

SEPTEMBER 17, 2024

SUPPLEMENT TO THE

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 11, 2024

RELATING TO

**\$15,205,580\***

**NEW CASTLE FIRE DISTRICT NO. 1  
IN THE TOWNS OF NEW CASTLE AND MOUNT PLEASANT  
WESTCHESTER COUNTY, NEW YORK**

**GENERAL OBLIGATIONS**

CUSIP BASE: 643326

**\$15,205,580\* Fire District Serial Bonds – 2024**

This Erratum Notice, dated September 17, 2024, amends the “CONTINUING DISCLOSURE” section of the Preliminary Official Statement dated September 11, 2024 (the “Preliminary Official Statement”), relating to the above-captioned obligations. This Erratum must be read together with the Preliminary Official Statement.

**PLEASE BE ADVISED** the “CONTINUING DISCLOSURE” section is revised as shown on the following page.

**CONTINUING DISCLOSURE**

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the Fire District will enter into a Continuing Disclosure Undertaking Certificate, a description of which is attached hereto as “APPENDIX – C.”

Other than as described below, Fire District is in compliance in all material respects with all previous undertakings, if any, made pursuant to Rule 15c2-12 during each of the past five years

The Fire District failed to provide annual financial information, consisting of its Annual Financial Operating Data (“AFIOD”) and its Audited Financial Statements for fiscal year ending December 31, 2021, within 6 months of the succeeding fiscal year. The Fire District’s AFIOD and Audited Financial Statements for the fiscal year ending December 31, 2021 were posted to the MSRB’s EMMA System on September 1, 2022.

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\*Preliminary, Subject to change.

**PRELIMINARY OFFICIAL STATEMENT**

**NEW ISSUE**

**MOODY'S RATINGS: "Aa1"**

**SERIAL BOND**

**See "RATING" herein**

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

*The Fire District will **NOT** designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.*

**\$15,205,580\***

**NEW CASTLE FIRE DISTRICT NO. 1  
IN THE TOWNS OF NEW CASTLE AND MOUNT PLEASANT  
WESTCHESTER COUNTY, NEW YORK  
GENERAL OBLIGATIONS**

**\$15,205,580\* Fire District Serial Bonds – 2024  
(referred to herein as the "Bonds")**

**Dated and Delivered: October 2, 2024**

**Due: September 15, 2025-2054**

**MATURITIES\*\***

<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>
2025	\$5,580	%	%		2035	\$ 405,000*	%	%		2045	\$ 605,000*	%	%	
2026	285,000				2036	425,000*				2046	630,000*			
2027	295,000				2037	440,000*				2047	655,000*			
2028	305,000				2038	460,000*				2048	685,000*			
2029	320,000				2039	475,000*				2049	710,000*			
2030	335,000				2040	495,000*				2050	740,000*			
2031	345,000				2041	515,000*				2051	770,000*			
2032	360,000				2042	540,000*				2052	800,000*			
2033	375,000*				2043	560,000*				2053	830,000*			
2034	390,000*				2044	585,000*				2054	865,000*			

\* The Bonds maturing in the years 2033-2054 are subject to redemption prior to maturity as described herein under the heading "THE BONDS – Optional Redemption".  
 \*\* Subject to change pursuant to the accompanying Notice of Bond Sale in order to achieve substantially level or declining annual debt service. The aggregate par amount of bonds may be decreased in an amount not in excess of the premium offered by the successful bidder, and the amount of each annual maturity, as set forth herein, may be adjusted to the extent necessary, in order that the total proceeds, which include the total par amount of the Bonds plus all or a portion of the original issue premium, if any, received by the Fire District, be used for the capital project financed by the Bonds.

The Bonds are general obligations of the New Castle Fire District No. 1, in the Towns of New Castle and Mount Pleasant, Westchester County, New York, (the "Fire District"), and will contain a pledge of the faith and credit of the Fire District for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Fire District, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. (See "TAX LEVY LIMIT LAW" and "THE BONDS – Nature of Obligation" herein.)

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on September 15, 2025 and semi-annually thereafter on March 15 and September 15 in each year until maturity. In this event, principal and interest will be paid by the Fire District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. (See "BOOK-ENTRY-ONLY SYSTEM" herein.) If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than \$15,205,580 and accrued interest, if any, on the total principal amount of the Bonds. Proposals shall be accompanied by a good faith deposit in the form of a certified or cashier's check or wire transfer payable to the order of the New Castle Fire District No. 1 in the amount of \$155,000.

**ELECTRONIC BIDS for the Bonds must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.FiscalAdvisorsAuction.com](http://www.FiscalAdvisorsAuction.com), on September 19, 2024 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the Fire District, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Sale.**

\*Preliminary, Subject to change.

**THE DATE OF THIS PRELIMINARY OFFICIAL STATEMENT IS SEPTEMBER 11, 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.

*The Bonds are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Bonds in book-entry or registered form through the facilities of DTC located in Jersey City, New Jersey, or as otherwise agreed by the purchaser and the District, on or about October 2, 2024.*

THE FIRE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS PRELIMINARY OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS PRELIMINARY OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF BOND SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE FIRE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE "APPENDIX C – CONTINUING DISCLOSURE" HEREIN.

**NEW CASTLE FIRE DISTRICT NO. 1**  
**IN THE TOWNS OF NEW CASTLE AND MOUNT PLEASANT**  
**WESTCHESTER COUNTY, NEW YORK**

**BOARD OF FIRE COMMISSIONERS**

DWIGHT SMITH  
CHAIRPERSON

EDWIN FRANK, COMMISSIONER  
CHARLES RAUCH, COMMISSIONER  
NANCY ZEZZE, COMMISSIONER  
MICHAEL SOLDI, COMMISSIONER

\* \* \* \* \*

CHRISTINE DENNETT  
Secretary

KATY WHITE  
Treasurer

HOGAN, ROSSI & LIGUORI  
Local Counsel



FISCAL ADVISORS & MARKETING, INC.  
Municipal Advisor

**HAWKINS**

Bond Counsel

No person has been authorized by the Fire District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates, 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 Fire District.

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT**  
**OF THE**  
**NEW CASTLE FIRE DISTRICT NO. 1**  
**IN THE TOWN OF NEW CASTLE AND MOUNT PLEASANT**  
**WESTCHESTER COUNTY, NEW YORK**

**Relating To**

**\$15,205,580\* Fire District Serial Bonds – 2024**

This Official Statement, which includes the cover page and all Appendices, has been prepared by the New Castle Fire District No. 1 in the Towns of New Castle and Mount Pleasant, Westchester County, New York (the "Fire District", "Towns", "County", and "State", respectively) in connection with the sale by the Fire District of \$15,205,580\* Fire District Serial Bonds – 2024 (the "Bonds").

The factors affecting the Fire District's financial condition and the Bonds are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Fire District's tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

**The New York State Constitution (Article VIII, Section 2) does not directly address the Fire District's power to contract indebtedness and the levy of taxes upon real estate in support thereof (although Article VIII, Section 3 thereof does include fire districts in its listing of the types of municipal corporations in the State possessing the power to both contract indebtedness and to cause the levy of taxes upon real estate.) The authorization and issuance of Fire District debt, including the purpose, amount and nature thereof, the method and manner of contracting such indebtedness, the maturity and terms of repayment thereof, and other related matters are provided by statute. Section 100.00 of the Local Finance Law does statutorily apply the faith and credit pledge to all district corporations, including fire districts.**

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

**NATURE OF OBLIGATION**

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

The Bonds will be general obligations of the Fire District and will contain a pledge of the faith and credit of the Fire District for the payment of the principal thereof and the interest thereon. The pledge of the faith and credit of municipalities and school districts mandated by Article VIII, Section 2, of the New York Constitution was upheld by the Court of Appeals in several cases decided at the time of the New York City financial crisis in the 1970s and 1980s (see *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 NY 2d 731 (1976) and subsequent cases). The opinion of the Court of Appeals in the *Flushing National Bank* decision states that "...an obligation containing a pledge of the City's 'faith and credit' is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words 'faith' and 'credit' are used and they are not tautological." In the words of the Court of Appeals, "That is what the words say and this is what the courts have held they mean..." is a clear statement as to the meaning of the pledge of faith and credit. Albeit the pledge of the faith and credit of a fire district (including the Fire District) is not constitutionally mandated, such pledge is required pursuant to the Local Finance Law (Section 100.00) for the incurrence of fire district indebtedness and should be accorded a similar judicial interpretation.

For the payment of such principal of and interest on the Bonds, the Fire District has the power and statutory authority to cause the levy of ad valorem taxes on all taxable real property in the Fire District, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

Pursuant to the Section 100.00 of the New York State Local Finance Law, the Fire District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds. The State is precluded from restricting the power of the Fire District to require the levy of taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Fire District's power to cause an increase to its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Towns, on behalf of the Fire District, to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein).

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\*Preliminary, Subject to change.

## REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the Fire District default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. Each Bond is a general obligation contract between the Fire District and the owners for which the faith and credit of the Fire District are pledged and while remedies for enforcement of payment are not expressly included in the Fire District's contract with such owners, any permanent repeal by statute or constitutional amendment of a bond or note holder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional. (See also "*Nature of Obligation*" herein for discussion of the statutory (but not constitutional) mandate that a fire district, including the Fire District, pledge its faith and credit to the payment of its indebtedness.)

Upon default in the payment of principal of or interest on the Bonds, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Fire 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 from funds lawfully available therefor or, in the absence thereof, to order the Fire District to take all lawful action to obtain the same, including to cause 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 Fire District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Bond, the owner of such Bond could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Fire District to cause the assessment, levy and collection of an ad valorem tax, upon all taxable property of the Fire District subject to taxation by the Fire District, sufficient to pay the principal of and interest on the Bonds as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds or notes of the Fire District, 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 Fire District.

Pursuant to Article VIII, Section 2 of the State Constitution, municipalities and school districts are 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 Constitutional provision providing for first revenue set aside does not apply by its terms to the Fire District. However, pursuant to Section 100.00 of the Local Finance Law, a fire district, including the Fire District, must pledge its faith and credit to the payment of its indebtedness.

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 holders of bonds or notes, such courts might hold that future events, including a financial crisis as such may occur in the State or in any of its political subdivisions, including municipalities and fire districts of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

## **MUNICIPAL BANKRUPTCY**

The 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 and fire districts, including the Fire District, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the Fire 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 Fire 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 Fire 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 Fire 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 Fire District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

### **NO PAST DUE DEBT**

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

### **RISK FACTORS**

There are certain potential risks associated with an investment in the Bonds, 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 Fire District's credit rating could be affected by circumstances beyond the Fire 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 Fire District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Fire District's credit rating could adversely affect the market value of the Bonds.

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

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

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

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Fire District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the Fire District, may affect the market price and/or marketability for the Bonds. (See "*TAX LEVY LIMIT LAW*" herein.)

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

A public health threat such as the COVID-19 pandemic may also affect the operations and/or finances of the Fire District.



## Cybersecurity

The Fire 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 Fire 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 Fire 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 Fire District digital networks and systems and the costs of remedying any such damage could be substantial.

## THE BONDS

### Description of the Bonds

The Bonds will be dated the date of delivery and will mature in the principal amounts as set forth on the cover page. The “Record Date” of the Bonds will be the last day of the calendar month immediately preceding each such interest payment date.

The Bonds will be issued as registered bonds and, at the option of the purchaser, may be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Bonds in the principal amount of or integral multiples thereof, except for one necessary odd denomination. Purchasers will not receive certificates representing their ownership interest in the Bonds if issued in book-entry-form. Interest on the Bonds will be payable on September 15, 2025, and semi-annually thereafter on March 15 and September 15 in each year until maturity. In book-entry-form, principal and interest will be paid by the Fire District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See “*BOOK-ENTRY-ONLY SYSTEM*” herein. The Bonds may not be converted into coupon bonds or be registered to bearer.

The Fire District Treasurer will act as Fiscal Agent for any Bonds issued in book-entry form. The Fire District’s contact information is as follows: Dwight Smith, Chairman of the Board of Fire Commissioners, 491 King Street, Chappaqua, New York 10514, Phone: (914) 272-5063, [dsmith@ncfd1.org](mailto:dsmith@ncfd1.org).

### Optional Redemption

The Bonds maturing on or before September 15, 2032 shall not be subject to redemption prior to maturity. The Bonds maturing on or after September 15, 2033 will be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Fire District on September 15, 2032 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

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

### Purpose of Issue

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and a bond resolution adopted by the Fire District Board of Fire Commissioners on March 16, 2023, and subsequently approved as a proposition by a majority of the qualified voters of the Fire District voting thereon at the Special Election held on April 25, 2023, authorizing new construction and modernization of the New Castle Fire District No. 1 offices and firehouse located at 491 King Street, Chappaqua, New York, for use by the Chappaqua Fire Department (the “Project”); and the issuance of bonds in the amount of not to exceed \$15,205,580 to finance said Project.

The proceeds of the Bonds will provide \$15,205,580 new monies for the above mentioned project.

## BOOK-ENTRY-ONLY SYSTEM

If requested, the Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Bonds 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 Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Fire 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC or the Fire District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Fire District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company.

THE FIRE 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 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS, (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS, OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, 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 FIRE 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 ON THE BONDS; (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 BONDS.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE FIRE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

### **Certificated Bonds**

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Fire District and discharging its responsibilities with respect thereto under applicable law, or the Fire District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the Fire District upon termination of the book-entry-only system. Interest on the Bonds will be payable on September 15, 2025, and semi-annually thereafter on March 15 and September 15 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the Fire District Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last day of the calendar month immediately preceding an interest payment date and such interest payment date.

## THE FIRE DISTRICT

### General Information

The Fire District is located in central Westchester County, New York, about 37 miles north of New York City. The Fire District is located entirely within the Town of New Castle. The Fire District is approximately 23.4 square miles in size with 2,793 residential properties in the Town of New Castle and 52 properties in the Town of Mt. Pleasant and has a population of approximately 17,801 residents. The Fire District provides fire protection to the Towns, together with the Millwood Fire District and a small fire protection district covered by the Mt. Kisco Fire Department.

The response area is a combination of modest commercial and retail buildings along King Street, North and South Greeley Avenues and Bedford Road. The former Readers' Digest complex west of Bedford Road houses several office and commercial properties with much of this area open for future development. Chappaqua Crossings, a new development of both residential and retail space is currently under construction. Chappaqua Crossings, opened in 2019 and includes approximately 91 townhomes, work force and affordable housing. In addition, the retail space of Chappaqua Crossings includes a Life Time fitness center, Whole Foods Grocery Store, Fidelity Investments, Chase Bank, Pet Value, Rocks Jewelry and small merchant vendors which are yet to be determined. Much of the Fire district response area comprises single-family large area homes with few condominium complexes. There are several elementary and secondary schools in the Fire District along with two country clubs.

Wealth indices for the Fire District residents exceed the national median income levels. Major highways in the district include the Saw Mill River Parkway and NYS Route 117 and Route 120. Electric service is provided by Consolidated Edison.

Source: Fire District officials.

### Population and Service Area

	<u>Town of New Castle</u>	<u>Town of Mount Pleasant</u>	<u>Westchester County</u>	<u>New York State</u>
2010	17,569	43,724	949,113	19,378,102
2020	18,311	44,436	1,004,457	20,201,249
2022	17,778	44,881	990,427	19,673,200
2023 (estimated)	17,716	44,521	990,817	19,571,216

Source: U.S. Bureau of the Census. (Population estimate is based on the Town and is not based on U.S. Census Bureau information pertaining to the Fire District itself.)

### Selected Wealth and Income Indicators

Per capita income statistics are not available for the Fire District as such. The smallest areas for which such statistics are available, which include the Fire District, are the Town and County listed below. The figures set below are included for information only. It should not be inferred from the inclusion of such data in the Continuing Disclosure Statement that such data are necessarily representative of the Fire District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>
Town of:						
New Castle	\$ 76,063	\$105,769	\$ 110,933	\$ 152,610	\$ 250,000+	\$ 250,000+
County of:						
Westchester	47,814	57,953	67,776	100,863	126,992	147,091
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

Note: 2019-2023 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2018-2022 American Community Survey 5-Year data.

**Major Employers**

Major employers located within the Fire District or in close proximity to the Fire District and the number of persons employed by each are as follows:

<u>Name</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Westchester Medical Center	Hospital and healthcare services	4,464
PepsiCo Inc.	Multinational food, snack and beverage	3,966
IBM Corp.	Computer hardware and software	3,118
Saint John’s Riverside Hospital	Hospital and healthcare services	2,756
White Plains Hospital	Hospital and healthcare services	2,185
Regeneron.	Biotechnology	2,000
Saint Joseph’s Medical Center	Hospital and healthcare services	1,562
Northern Westchester Hospital	Hospital and healthcare services	1,313
Montefiore New Rochelle Hospital	Hospital and healthcare services	1,304

Source: County of Westchester Annual Comprehensive Financial Report for the fiscal year ending December 31, 2023 submitted to the Electronic Municipal Market Access website.

**Unemployment Rate Statistics**

Unemployment statistics are not available for the Fire District as such. The smallest area for which such statistics are available (which includes the Fire District) is the County. The information set forth below is included for informational purposes only. It should not be inferred from the inclusion of such data in this Official Statement are necessarily representative of the Fire District, or vice versa.

	<u>Annual Averages</u>								
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Westchester County	4.6%	4.4%	4.5%	3.9%	3.6%	8.0%	4.8%	3.2%	3.4%
New York State	5.2%	4.9%	4.6%	4.1%	3.9%	9.8%	7.0%	4.3%	4.2%

  

	<u>2024 Monthly Figures</u>							
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>
Westchester County	3.8%	4.0%	3.8%	3.4%	3.7%	3.6%	4.0%	N/A
New York State	4.3%	4.5%	4.2%	3.9%	4.2%	4.3%	4.9%	N/A

Note: Unemployment rates for August 2024 are unavailable as of the date of this Official Statement.

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

**Form of Fire District Government**

The Fire District is governed by a five member Board of Fire Commissioners who are elected to five-year terms on a staggered basis. The Chairman of the Board is elected by the Commissioners at the organizational meeting each year. The Fire District Treasurer and Fire District Secretary are appointed to a one-year term annually by the Commissioners at the organizational meeting. A volunteer force is responsible for the operation of the equipment and apparatus within the Fire District.

**Financial Organization**

Pursuant to Town Law, the Fire District Treasurer is Chief Fiscal Officer of the Fire District. The Fire District Treasurer is responsible to the Board of Commissioners and serves as the Fire District’s Budget Officer. Pursuant to the Town Law, during the absence of the Fire District Treasurer or the inability to act of the Fire District Treasurer, or while the office of the Fire District Treasurer is vacant, the Fire District Chairman and Commissioner shall be vested with all of the powers and may perform all of the duties of the Fire District Treasurer.

## **Budgetary Procedures**

The Board of Fire Commissioners, with the assistance of the Fire District Treasurer, prepares the annual budget for the General Fund and allocation to the Reserve Funds, which is approved by the Board of Fire Commissioners. The budget is not subject to referendum unless the operating portion exceeds the limitation provided by law. Any revisions to the annual budget are adopted by resolution of the Board of Fire Commissioners. The budget is submitted to the Towns of New Castle and Town of Mt. Pleasant for inclusion with the Town Budgets for submission to the County of Westchester. The Town and County have no authority to alter the budget as submitted. The budget is open for town residents to review prior to adoption. The District holds a Work Session or Work Sessions to prepare the Annual Fire District Budget in addition to holding a Budget Hearing as mandated by Town Law. The Work Sessions and Budget Hearings are open to the public.

## **Investment Policy**

Pursuant to the statutes of the State of New York, the Fire District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, bond anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Fire District; (6) obligations of a New York public corporation which are made lawful investments by the Fire District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Fire District moneys held in certain reserve funds established pursuant to law, obligations issued by the Fire District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the Fire District's current policy to invest in: (1) certificates of deposit or time deposit accounts with Commercial banks or Trust Companies that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America, or for obligation of the State of New York or its municipal subdivisions. In the case of obligations of the United States government, the Fire District may also purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian bank or trust company. The Fire District does not invest in reverse repurchase agreements or other derivative type investments.

## **Employees**

The Fire District currently has approximately 60 active volunteers and 2 part-time employees. Employees are not represented by a union.

## **Length of Service Award Program**

The Fire District established a defined benefit Service Award Program (referred to as a "LOSAP" - length of service award program) effective January 1, 1992, for the active volunteer firefighter members of the Fire District. The program was established pursuant to Article 11-A of the General Municipal Law of the State of New York. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Fire District is the sponsor of the program and is the program administrator.

The Fire District contributions since the fiscal year ending December 31, 2019 and budgeted for the fiscal year ending December 31, 2024 are as follows:

<u>Year</u>	<u>Contributions</u>
2019	\$ 142,117
2020	180,000
2021	122,431
2022	154,884
2023	114,534
2024 (Budgeted)	160,500

Source: Fire District officials and audited financial statements.

## Other Post-Employment Benefits

There are no other post-employment liabilities of the Fire District, and the Fire District has therefore not hired an actuarial firm to calculate its other post-employment benefit under GASB 75, and does not anticipate doing so in the foreseeable future.

## Other Information

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes, for which bonds and notes are to be issued is the Local Finance Law.

The Fire District is in compliance with the procedures for the validation of the Bonds provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of this Fire District is past due.

The fiscal year of the Fire District is the calendar year.

This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Fire District, except as set forth under “*STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness*”, herein.

## Financial Statements

The Fire District retains an independent certified public accountant firm for a continuous independent audit of all financial transactions of the Fire District. The independent audit covering the fiscal year ending December 31, 2023 is attached hereto as “APPENDIX – D”

The financial statements are prepared on the New York State System of Accounts basis of accounting for the Fire District’s annual financial report, which is a comprehensive basis of accounting other than the GAAP accounting principles more commonly utilized in the United States of America.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

## New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Fire District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no recent State Comptroller’s audits of the Fire District, nor are there any that are currently in progress.

## TAX INFORMATION

### Taxable Valuations

#### Taxable Assessed Valuations

<u>Years Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Town of					
New Castle	\$ 548,815,935	\$ 546,115,362	\$ 548,920,925	\$ 550,937,036	\$ 555,122,070
Mt. Pleasant	<u>334,584</u>	<u>334,892</u>	<u>341,279</u>	<u>331,117</u>	<u>328,912</u>
Total Assessed Valuation	\$ 549,150,519	\$ 546,450,254	\$ 549,262,204	\$ 551,268,153	\$ 555,450,982

#### New York State Equalization Rate

Town of					
New Castle	19.05%	19.06%	19.38%	16.75%	14.80%
Mt. Pleasant	1.40%	1.37%	1.31%	1.21%	1.13%
Taxable Full Valuation	<u>\$2,904,822,400</u>	<u>\$2,889,687,914</u>	<u>\$2,858,461,146</u>	<u>\$3,316,541,376</u>	<u>\$3,779,932,054</u>

**Tax Rate Per \$1,000 (Assessed)**

<u>Years Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Town of					
New Castle	\$ 2.58	\$ 2.58	\$ 2.70	\$ 2.77	\$ 2.92
Mt. Pleasant	34.10	34.10	39.93	38.31	38.21

**Tax Collection Procedure**

The respective Town Tax Receivers collect all the real estate taxes of the Town, County, Fire District and special district purposes. The Town Tax Receivers distribute the collected tax money to both the Towns and Fire District prior to distributing the balance collected to the County. The Fire District is thereby assured 100% tax collections. Responsibility for the collecting of unpaid taxes rests with the Town of New Castle and the Town of Mount Pleasant.

**Tax Levy and Tax Collection Record**

<u>Years Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Tax Levy	\$ 1,426,323	\$ 1,460,017	\$ 1,495,025	\$ 1,537,532	\$ 1,632,223
Uncollected Taxes <sup>(1)</sup>	0	0	0	0	0
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

<sup>(1)</sup> See “Tax Collection Procedure”.

**Larger Taxpayers 2023 Assessment Roll of the Town of New Castle for 2024 Taxes**

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Consolidated Edison	Utility	\$ 33,593,324
AD Chappaqua LLC <sup>(1)</sup>	Office Space	7,860,000
HPV IV Chappaqua LLC <sup>(1)</sup>	Retail	4,245,000
KL Toll Fort AIV LLC	Residential	2,826,900
Red Apple Building <sup>(1)</sup>	Estate	2,224,968
CL-S Chappaqua Fee Owner	Residential	1,930,900
Toll Northeast V Corp.	Residential	1,850,000
Whippoorwill Club, Inc.	Country Club	1,289,163
Collins, Margaret A.	Estate	1,117,344
Nardozzi LLC <sup>(1)</sup>	Retail	1,054,170

<sup>(1)</sup> Currently has tax certiorari claim outstanding.

The ten larger taxpayers listed above have a total taxable assessed valuation of \$57,991,769, which represents 10.44% of the assessed valuation of the Fire District for the 2024 fiscal year.

Note: The above list of taxpayers is inclusive of taxpayers located outside of the Fire District but within the Town.

Source: Town Tax Rolls for the fiscal year ended December 31, 2023.

**Additional Tax Information**

Real property located in the Fire District is assessed by the Town.

Veterans' and senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the Fire District is approximately Residential-89%, Commercial-3% and Other-8%.

The estimated total annual property tax bill of a \$995,000 average market value residential property located in the Fire District is approximately \$27,846 including County, Town, School District and Fire District Taxes.



## Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the Fire District for each of the below completed fiscal years, and budgeted figures for the 2024 fiscal year comprised of Real Property Taxes & Tax Items.

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total Real Property Taxes &amp; Other Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Taxes &amp; Other Tax Items</u>
2019	\$ 1,659,223	\$ 1,385,197	83.48%
2020	1,730,727	1,426,323	82.41
2021	1,751,556	1,460,017	83.36
2022	1,815,069	1,495,011	82.37
2023	2,096,743	1,537,583	73.33
2024 (Budgeted)	1,840,488	1,632,223	88.68

<sup>(1)</sup> General fund only, does not include inter-fund transfers or reserve funds.

Source: Audited financial statements for the 2019 fiscal year through the 2023 fiscal years, and the adopted budget for the 2024 fiscal year. This table is not audited.

## TAX LEVY LIMIT LAW

Prior to the enactment of Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law") all the taxable real property within the Fire District had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Fire District and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Fire District for any fiscal year commencing after January 1, 2012, without providing an exclusion for debt service on obligations issued by the Fire District. As a result, the power of the Fire District to cause the levy of real estate taxes on all the taxable real property within the Fire District, to pay the principal of and interest on the Bonds, is subject to the statutory limitations imposed by the Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Fire District, subject to certain exceptions. The Tax Levy Limit Law permits the Fire District to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Fire District is required to calculate its tax levy limit for the upcoming year in accordance with the provisions above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Fire District, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Fire District. The Board of Fire Commissioners of the Fire District can adopt a resolution, approved by a vote of sixty percent of the total voting power of the Board of Fire Commissioners, to override the tax levy limit for a given year.

There can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating applicable law (i) for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) by limiting the pledge of its faith and credit by a fire district for the payment of debt service on obligations issued by such fire district because the Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Fire District or such indebtedness incurred after the effective date of the Tax Levy Limit Law.

## INDEBTEDNESS OF THE FIRE DISTRICT

**Constitutional Requirements.** The New York State Constitution (Article VIII, Section 2) does not directly address the power of fire districts, including the Fire District, to contract indebtedness and the levy of taxes upon real estate in support thereof (although Article VIII, Section 3 thereof excludes, inter alia, fire districts from limitations imposed therein upon municipal or other corporations possessing the power to contract indebtedness or to levy or require the levy of taxes or benefit assessments upon real estate).

**Local Finance Law Requirements.** The New York State Local Finance Law limits the power of the Fire District (and municipalities, school and other fire districts of the State) to issue obligations and contract indebtedness. Such limitations include the following, in summary form, and are generally applicable to the Fire District and the Bonds.

**Purpose and Pledge.** Pursuant to the Local Finance Law, the Fire District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Fire District may contract indebtedness only for a Fire 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 periods of probable usefulness of the objects or purposes 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 Fire District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Fire District is required to provide an annual appropriation for the payment of interest due during the fiscal year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

**General.** The Fire District is subject to certain statutory limitations restricting the powers of the Fire District in the areas of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Fire District, so as to prevent abuses in the exercise of such powers. As has been noted under "Security and Source of Payment", the State Legislature is prohibited from restricting the power of the Fire District to cause the levy of taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Fire District's power to increase its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Fire District to cause the levy of certain year-to-year increases in real property taxes. (See "*TAX LEVY LIMIT LAW*" herein).

### Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Fire District to borrow and incur indebtedness subject, of course, to the provisions set forth above. The power to spend money, however, generally derives from other laws, including the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Fire District authorizes the issuance of bonded indebtedness by the adoption of a bond resolution approved by a vote of at least three-fifths of the entire membership of the Board of Fire Commissioners, which, pursuant to the Local Finance Law, is the finance board of the Fire District. All of such resolutions are subject to referendum.

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

Each bond resolution also provides for the authorization of the issuance of bond anticipation notes prior to the issuance of the subject serial bonds. Statutory law in New York permits notes to be renewed each year provided that (i) amortization of principal commences within two years of the date of incurrence of the debt, and, (ii) such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. (See "*Payment and Maturity*" under "*Constitutional Requirements*" herein).

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 Fire District complies with this estoppel procedure.

In addition, pursuant to the bond resolution, the Board of Fire Commissioners may delegate to the Fire District Treasurer, the chief fiscal officer of the Fire District, the power to issue and sell bonds and bond anticipation notes.

In general, the Local Finance Law contains similar provisions providing the Fire District with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes, subject to the prescribed statutory procedures and limitations.

**Debt Limit.** The Fire District has the power to contract indebtedness for any Fire District purpose authorized by the Legislature of the State so long as the aggregate principal amount thereof shall not exceed three per centum (3.00%) of the full valuation of taxable real property of the Fire District, except as otherwise provided by the New York Local Finance Law, and subject to certain enumerated exclusions and deductions such as cash or appropriations for principal of debt. The three per centum limit may be exceeded if the proposition for approval of the bond resolution is approved by a two-thirds vote of the qualified voters of the Fire District and the State Comptroller consents thereto. The method for determining full valuation is by taking the assessed valuation of taxable real property 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.

There is no constitutional limitation on the amount that may be raised by the Fire District by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the Fire District to increase its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Fire District to cause the levy of certain year-to-year increases in real property taxes. (See “*TAX LEVY LIMIT LAW*” herein).

**Debt Outstanding End of Fiscal Year**

<u>Fiscal Year Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bonds	\$ 2,620,000	\$ 2,525,000	\$ 2,425,000	\$ 2,325,000	\$ 2,220,000
Bond Anticipation Notes	0	0	0	0	0
Installment Purchase Obligations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 2,620,000</u>	<u>\$ 2,525,000</u>	<u>\$ 2,425,000</u>	<u>\$ 2,325,000</u>	<u>\$ 2,220,000</u>

**Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the Fire District evidenced by bonds and notes as of September 11, 2024:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2024-2039	\$ 2,115,000
<u>Bond Anticipation Notes</u>	-	<u>0</u>
	Total Indebtedness:	\$ 2,115,000

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**Debt Statement Summary**

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin shown as of September 11, 2024:

Five-Year Average Full Valuation of Taxable Real Property .....\$ 3,149,888,978  
Debt Limit – 3% thereof ..... 94,496,669

Inclusions:

Bonds..... \$ 2,115,000  
Bond Anticipation Notes ..... 0  
Total Inclusions..... \$ 2,115,000

Exclusions:

Appropriations <sup>(1)</sup>..... \$ 0  
Total Exclusions..... \$ 0

Total Net Indebtedness .....\$ 2,115,000  
Net Debt-Contracting Margin.....\$ 92,381,669  
The percent of debt contracting power exhausted is..... 2.24%

<sup>(1)</sup> Appropriations and revenue obligations are excluded pursuant to Section 136.00 of the Local Finance Law.

**Bonded Debt Service**

A schedule of Bonded Debt Service may be found in “APPENDIX – B” to this Continuing Disclosure Statement.

**Capital Project Plans**

Other than the project for which the Bonds are being issued, the Fire District has no other authorized or unissued indebtedness for capital or other purposes nor are any contemplated at this time.

**Cash Flow Borrowings**

The Fire District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes, and does not reasonably expect to issue such notes in the foreseeable future

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**Estimated Overlapping Indebtedness**

In addition to the Fire District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Fire District. Estimated bonds and bond anticipation notes are listed as of the close of the last fiscal year of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Westchester	7/31/2024 <sup>(4)</sup>	\$ 1,494,629,305	\$ 374,652,567 <sup>(2)</sup>	\$ 1,119,976,738	1.52%	\$ 17,023,646
Town of:						
New Castle	12/31/2023 <sup>(4)</sup>	14,880,000	7,116,150 <sup>(2)</sup>	7,763,850	100.00%	7,763,850
Mt. Pleasant	12/31/2023 <sup>(4)</sup>	72,305,000	50,994,591 <sup>(2)</sup>	21,310,409	0.10%	21,310
School District:						
Chappaqua	6/27/2024 <sup>(4)</sup>	64,510,000	27,416,750 <sup>(3)</sup>	37,093,250	90.81%	<u>33,684,380</u>
Total:						<u>\$ 58,493,187</u>

- (1) Outstanding bonds and bond anticipation notes are as of the close of the respective fiscal years, and are not adjusted to include subsequent bond or note sales, if any.
- (2) Water and sewer debt and appropriations.
- (3) Estimated State building aid based on current aid ratio.
- (4) Most recent available Continuing Disclosure Statement or Official Statement available on Electronic Municipal Market Access System (“EMMA”).

Source: Most recent available Continuing Disclosure Statement or Official Statement available on Electronic Municipal Market Access System (“EMMA”).

**Debt Ratios**

The following table sets forth certain ratios relating to the Fire District's indebtedness as of September 11, 2024:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 2,115,000	\$ 119.38	0.07%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	60,608,187	3,421.10	1.92

- (a) The current estimated population of the Town of New Castle is 17,716. (See “THE FIRE DISTRICT - Population Trends” herein.)
- (b) The Fire District's full value of taxable real estate for the 2024 fiscal year is \$3,149,888,978. (See “TAX INFORMATION – Taxable Valuations” herein.)
- (b) See "Debt Statement Summary" herein for the calculation of Net Indebtedness.
- (c) The Fire District’s Share of Net Overlapping Indebtedness is estimated to be \$58,493,187. (See "Estimated Overlapping Indebtedness" herein.)

**TAX MATTERS**

***Opinion of Bond Counsel***

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Fire District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the Fire District (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Bonds 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 Fire District in connection with the Bonds, and Bond Counsel has assumed compliance by the Fire 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 Bonds from gross income under Section 103 of the Code.

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

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated 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 Bonds.

#### ***Certain Ongoing Federal Tax Requirements and Certifications***

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Fire District, in executing the Tax Certificate, will certify to the effect that the Fire 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 Bonds from gross income under Section 103 of the Code.

#### ***Certain Collateral Federal Tax Consequences***

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. 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 Bonds.

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

#### ***Original Issue Discount***

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

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

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

### ***Bond Premium***

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

### ***Information Reporting and Backup Withholding***

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

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

### ***Miscellaneous***

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

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

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Fire District. Bond Counsel’s opinion will be substantially in the form attached hereto as “APPENDIX – E”.

## **LITIGATION**

The Fire District is subject to litigation in the ordinary conduct of its affairs, however, historically such litigation and/or prior suits have not had a materially adverse effect on the financial condition of the Fire District and, therefore, it is also anticipated that future suits, either individually or in the aggregate, are also not likely to have a material adverse effect on the financial condition of the Fire District. Presently the Fire District is not aware of any material or pending litigation, claims, and assessments that involve a material loss or gain to the District.

## **CONTINUING DISCLOSURE**

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Fire District will enter into a Continuing Disclosure Undertaking Certificate, a description of which is attached hereto as "APPENDIX – C."

## **BOND RATING**

Moody's Investors Service ("Moody's") has assigned its rating of "Aa1" to the Bonds. The rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's, 7 World Trade Center, 250 Greenwich Street, 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Bonds.

## **MUNICIPAL ADVISOR**

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Fire District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Fire District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Fire District or the information set forth in this Official Statement or any other information available to the Fire District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Fire District to the Municipal Advisor are partially contingent on the successful closing of the Fire District.

## **CUSIP IDENTIFICATION NUMBERS**

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the Fire District; provided, however, the Fire District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

## **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Fire District management's beliefs as well as assumptions made by, and information currently available to, the Fire District's management and staff. Because the statements are based on expectations



about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Fire District's files with the repositories. When used in Fire District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

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

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

Concurrently with the delivery of the Bonds, the Fire District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Fire District.

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

The Fire District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The Municipal Advisor may place a copy of this Official Statement on its website at [www.fiscaladvisors.com](http://www.fiscaladvisors.com). 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. The Municipal Advisor 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 Fire District nor the Municipal Advisor assumes any liability or responsibility for errors or omissions on such website. Further, the Municipal Advisor and the Fire 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. The Municipal Advisor and the Fire District also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Fire District contact information is as follows: Dwight Smith, Chairman of the Board of Fire Commissioners, 491 King Street, Chappaqua, New York 10514, Phone: (914) 272-5063, [dsmith@ncfd1.org](mailto:dsmith@ncfd1.org).

Additional information may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at [www.fiscaladvisors.com](http://www.fiscaladvisors.com)

This Official Statement has been duly executed and delivered by the Treasurer of the New Castle Fire District No. 1.

**NEW CASTLE FIRE DISTRICT NO. 1  
IN THE TOWNS OF NEW CASTLE AND MOUNT PLEASANT**

**Dated: September 11, 2024**

**KATY WHITE  
FIRE DISTRICT TREASURER**

**GENERAL FUND**

**Balance Sheets**

Fiscal Year Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>ASSETS</b>					
Cash	\$ 978,178	\$ 1,148,627	\$ 1,360,566	\$ 1,593,885	\$ 1,737,675
Cash, restricted	2,963,477	3,235,710	3,547,071	3,656,300	3,202,375
Service award program assets, restricted	-	1,691,497	1,831,105	2,003,181	2,127,867
Accounts Receivable	4,333	6,824	1,279	-	11,944
Due From Other Funds	-	-	-	-	1,110,849
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 3,945,988</u>	<u>\$ 6,082,658</u>	<u>\$ 6,740,021</u>	<u>\$ 7,253,366</u>	<u>\$ 8,190,710</u>
<b>LIABILITIES AND FUND EQUITY</b>					
Accounts Payable	\$ 12,733	\$ 5,244	\$ 11,680	\$ 7,797	\$ -
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>\$ 12,733</u>	<u>\$ 5,244</u>	<u>\$ 11,680</u>	<u>\$ 7,797</u>	<u>\$ -</u>
<b>FUND EQUITY</b>					
Restricted	\$ 2,963,477	\$ 4,927,207	\$ 5,378,176	\$ 5,659,481	\$ 5,330,242
Assigned	-	-	-	24,560	-
Unassigned	969,778	1,150,207	1,350,165	1,561,528	2,860,468
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUND EQUITY	<u>\$ 3,933,255</u>	<u>\$ 6,077,414</u>	<u>\$ 6,728,341</u>	<u>\$ 7,245,569</u>	<u>\$ 8,190,710</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 3,945,988</u>	<u>\$ 6,082,658</u>	<u>\$ 6,740,021</u>	<u>\$ 7,253,366</u>	<u>\$ 8,190,710</u>

Source: Audited Financial Reports of the Fire District. This Appendix itself is not audited.

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance**

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>REVENUES</b>					
Real Property Taxes & Tax Items	\$ 1,385,197	\$ 1,426,323	\$ 1,460,017	\$ 1,495,011	\$ 1,537,583
Fire Protection Services	200,046	200,098	202,115	204,144	206,202
Interest and Earnings	29,795	87,107	60,490	95,906	310,550
Sale of Property & Compensation For Loss	31,207	6,638	9,356	6,000	34,628
Miscellaneous	11,478	10,561	19,578	728	7,780
State Aid	1,500	-	-	285	-
Federal Aid	-	-	-	12,995	-
Total Revenues	<u>\$ 1,659,223</u>	<u>\$ 1,730,727</u>	<u>\$ 1,751,556</u>	<u>\$ 1,815,069</u>	<u>\$ 2,096,743</u>
<b>EXPENDITURES</b>					
Public Safety	\$ 901,521	\$ 800,034	\$ 822,557	\$ 1,017,564	\$ 856,468
Employee Benefits	215,560	107,191	100,859	106,064	118,996
Debt Service	<u>175,622</u>	<u>175,138</u>	<u>177,213</u>	<u>174,213</u>	<u>176,138</u>
Total Expenditures	<u>\$ 1,292,703</u>	<u>\$ 1,082,363</u>	<u>\$ 1,100,629</u>	<u>\$ 1,297,841</u>	<u>\$ 1,151,602</u>
Excess of Revenues Over (Under) Expenditures	<u>366,520</u>	<u>648,364</u>	<u>650,927</u>	<u>517,228</u>	<u>945,141</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>366,520</u>	<u>648,364</u>	<u>650,927</u>	<u>517,228</u>	<u>945,141</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	3,566,735	3,933,255	6,077,414	6,728,341	7,245,569
Prior Period Adjustments (net)	<u>-</u>	<u>1,495,795</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 3,933,255</u>	<u>\$ 6,077,414</u>	<u>\$ 6,728,341</u>	<u>\$ 7,245,569</u>	<u>\$ 8,190,710</u>

Source: Audited Financial Reports of the Fire District. This Appendix itself is not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budgets

	2023		2024
	Adopted Budget	Actual	Adopted Budget
<b>REVENUES</b>			
Real Property Taxes & Tax Items	\$ 1,537,582	\$ 1,537,583	\$ 1,632,223
Fire Protection Services	206,202	206,202	208,265
Interest and Earnings	-	310,550	-
Sale of Equipment	-	-	-
Sale of Property & Compensation For Loss	-	34,628	-
Miscellaneous	-	7,780	-
State Aid	-	-	-
Federal Aid	-	-	-
Total Revenues	<u>\$ 1,743,784</u>	<u>\$ 2,096,743</u>	<u>\$ 1,840,488</u>
<b>EXPENDITURES</b>			
Public Safety	\$ 1,333,147	\$ 856,468	\$ 1,433,000
Employee Benefits	234,500	118,996	234,500
Other Budgetary Purposes	-	-	-
Debt Service	176,137	176,138	172,988
Total Expenditures	<u>\$ 1,743,784</u>	<u>\$ 1,151,602</u>	<u>\$ 1,840,488</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>945,141</u>	<u>-</u>
Other Financing Sources (Uses):			
Operating Tranfers In	-	-	-
Operating Tranfers Out	-	-	-
Total Other Financing	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues and Other Sources Over (Under) Expeditures and Other Uses	<u>-</u>	<u>945,141</u>	<u>-</u>
<b>FUND BALANCE</b>			
Fund Balance - Beginning of Year	-	7,245,569	-
Prior Period Adjustments (net)	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 8,190,710</u>	<u>\$ -</u>

Source: 2023 Audited Financial Statement and budgets (unaudited). This appendix is not audited.

**APPENDIX - B**  
**New Castle Fire District #1**

**BONDED DEBT SERVICE**

Fiscal Year Ending December 31st	Principal	Interest	Total
2024	\$ 105,000	\$ 71,137.50	\$ 176,137.50
2025	110,000	67,987.50	177,987.50
2026	115,000	64,762.50	179,762.50
2027	120,000	61,387.50	181,387.50
2028	120,000	57,862.50	177,862.50
2029	125,000	54,262.50	179,262.50
2030	130,000	50,587.50	180,587.50
2031	135,000	46,762.50	181,762.50
2032	140,000	42,703.13	182,703.13
2033	145,000	38,406.25	183,406.25
2034	150,000	33,953.13	183,953.13
2035	155,000	29,250.00	184,250.00
2036	160,000	24,293.75	184,293.75
2037	165,000	19,175.00	184,175.00
2038	170,000	13,893.75	183,893.75
2039	175,000	2,843.75	177,843.75
<b>TOTALS</b>	<b>\$ 2,220,000</b>	<b>\$ 679,268.75</b>	<b>\$ 2,899,268.75</b>

## UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

### Section 1. Definitions

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

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

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

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

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

“Issuer” shall mean the **New Castle Fire District No. 1, in the Towns of New Castle and Mount Pleasant, Westchester County**, a district corporation of the State of New York.

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

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Fire District Treasurer as of September 19, 2024.

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

“Securities” shall mean the Issuer’s **\$15,205,580 Fire District Serial Bonds-2024**, dated October 2, 2024, maturing in various principal amounts on September 15 in each of the years 2025 to 2054, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Fiscal Advisors & Marketing, Inc., 250 South Clinton Street, Suite 502, Syracuse, New York, to the EMMA System:

- (i) no later than six (6) months following the end of each fiscal year, commencing with the fiscal year ending December 31, 2024, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided with the Annual Information no later than six (6) months following the end of each fiscal year, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and
- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
  - (1) principal and interest payment delinquencies;
  - (2) non-payment related defaults, if material;
  - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
  - (4) unscheduled draws on credit enhancements reflecting financial difficulties;

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

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

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

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

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

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

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings "THE FIRE DISTRICT," "TAX INFORMATION," "INDEBTEDNESS OF THE FIRE DISTRICT," AND "LITIGATION" AND APPENDICIES A and B.

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

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

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

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

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

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

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

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



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

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

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

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law. IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of October 2, 2024.

NEW CASTLE FIRE DISTRICT NO. 1, IN THE TOWNS OF NEW CASTLE AND  
MOUNT PLEASANT, WESTCHESTER COUNTY, NEW YORK

By \_\_\_\_\_  
Fire District Treasurer and Chief Fiscal Officer

**NEW CASTLE FIRE DISTRICT NO. 1**

**AUDITED FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2023**

**Such unaudited Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.**

**New Castle Fire District No. 1**

Financial Report

December 31, 2023

# New Castle Fire District No. 1

Financial Report

December 31, 2023

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## Independent Auditor's Report

Board of Fire Commissioners  
New Castle Fire District No. 1  
Chappaqua, New York

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of each governmental fund and each account group of the New Castle Fire District No. 1 (Fire District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Fire District's regulatory basis financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each governmental fund and each account group of the Fire District as of December 31, 2023, and the changes in financial position of each governmental fund for the year then ended in accordance with the financial reporting provisions of the Fire District Accounting and Reporting Manual of the New York State Office of the State Comptroller (Manual).

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fire District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter - Basis of Accounting*

We draw attention to Note 1b of the financial statements, which describes the basis of accounting. As described in Note 1b, the financial statements are prepared by the Fire District in accordance with the financial reporting provisions of the Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New York State. As a result, the financial statements may not be suitable for another purpose. Our opinions are not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Manual. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Responsibilities of Management for the Financial Statements - Continued***

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.





**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2024, on our consideration of the Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fire District's internal control over financial reporting and compliance.

**Restriction on Use**

Our report is intended solely for the information and use of the Fire District and the New York State Office of the State Comptroller and is not intended to be and should not be used by anyone other than these specified parties.

**BST+Co.CPAs, LLP**

Latham, New York  
March 6, 2024



# New Castle Fire District No. 1

## Balance Sheet - Governmental Funds and Account Groups - Regulatory Basis

	December 31, 2023			
	Governmental Funds		Account Groups	
	General	Capital Projects	Non-Current Governmental Assets	Non-Current Governmental Liabilities
<b>ASSETS AND OTHER DEBITS</b>				
<b>ASSETS</b>				
Cash	\$ 1,737,675	\$ 324,277	\$ -	\$ -
Cash, restricted	3,202,375	-	-	-
Service award program assets, restricted	2,127,867	-	-	-
Accounts receivable	11,944	-	-	-
Due from other funds	1,110,849	-	-	-
Capital assets	-	-	9,941,809	-
	8,190,710	324,277	9,941,809	-
<b>OTHER DEBITS</b>				
Amounts to be provided for noncurrent liabilities	-	-	-	2,218,420
<b>Total assets and other debits</b>	<b>\$ 8,190,710</b>	<b>\$ 324,277</b>	<b>\$ 9,941,809</b>	<b>\$ 2,218,420</b>
<b>LIABILITIES, OTHER CREDITS, AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ 60,012	\$ -	\$ -
Due to other funds	-	1,110,849	-	-
Bonds payable	-	-	-	2,218,420
Total liabilities	-	1,170,861	-	2,218,420
<b>OTHER CREDITS</b>				
Total capital assets	-	-	9,941,809	-
<b>FUND BALANCES</b>				
Restricted	5,330,242	-	-	-
Unassigned (deficit)	2,860,468	(846,584)	-	-
Total fund balance	8,190,710	(846,584)	-	-
<b>Total liabilities, other credits, and fund balance</b>	<b>\$ 8,190,710</b>	<b>\$ 324,277</b>	<b>\$ 9,941,809</b>	<b>\$ 2,218,420</b>

See accompanying Notes to Regulatory Basis Financial Statements.



# New Castle Fire District No. 1

## Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds - Regulatory Basis

	Year Ended December 31, 2023	
	Governmental Funds	
	General	Capital Projects
<b>REVENUES</b>		
Real property taxes	\$ 1,537,583	\$ -
Fire protection contracts	206,202	-
Sale of property	34,628	-
Interest and earnings	310,550	5,666
Miscellaneous local sources	7,780	-
Total revenues	2,096,743	5,666
<b>EXPENDITURES</b>		
Public safety		
Personal services	55,000	-
Capital outlays	85,579	852,250
Contractual expenditures	715,889	-
Employee benefits	118,996	-
Debt service		
Principal	105,000	-
Interest	71,138	-
Total expenditures	1,151,602	852,250
<b>Excess (deficiency) of revenues over expenditures</b>	<b>945,141</b>	<b>(846,584)</b>
<b>FUND BALANCES, beginning of year</b>	7,245,569	-
<b>FUND BALANCES, end of year</b>	<b>\$ 8,190,710</b>	<b>\$ (846,584)</b>

See accompanying Notes to Regulatory Basis Financial Statements.

# New Castle Fire District No. 1

## Notes to Regulatory Basis Financial Statements December 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies

#### *a. Organization*

The New Castle Fire District No. 1 (Fire District) is a district corporation of the State of New York and operates pursuant to the various provisions of New York State statutes and provisions of Town law. The Fire District was formed in 1910 and is governed by an elected Board of Fire Commissioners (Board) who are authorized to adopt rules and regulations of the Fire District's fire department.

#### *b. Basis of Accounting and Financial Statement Presentation*

The Fire District has elected to prepare its financial statements in accordance with the financial reporting provisions of the Fire District Accounting and Reporting Manual of the New York State Office of the State Comptroller (OSC) (Manual) for annual reports submitted to that office. This regulatory basis varies from accounting principles generally accepted in the United States of America (U.S. GAAP) primarily in that under U.S. GAAP:

- Financial statements include two additional statements, the statement of net position and the statement of activities, collectively referred to as the "government-wide" financial statements which are presented on the full accrual basis of accounting.
- A Management's Discussion and Analysis (MD&A) is required as supplementary information that precedes the basic financial statements and is intended to provide an objective analysis of the government's financial activities, both on a current and long-term basis, based on current conditions.
- Other supplementary information is required by U.S. GAAP.
- Fund-based financial statements must be reconciled to the "government-wide" financial statements.
- Capital assets, other than land and land improvements, are depreciated and reported on the "government-wide" statement of net position at net book value, and depreciation expense is allocated to the major functions on the statement of activities based on the use of the underlying assets.
- Equity in capital assets is reported as a component of net position versus "other credits."
- The Length of Service Awards Program (LOSAP) obligation would be reported as a component of non-current governmental liabilities in the government-wide financial statements.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for on the modified accrual basis using the current financial resources measurement focus. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. Operating statements of these funds' present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, governmental fund revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be reasonably determined, and "available" means the related cash resources are collectible within the current period or within the first 60 days of the following year.

# New Castle Fire District No. 1

## Notes to Regulatory Basis Financial Statements December 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *b. Basis of Accounting and Financial Statement Presentation - Continued*

Governmental fund expenditures are recorded when the fund liability is incurred except that:

- Expenditures for prepaid expenditures and inventory-type items are recognized at the time of purchase.
- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are due and payable.
- Governmental Accounting Standards Board (GASB) Interpretation 6 requires that expenditures and liabilities such as debt service, compensated absences, and claims and judgments be recorded in the governmental fund statements only when they mature or become due for payment within the period.

The Fire District's account groups are reported on the accrual basis of accounting.

#### *c. Fund Accounting*

The accounts of the Fire District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following funds are used:

- Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The Fire District has two governmental funds:
  - General Fund - Accounts for all resources, except those required to be accounted for in another fund. It operates within the financial limits of an annual budget adopted by the Board.
  - Capital Projects Fund – Used to account for financial resources to be used for the acquisition or construction of general capital assets, including any indebtedness associated with these general capital assets. Financing is generally provided from proceeds of bonds, notes, and/or federal and state grants.
- Account Groups - The Fire District also uses the following account groups:
  - Non-Current Governmental Assets - Accounts for land and land improvements, buildings, machinery and equipment, and construction in progress utilized for general government purposes.
  - Non-Current Governmental Liabilities - Accounts for long-term debt liabilities which are not recorded as a liability in another fund.

#### *d. Estimates*

The preparation of financial statements in accordance with the financial reporting provisions of the Manual requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and other financing sources/(uses) during the reporting period. Actual results could differ from those estimates.

# New Castle Fire District No. 1

## Notes to Regulatory Basis Financial Statements December 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *e. Budget*

The Fire District employs the following budgetary procedures:

- (1) The Board is required to annually adopt a Fire District budget setting detailed estimates of revenues to be received and expenditures to be made during the year for which the budget is proposed. The Fire District calculates its regulatory spending limitation to ensure the Fire District does not exceed the maximum amount which may be expended by the Fire District without voter approval. The budget is subject to certain public hearing requirements. As a result, the Fire District holds several public work sessions to arrive at a proposed budget. The proposed budget must be adopted by resolution of the Board at least five days before the date of the public hearing. The adopted proposed budget is publicized in advance of the public hearing, which is held on the third Tuesday in October of the year the budget is prepared. After the public hearing, the Board of the Fire District submits the Fire District's budget and fund balance statements to the budget officer of each town in which the Fire District is located by November 30 of the year the budget is prepared. The Fire District budget, as attached to the annual town budget, is sent to the county, for the levy of taxes for Fire District purposes.
- (2) Encumbrances are recorded to reserve a portion of the fund balance for outstanding purchase commitments to be financed from current appropriations. Expenditures for such commitments are recorded in the period in which the liability is incurred. The ensuing year's authorized appropriations are increased by the amount of encumbrances carried forward.

#### *f. Cash and Investments*

The Fire District's investment policies are governed by state statutes and various resolutions of the Board. Fire District monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments under State statute for the Fire District's general assets include obligations of the United States Treasury and United States agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required by State statute for certificates of deposit and for all deposits not covered by federal deposit insurance. The Fire District's investment policy requires all other deposits in excess of federal deposit insurance to be collateralized. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State, municipalities, and school districts.

As of December 31, 2023, all deposits were covered by FDIC insurance or collateralized by securities with the exception of \$10,557.

Restricted cash in the General Fund is reserved for the use and purposes of the Board in accordance with General Municipal Law. To establish a reserve, the Board must adopt a resolution subject to voter referendum. Expenditures from reserves can only be made following the adoption of a resolution, subject to permissive referendum.

The Fire District has accumulated assets for volunteer firefighters under a Length of Service Awards Program benefit plan. Assets held under this plan are invested in Empower's general investment account, which functions like a money market fund. The general investment account focuses on the fixed income segment and may invest in Treasuries, agencies, public bonds, private placements, bank loans, commercial mortgage loans, mortgage-backed securities, and other types of debt. These investments are reported at book value, which may be different than liquidation value.

# New Castle Fire District No. 1

## Notes to Regulatory Basis Financial Statements December 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *g. Capital Assets*

Capital assets, which include land and land improvements, buildings, machinery and equipment, and construction in progress are reported within the non-current governmental assets account group. Capital assets are defined by the Fire District as assets with an initial individual cost exceeding \$10,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

#### *h. Fund Balances*

Fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

- Nonspendable - Amounts that cannot be spent because they are either: (a) not in spendable form, or; (b) are legally or contractually required to be maintained intact.
- Restricted - Amounts that have restraints that are either: (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.
- Assigned - Amounts that are constrained only by the government's intent to be used for a specified purpose but are not restricted or committed in any manner.
- Unassigned - The residual amount in the General Fund after all of the other classifications have been established. In a special revenue fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

The Fire District's fund balance policy is set by the Board, the highest level of decision-making authority. The Fire District considers "formal action" for committed fund balance to be the passing of a Board resolution. The Board has delegated the ability to assign fund balance to the Treasurer. The Fire District considers fund balance spent in the order of restricted, committed, assigned, and unassigned.

See Note 3 for a summary of the Fire District's fund balances as of December 31, 2023.

#### *i. Real Property Taxes*

Annually, the Fire District prepares and files with the budget officers of the Towns of New Castle and Mount Pleasant, detailed estimates of amounts of revenues to be received and expenditures to be made in the upcoming year. For the year ended December 31, 2023, the Fire District received the following revenue from property taxes levied by the Towns:

Town of New Castle	\$ 1,524,896
Town of Mount Pleasant	12,687
Total real property tax revenue	<u>\$ 1,537,583</u>

# New Castle Fire District No. 1

## Notes to Regulatory Basis Financial Statements December 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*j. Fire Protection Services*

The Fire District has contracted with the Town of Mount Pleasant to provide fire protection services annually to portions of the Town not included in the Fire District.

*k. Donated Services*

The value of services provided by the volunteer firefighters has not been determined or reflected in these financial statements.

*l. Subsequent Events*

The Fire District has evaluated subsequent events for potential recognition or disclosure through March 6, 2024, the date the financial statements were available to be issued.

### Note 2 - Non-Current Governmental Assets

The following is a reconciliation of the Fire District's non-current governmental assets:

	Balance at December 31, 2022	Additions	Placed into Service/ Disposals	Balance at December 31, 2023
Land and land improvements	\$ 4,132,561	\$ -	\$ -	\$ 4,132,561
Buildings	1,415,300	-	-	1,415,300
Machinery and equipment	3,202,267	20,733	(40,000)	3,183,000
Construction in-progress	293,852	917,096	-	1,210,948
General fixed assets	<u>\$ 9,043,980</u>	<u>\$ 937,829</u>	<u>\$ (40,000)</u>	<u>\$ 9,941,809</u>

### Note 3 - Fund Balances

A summary of the Fire District's fund balances is as follows:

	December 31, 2023	
	Due To	Due From
General Fund	\$ -	\$ 1,110,849
Capital Projects Fund	1,110,849	-
Total	<u>\$ 1,110,849</u>	<u>\$ 1,110,849</u>

During the year ended December 31, 2023, the Capital Projects fund borrowed approximately \$1.1 million from the General Fund to finance large capital expenditures related to the construction of a new firehouse. The interfund balance will be repaid through the issuance of bonds in 2024, which will also eliminate the unassigned deficit in the Capital Projects fund.

# New Castle Fire District No. 1

## Notes to Regulatory Basis Financial Statements December 31, 2023

### Note 4 - Serial Bonds

In March 2018, the Fire District issued serial bonds in the amount of \$2,674,644 to finance the acquisition of land and related costs. The bonds are due in varying installments on March 1 of each year through 2039. Interest is due semi-annually on March 1 and September 1 at interest rates ranging from 3.00% to 3.25%. As of December 31, 2023, \$2,218,420 of bonds payable was outstanding. Principal and interest payments during 2023 on the serial bonds were \$105,000 and \$71,138, respectively.

The future debt service requirements for the serial bond obligation is as follows:

December 31,	Principal	Interest	Total
2024	\$ 105,000	\$ 67,988	\$ 172,988
2025	110,000	64,762	174,762
2026	115,000	61,388	176,388
2027	120,000	57,862	177,862
2028	120,000	54,263	174,263
2029 through 2033	675,000	212,413	887,413
2034 through 2038	800,000	95,063	895,063
2039	173,420	2,844	176,264
	\$ 2,218,420	\$ 616,582	\$ 2,835,002

In March 2023, the Fire District passed a resolution authorizing the issuance of bonds not to exceed \$15,205,580 to finance new construction and modernization of the Fire District's offices and firehouse. The bonds are expected to be issued in May 2024.

### Note 5 - Service Awards Program

The Fire District's financial statements are for the year ended December 31, 2023. However, the information contained in this note is based on information for the Length of Service Awards Program (LOSAP) for the plan year ended on February 28, 2023, based on the actuarial valuation report for the plan year then ended.

#### *LOSAP*

The Fire District established a defined benefit LOSAP for the active volunteer firefighters of the Fire District. The program was adopted on March 1, 1990. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally funded, pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Fire District is the sponsor of the program. The program is considered a non-qualified deferred compensation plan, which is designed such that contributions do not result in immediate taxation to program participants. Funds deposited into the program cannot be revoked by the Fire District; however, the funds may be subject to the claims made by the Fire District's general unsecured creditors.

# New Castle Fire District No. 1

## Notes to Regulatory Basis Financial Statements December 31, 2023

### Note 5 - Service Awards Program - Continued

#### *Program Description*

##### Participation, Vesting, and Service Credit

Active volunteer firefighters who have reached the age of sixteen are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five (5) years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 65. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a regulatory list of activities and point values.

##### Benefits

A participant's monthly benefit under the program is a ten-year certain and continuous life annuity equal to \$20 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed forty; therefore, the monthly benefit cannot exceed \$800. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age.

##### Fiduciary Investment and Control

Service credit is determined by the governing Board of the sponsor, based on the information certified to the governing Board by each fire district or company having members who participate in the program. Each fire district or company must maintain all required records on forms prescribed by the governing Board.

The governing Board of the sponsor has retained and designated Volunteer Fireman's Insurance Services (VFIS) to assist in the administration of the program. The designated program administrator's primary function is to administer the plan for the exclusive benefit of the participants and their beneficiaries. In addition, the designated program administrator has other duties including a) to compute, certify, and direct the trustee with respect to the amount and kind of benefits to which the participants shall be entitled; b) to maintain all necessary records to administer the plan; c) to interpret provisions of the plan; and d) to compute and certify to the sponsor and trustee the sums of money necessary to be contributed to the trust fund. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the Board.

Authority to invest the program assets is vested in the program trustee. The Board has retained Empower to provide investment management and custodial services. Program assets are invested in accordance with a statutory "prudent person" rule and in accordance with an investment policy adopted by the Board.

The sponsor is required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is VFIS. Portions of the following information are derived from a report prepared by the actuary dated August 22, 2022.



# New Castle Fire District No. 1

## Notes to Regulatory Basis Financial Statements December 31, 2023

### Note 5 - Service Awards Program - Continued

#### Assets and Liabilities

Actuarial present value of vested benefits at February 28, 2023		\$ 2,097,142
Less assets available for benefits		
Empower General Investment Account		1,836,197
Total unfunded benefits		\$ 260,945

#### Receipts and Disbursements

Plan net assets, March 1, 2022		\$ 1,698,516
Plan contributions	122,431	
Investment income earned	53,624	176,055
Plan benefit withdrawals	(34,024)	
Administrative fees	(4,350)	(38,374)
Plan net assets, February 28, 2023		\$ 1,836,197

#### Contributions

Amount of sponsor's contribution recommended by the actuary		\$ 110,244
Amount of sponsor's actual contribution		110,244

#### Administration Fees

Fees paid to designated program administrator, VFIS		4,350
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#### *Funding Methodology and Actuarial Assumptions*

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the entry age normal frozen initial liability method. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on investment		4.25%
Mortality tables used for Pre-Retirement and Post-Retirement		
Male		RP2000M>2030 - 0
Female		RP2000F>2030 - 0
Death (Actives)		N/A

### Note 6 - Risks and Uncertainties

The Fire District's LOSAP invests in Empower's general investment account. Such accounts are exposed to various risks, such as interest rate, and credit risks. Due to the level of risk associated with such accounts, it is at least reasonably possible that changes in the values will occur in the near term and that such changes in the values could materially affect plan balances and the amounts reported in the balance sheet.



**Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

Board of Fire Commissioners  
New Castle Fire District No. 1  
Chappaqua, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each governmental fund and each account group of the New Castle Fire District No. 1 (Fire District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Fire District's regulatory basis financial statements, and have issued our report thereon dated March 6, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fire District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fire District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fire District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BST+Co.CPAs, LLP**

Latham, New York  
March 6, 2024



**FORM OF BOND COUNSEL’S OPINION**

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

October 2, 2024

The Board of Fire Commissioners of the  
New Castle Fire District No. 1,  
in the Towns of New Castle and Mount Pleasant, Westchester County, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the New Castle Fire District No. 1 (the “Fire District”), in the Towns of New Castle and Mount Pleasant, Westchester County, New York, a district corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$15,205,580 Fire District Serial Bonds-2024 (the “Bonds”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof. Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the Fire District for which the Fire District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Fire District is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

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

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

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

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\*Preliminary, Subject to change.

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

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

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

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

Very truly yours,