5,405,947
Accrued Liabilities	16,057,209	18,042,461
Compensated absences	176,948	179,235
Due to Other Governments	0	0
Due to Other Funds	2,641,303	14,437,725
Due to Retirement Systems	15,216,156	16,819,525
Deferred Tax Revenues	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u><u>44,008,057</u></u>	<u><u>54,884,893</u></u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	 4,760,394	 5,623,722
 <u>FUND BALANCES</u>		
Nonspendable	0	0
Restricted	33,131,525	34,885,525
Assigned	5,621,471	4,983,834
Unassigned	11,920,562	12,613,024
TOTAL FUND BALANCES	<u><u>50,673,558</u></u>	<u><u>52,482,383</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$99,442,009</u></u>	<u><u>\$112,990,998</u></u>

Source: Information for this appendix has been extracted from the audited financial statements of the City School District of the City of New Rochelle. This summary itself has not been audited. Reference should be made to the complete financial statements on file at the District's office.

CITY SCHOOL DISTRICT OF THE CITY OF NEW ROCHELLE
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund
Fiscal Year Ended June 30:

Year Ended June 30:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	\$190,552,248	\$197,495,295	\$198,916,051	\$204,255,446	\$210,718,122
Other Tax Items	22,119,568	22,900,356	21,371,616	20,669,166	20,738,981
Non-Property Taxes	2,527,997	0	0	0	0
Charges for Services	2,236,357	3,522,334	2,880,675	4,194,026	15,046
Use of Money and Property	1,150,307	518,378	71,536	80,358	535,518
Sale of Property and Compensation for Loss	179,784	198,317	113,641	229,307	97,471
State Sources	48,346,360	51,134,826	49,766,484	53,161,037	65,401,362
Federal Aid	178,775	598,516	1,731,484	1,168,011	1,525,225
Miscellaneous	1,797,860	4,835,090	3,438,424	2,907,752	1,554,725
Total Revenues	269,089,256	281,203,112	278,289,911	286,665,103	300,586,450
EXPENDITURES					
General Support	31,300,167	30,328,990	32,277,255	36,196,972	37,203,605
Instruction	147,349,307	152,076,609	156,736,600	164,794,116	167,543,126
Pupil Transportation	13,268,668	13,125,872	9,516,387	13,901,748	15,702,310
Community Services	12,815	23,462	29,120	11,573	21,777
Employee Benefits	57,458,420	57,323,617	59,716,307	62,644,221	65,748,466
Debt Service	10,470,861	12,725,966	8,399,878	11,012,980	11,212,074
Total Expenditures	259,860,238	265,604,516	266,675,547	288,561,610	297,431,358
Excess (Deficiency) of Revenues Over Expenditures	9,229,018	15,598,596	11,614,364	(1,896,507)	3,155,092
Other Financing Sources (Uses):					
Operating Transfers In	0	180,736	0	0	353,010
Operating Transfers Out	(3,839,956)	(3,843,850)	(3,718,362)	(2,613,587)	(1,699,277)
Bonds Issued	-	-	-	-	-
Total Other Financing Sources	(3,839,956)	(3,663,114)	(3,718,362)	(2,613,587)	(1,346,267)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	5,389,062	11,935,482	7,896,002	(4,510,094)	1,808,825
Fund Balances (Deficits) - Beginning of Year	\$29,963,106	\$35,352,168	\$47,287,650	\$55,183,652	\$50,673,558
Fund Balances - End of Year	\$35,352,168	\$47,287,650	\$55,183,652	\$50,673,558	\$52,482,383

Source: Information for this appendix has been extracted from the audited financial statements of the City School District of the City of New Rochelle. This summary itself has not been audited. Reference should be made to the complete audit reports on file at the District office.

APPENDIX C

**LINK TO
INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023***

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/P11745345.pdf>

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

* Such Financial Statements and opinion are intended to be representative only as of the date thereof. EFPR group, PLLC 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 SERIES A NOTES**

FORM OF OPINION OF BOND COUNSEL FOR THE SERIES A NOTES

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

April 4, 2024

The Board of Education of the
City School District of the City of New Rochelle,
in the County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the City School District of the City of New Rochelle, in the County of Westchester (the “School District”), 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 \$17,700,000 Bond Anticipation Note - 2024 (the “Series A Note”), dated and delivered on the date hereof.

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

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

1. The Series A 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 Series A Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Series A 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 Series A Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Series A Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Series A 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 which must be met subsequent to the issuance of the Series A Note in order that the interest on the Series A Note be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of

proceeds of the Series A Note, restrictions on the investment of proceeds of the Series A 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 Series A 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 Series A Note, the School District will execute a Tax Certificate relating to the Series A 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 Series A 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 Series A 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 Series A 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 Series A 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 Series A Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Series A 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 Series A Note.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX E

**FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL
FOR THE SERIES B NOTES**

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

April 4, 2024

The Board of Education of the
City School District of the City of New Rochelle,
in the County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the City School District of the City of New Rochelle (the “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 \$5,400,000 Bond Anticipation Notes – 2024 Series B (Federally Taxable) (the “Series B Note”), dated and delivered on the date hereof.

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

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

1. The Series B Note is a valid and legally binding general obligation 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 Series B Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Series B Note may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Interest on the Series B Note is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

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

Except as stated above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the Series B Note or the ownership or disposition thereof. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, for any facts or circumstances that may hereafter come to our attention, for any changes in law or in interpretations thereof that may hereafter occur or for any other reason.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Series B 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 Series B Note.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX F

**FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS
FOR THE NOTES**

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“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 City School District of the City of New Rochelle, 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 the date hereof.

“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 [**\$17,700,000 Bond Anticipation Notes – 2024 Series A**] [**\$5,400,000 Bond Anticipation Notes – 2024 Series B (Federally Taxable)**], dated April 4, 2024, maturing on April 3, 2025, 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:

- i. principal and interest payment delinquencies;
- ii. non-payment related defaults, if material;

- iii. unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. unscheduled draws on credit enhancements reflecting financial difficulties;
- v. substitution of credit or liquidity providers, or their failure to perform;
- vi. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- vii. modifications to rights of Securities holders, if material;
- viii. Bond calls, if material, and tender offers;
- ix. defeasances;
- x. release, substitution, or sale of property securing repayment of the Securities, if material;
- xi. rating changes;
- xii. 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;

- xiii. 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;

- xiv. appointment of a successor or additional trustee or the change of name of a trustee, if material;
- xv. incurrence of a Financial Obligation of the 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
- xvi. 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 **April 4, 2024**.

**CITY SCHOOL DISTRICT OF THE CITY OF NEW
ROCHELLE**

By _____
President of the Board of Education