REFUNDING ISSUES **RATINGS: (See "*RATINGS*" herein)**

Hawkins Delafield & Wood LLP, Bond Counsel to the City, expects to deliver an opinion on June 8, 2022 with respect to the Series A Bonds and on July 21, 2022 with respect to the Series B Bonds, which states that: 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. In addition, the opinion of Bond Counsel to the City, will state that, 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 and the City of Yonkers. Changes in fact or law (including federal or State law, regulations, rulings and court decisions) that occur between the date hereof and the date of delivery of each series of Bonds may adversely affect the ability of Bond Counsel to deliver an opinion to the foregoing effect with respect to each series of Bonds, in which case the Bonds may not be delivered. See, "CERTAIN FORWARD DELIVERY CONSIDERATIONS OF THE BONDS" and "TAX MATTERS" herein.

CITY OF YONKERS, NEW YORK

$29,000,000 GENERAL OBLIGATION REFUNDING SERIAL BONDS-2022A (FORWARD DELIVERY)*

and

$12,045,000 GENERAL OBLIGATION REFUNDING SERIAL BONDS-2022B (FORWARD DELIVERY)*

Dated: Date of Delivery **Due: As shown on inside front cover**

The $29,000,000 General Obligation Refunding Serial Bonds-2022A (Forward Delivery) (the "Series A Bonds") and $12,045,000 General Obligation Refunding Serial Bonds-2022B (Forward Delivery) (the "Series B Bonds" and together with the Series A Bonds, the "Bonds"), will each constitute general obligations of the City and will each contain a pledge of its faith and credit 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 City, subject to certain statutory limitations imposed by Chapter 97 of the Laws of New York of 2011, as amended (the "Tax Levy Limit Law"). (See "*Tax Levy Limit Law*" under "*PROPERTY TAXES*" in Appendix A attached hereto). A percentage of all City ad valorem real property taxes collected, together with the proceeds of a one percent sales and use tax currently authorized, must be deposited, as received, into the Debt Service Fund maintained with the Comptroller of the State of New York (the "State Comptroller"), as Fiscal Agent. Funds in the Debt Service Fund may be used only to pay principal of and interest on bond and note obligations of the City, including the Bonds, as more fully set forth herein.

The Bonds will mature and bear interest at the rates and will have the yields or public offering prices shown on the inside cover of this Official Statement. Interest on the Series A Bonds will be payable on September 1, 2022 and semi-annually thereafter on March 1 and September 1 in each year until maturity. Interest on the Series B Bonds will be payable on October 15, 2022 and semi-annually thereafter on April 15 and October 15 in each year until maturity

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as Securities Depository for the Bonds. Individual purchases will be made in book entry form only, in principal amounts of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interests in the Bonds.

Principal of and interest on the Bonds will be paid by The Bank of New York Mellon, New York, New York, the Paying Agent for the Bonds, to the Securities Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds will not be subject to redemption prior to maturity.

BAM
BUILD AMERICA MUTUAL

* The scheduled payment of principal of and interest on the Series A Bonds and the Series B Bonds maturing in the years 2024 and thereafter (collectively, the "Insured Bonds"), when due will be guaranteed under separate insurance policies to be issued concurrently with the delivery of the Insured Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM").

CHAPTER 55 OF THE LAWS OF 2014 OF THE STATE OF NEW YORK ("CHAPTER 55") AUTHORIZED THE CITY TO ISSUE DEFICIT BONDS ON BEHALF OF THE BOARD OF EDUCATION OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED $45,000,000 TO FUND THE CUMULATIVE DEFICIT IN THE GENERAL FUND OF SAID BOARD OF EDUCATION AS OF JUNE 30, 2014. ON MARCH 27, 2015, THE CITY ISSUED ITS $37,260,000 SCHOOL DEFICIT BONDS-2015A PURSUANT TO SUCH AUTHORIZATION.

This Preliminary Official Statement is in a form "Deemed Final" by the City for the purpose of Securities and Exchange Commission Rule 15c2-12. For a description of the City's Agreement(s) to provide continuing disclosure as described in the Rule, see "*DISCLOSURE UNDERTAKING*" herein.

The Bonds are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the City, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, New York, New York. It is expected that delivery of the Series A Bonds and the Series B Bonds in definitive form will be made on or about June 8, 2022 and July 21, 2022, respectively, in Jersey City, New Jersey.

FHN Financial Capital Markets Roosevelt & Cross Incorporated

January 26, 2022

$29,000,000 GENERAL OBLIGATION REFUNDING SERIAL BONDS-2022A (FORWARD DELIVERY)

Dated: Date of Delivery

Principal Due: **September 1 in each year as shown below**
Interest Due: **September 1, 2022 and semi-annually thereafter on March 1 and September 1 in each year until maturity**

Maturity	Amount	Interest Rate	Yield	CUSIP 986082†	Maturity	Amount	Interest Rate	Yield	CUSIP 986082†
09/01/2022	$3,525,000	5.00%	0.95%	L86	09/01/2027	$3,270,000	5.00%	1.67%	M51
09/01/2023	3,305,000	5.00	1.01	L94	09/01/2028	2,320,000	5.00	1.77	M69
09/01/2024	2,815,000	5.00	1.19	M28	09/01/2029	2,430,000	5.00	1.86	M77
09/01/2025	2,970,000	5.00	1.40	M36	09/01/2030	2,560,000	5.00	1.93	M85
09/01/2026	3,115,000	5.00	1.55	M44	09/01/2031	2,690,000	5.00	1.97	M93

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

$12,045,000 GENERAL OBLIGATION REFUNDING SERIAL BONDS-2022B (FORWARD DELIVERY)

Dated: Date of Delivery

Principal Due: **October 15 in each year as shown below**
Interest Due: **October 15, 2022 and semi-annually thereafter on April 15 and October 15 in each year until maturity**

Maturity	Amount	Interest Rate	Yield	CUSIP 986082†	Maturity	Amount	Interest Rate	Yield	CUSIP 986082†
10/15/2022	$1,385,000	5.00%	1.00%	N27	10/15/2026	$1,510,000	5.00%	1.58%	N68
10/15/2023	1,290,000	5.00	1.06	N35	10/15/2027	1,600,000	5.00	1.70	N76
10/15/2024	1,360,000	5.00	1.23	N43	10/15/2028	1,685,000	5.00	1.80	N84
10/15/2025	1,430,000	5.00	1.44	N50	10/15/2029	1,785,000	5.00	1.90	N92

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

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

The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the cover and inside cover pages hereof. The offering prices may be changed from time to time by the Underwriters. No representations are made or implied by the City as to any offering by the Underwriters. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction but the Underwriters do not guaranty the accuracy or completeness of such information. In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

This Official Statement is submitted in connection with the sale of the Bonds described herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement among the City, the Underwriters and the purchasers or owners of any offered Bonds. This Official Statement is being provided to prospective purchasers either in bound printed form ("Original Bound Format") or in electronic format on the following websites: www.capmark.org or https://emma.msrb.org/. References to website addresses presented herein are for informational purposes only and unless specified otherwise, are not incorporated by reference into, and are not deemed to be a part of, this Official Statement.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the cover page, the inside cover page and the Appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Bonds is made only by means of this entire Official Statement.

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

The Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense. The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemption contained in Section 3(a)(2) of such act.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE POLICY" and "APPENDIX I – "INFORMATION CONCERNING THE BOND INSURER AND SPECIMEN POLICY."

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APPENDIX A - THE CITY OF YONKERS

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CITY OF YONKERS

MAYOR
Mike Spano

CITY COUNCIL PRESIDENT
Lakisha Collins-Bellamy

COUNCIL MEMBERS
Tasha Diaz, Majority Leader
Mike Breen, Minority Leader
Corazon Pineda Isaac
Shanae V. Williams
John Rubbo
Anthony J. Merante

DEPUTY MAYORS
Steven J. Levy
Anthony Landi

CORPORATION COUNSEL
Matthew Gallagher

COMMISSIONER OF FINANCE & MANAGEMENT SERVICES AND COMPTROLLER
John A. Liszewski

DEPUTY COMMISSIONER OF FINANCE & MANAGEMENT SERVICES
Elizabeth Janocha

BOND COUNSEL
Hawkins Delafield & Wood LLP
New York, New York

AUDITORS
PKF O'Connor Davies LLP
Harrison, New York

MUNICIPAL ADVISOR
Capital Markets Advisors LLC
Great Neck, New York

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OFFICIAL STATEMENT

relating to the

CITY OF YONKERS, NEW YORK

$29,000,000 GENERAL OBLIGATION REFUNDING SERIAL BONDS-2022A (FORWARD DELIVERY)

and

$12,045,000 GENERAL OBLIGATION REFUNDING SERIAL BONDS-2022B (FORWARD DELIVERY)

This Official Statement, which includes the cover page and appendices, presents information relating to the City of Yonkers, in the County of Westchester, New York (the "City", "County" and "State", respectively) and was prepared by the City in connection with the sale of its $29,000,000 General Obligation Refunding Serial Bonds-2022A (Forward Delivery) (the "Series A Bonds") and $12,045,000General Obligation Refunding Serial Bonds-2022B (Forward Delivery) (the "Series B Bonds" and together with the Series A Bonds, the "Bonds").

The factors affecting the City'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 City's tax base, revenues and expenditures, this Official Statement should be read in its entirety.

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the City's overall economic situation and outlook (and all of the specific City-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify.

The City expects to authorize, sell and issue one or more series of bonds in March 2022 in the aggregate principal amount of approximately $95.5 million to finance various capital purposes in and for the City, all authorized pursuant to various bond ordinances adopted by the City Council on their respective dates. Such bonds are expected to be issued pursuant to a separate official statement to be prepared and circulated by the City.

INTRODUCTION

The City is a municipal corporation of the State. With a population estimated at 211,569 according to 2021 Decennial US Census data, the City is the third most populous city in the State. The City has an area of approximately 18.3 square miles and is located in the southwestern section of the County. The City has substantial established residential areas, and there are 13 companies located in the City which have 200 or more employees. Its largest taxpayers include Consolidated Edison Company, The City of New York, Morris Builders, LP and AAC Cross County Mall, LLC.

The City has the general power and responsibilities inherent in the operation of a municipal government. The City is responsible for and maintains police, fire, sanitation and water services, in-City sewer infrastructure, municipal streets, library, parks and facilities. A Board of Trustees, appointed by the Mayor, administers the Yonkers public school system (the "BOE" or "Board of Education"); however, the City Council is responsible for determining the level of and provides for educational expenditures as part of the annual budgetary process. Pursuant to State legislation enacted in connection with the State's 2014-2015 Adopted Budget, the City and the BOE entered into an inter-municipal agreement, whereby the City assumed control of all financial and budget functions of the BOE. The inter-municipal agreement gives the City certain administrative controls over non-academic operations and functions of the BOE, as hereinafter defined. Under State law, the County, not the City, is responsible for funding mandated social service programs such as Medicaid, Aid to Families with Dependent Children and home relief programs. The City does not own, operate or have financial responsibility for any hospitals or colleges.

The Special Local Finance and Budget Act of the City of Yonkers, constituting Chapters 488 and 489 of the Laws of 1976 of the State (the "Act"), provides the purchasers of the City's debt obligations, including the Bonds, with special contractual safeguards not usually afforded to the holders of general obligation debt of other municipalities in the State. (See "*The Special Local Finance and Budget Act*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" in Appendix A attached hereto.) Pursuant to the Bond Ordinance duly adopted by the City Council on January 26, 2022 (the "Sale Ordinance") and subsequently approved by the Mayor, the City has continued and reiterated, with respect to the Bonds and the holders thereof, the safeguards and provisions established under the Act which apply to bonds of the City issued in 1976 and thereafter. (See Appendix D attached hereto for a summary of the provisions of the Act.)

Each of the Bonds will be general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Bonds, the City has the power to levy ad valorem taxes on all taxable real property within the City, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" under "*PROPERTY TAXES*" in Appendix A attached hereto.) A percentage of all City ad valorem real property taxes collected, together with the proceeds of a special one percent sales and use tax authorized by Chapter 871 of the State Laws of 1975, as amended (the "Special Sales Tax"), must be deposited, as received, into the Debt Service Fund maintained with the State Comptroller acting as Fiscal Agent (the "Fiscal Agent"). Funds in the Debt Service Fund may be used only to pay principal of and interest on bond and note obligations of the City, including the Bonds. If at any point during a fiscal year the funds on deposit in the Debt Service Fund exceed the unpaid amount of all Special Debt Service due or to become due at or prior to the end of such fiscal year, the Fiscal Agent shall pay over to the City the amount of such excess for use by the City.

THE BONDS

Authorization for the Bonds

The Bonds are issued pursuant to the Constitution and statutes of the State, including the Local Finance Law and the Act; the Refunding Bond Ordinance (Special Ordinance No. 15-2021), duly adopted on May 11, 2021 by the City Council and subsequently approved by the Mayor, authorizing the issuance of refunding bonds of the City in the principal amount of not to exceed $43,000,000 for the purpose of refunding certain outstanding bonds of the City and the Sale Ordinance, duly adopted on January 26, 2022, determining the terms, form and details of issuance of the Bonds, directing their negotiated sale, and providing for the rights of holders thereof.

Description of the Bonds

The Bonds will be dated their date of delivery and will mature in the principal amounts in each of the years and will bear interest at the rates set forth on the inside cover page hereof. Interest on the Series A Bonds will be payable on September 1, 2022 and semi-annually thereafter on March 1 and September 1 in each year until maturity. Interest on the Series B Bonds will be payable on October 15, 2022 and semi-annually thereafter on April 15 and October 15 in each year until maturity.

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

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

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases will be made in book entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interests in the Bonds.

Principal and interest on the Bonds will be paid by The Bank of New York Mellon, New York, New York, the Paying Agent for the Bonds, to DTC, which will in turn remit such principal and interest to its Participants (as hereinafter defined), for subsequent distribution to the Beneficial Owners (as hereinafter defined) of the Bonds, as described herein. The Bonds may be transferred or exchanged in the manner described on the Bonds and as referenced in accompanying proceedings of the City. See also, "*FUNCTIONS OF THE FISCAL AGENT*" herein.

The Bonds are not subject to redemption prior to maturity.

Purpose of the Bonds

The Bonds are being issued for the purpose of refunding all outstanding General Obligation Refunding Bonds-2014A; School Refunding Bonds-2014B; School Serial Bonds-2014D in the aggregate amount of $45,365,000 (the "Refunded Bonds") (See "*Refunding Financial Plan*" under "*THE BONDS*" herein). The Refunded Bonds were issued to finance and/or refinance various purposes in and for the City and the Board of Education of the City.

Refunding Financial Plan

The Bonds are being issued to effect the refunding of all of the Refunded Bonds maturing or being subject to redemption on the dates and in the amounts set forth below. For further information regarding the refunding of the COY Refunded Bonds, see "*VERIFICATION OF MATHEMATICAL COMPUTATIONS*" herein.

Series	Refunded Maturity Date	Refunded Principal	Refunded Coupon	Redemption Date	Redemption Price	CUSIP 986082
2014A	September 1, 2022	$ 2,130,000	5.00%	--	100.000	NU5
	September 1, 2023	2,220,000	3.00	September 1, 2022	100.000	NV3
	September 1, 2024	2,285,000	3.00	September 1, 2022	100.000	NW1
	September 1, 2025	2,355,000	3.00	September 1, 2022	100.000	NX9
	September 1, 2026	2,425,000	3.00	September 1, 2022	100.000	NY7
	September 1, 2027	2,500,000	3.00	September 1, 2022	100.000	NZ4
	September 1, 2028	2,580,000	3.00	September 1, 2022	100.000	PA7
	September 1, 2029	2,655,000	3-1/8	September 1, 2022	100.000	PB5
	September 1, 2030	2,745,000	3.25	September 1, 2022	100.000	PC3
	September 1, 2031	2,835,000	3.25	September 1, 2022	100.000	PD1
	Subtotal:	$24,730,000				

Series	Refunded Maturity Date	Refunded Principal	Refunded Coupon	Redemption Date	Redemption Price	CUSIP 986082
2014B	September 1, 2022	$1,575,000	3.00%	--	100.000	PN9
	September 1, 2023	1,615,000	2.50	September 1, 2022	100.000	PP4
	September 1, 2024	1,010,000	2.75	September 1, 2022	100.000	PQ2
	September 1, 2025	1,045,000	3.00	September 1, 2022	100.000	PR0
	September 1, 2026	1,075,000	3.00	September 1, 2022	100.000	PS8
	September 1, 2027	1,105,000	3.00	September 1, 2022	100.000	PT6
	Subtotal:	$7,425,000				
2014D	October 15, 2022	$1,470,000	3.00%	--	100.000	QL2
	October 15, 2023	1,515,000	3.00	October 15, 2022	100.000	QM0
	October 15, 2024	1,565,000	3.00	October 15, 2022	100.000	QN8
	October 15, 2025	1,615,000	3.00	October 15, 2022	100.000	QP3
	October 15, 2026	1,670,000	3.00	October 15, 2022	100.000	QQ1
	October 15, 2027	1,730,000	3.00	October 15, 2022	100.000	QR9
	October 15, 2028	1,790,000	3.00	October 15, 2022	100.000	QS7
	October 15, 2029	1,855,000	3.00	October 15, 2022	100.000	QT5
	Subtotal:	$13,210,000				
	Total:	$45,365,000				

The City's refunding financial plan (the "Refunding Financial Plan") provides that after payment of underwriting and other costs of issuance related to the Refunding Bonds, the remaining proceeds of the Refunding Bonds, will be placed in an irrevocable trust fund (the "Escrow Fund") with The Bank of New York Mellon, New York, New York (the "Escrow Holder"), pursuant to the terms of escrow contracts by and between the City and the Escrow Holder, dated June 8, 2022 for the Series A Bonds and July 21, 2022 for the Series B Bonds (collectively, the "Escrow Contract"). The proceeds of the Refunding Bonds so deposited, will be sufficient to pay the principal of and interest on the Refunded Bonds on or prior to their respective redemption dates. The Refunding Financial Plan requires the Escrow Holder, pursuant to the refunding bond ordinance of the City Council and the Escrow Contract, to call for the redemption of the Refunded Bonds on their applicable redemption dates. The owners of the Refunded Bonds will have a first lien on the Escrow Fund to the extent permitted by law until such Refunded Bonds have been redeemed, whereupon the Escrow Contract shall terminate.

The Refunding Financial Plan projects that the City will realize gross and present-value debt service savings.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the City (although they are excludable in computing the City's debt limit) and will continue to be payable from City sources legally available therefor. However, inasmuch as the cash held in the Escrow Fund will be sufficient to meet all required payments of principal of and interest on the Refunded Bonds, it is not anticipated that such City sources of payment will be utilized.

SOURCES AND USES OF FUNDS FOR BONDS

Sources:	**Series A**	**Series B**	**Total**
Par Amount Bonds	$29,000,000.00	$12,045,000.00	$41,045,000.00
Net Original Issue Premium	3,980,932.25	1,510,420.60	5,491,352.85
Totals	$32,980,932.15	$13,555,420.60	$46,536,352.85
Uses:			
Fund Deposits	$32,661,959.38	$13,408,150.00	$46,070,109.38
Underwriting Discount	75,700.85	31,485.37	107,186.22
Costs of Issuance, Bond Insurance Premium & Contingency	243,272.02	115,785.23	359,057.25
Totals	$32,980,932.15	$13,555,420.60	$46,536,352.85

VERIFICATION OF MATHEMATICAL COMPUTATIONS

PKF O'Connor Davies LLP, independent accountants, will deliver its report indicating that it has verified the mathematical accuracy of the computations in the schedules provided by the Underwriters with respect to the Refunding Bonds. Included in the scope of its verification report will be a verification of the mathematical accuracy of (a) the computations of the adequacy of the cash, the maturing principal amounts and the interest on the Government Obligations deposited with the Escrow Holder under the Escrow Contract to pay the interest, principal and redemption price coming due on the Refunded Bonds on or prior to their respective redemption dates as described in "*Refunding Financial Plan*" under "*THE BONDS*" herein and (b) the computations supporting the conclusion of Bond Counsel to the City that the Refunding Bonds are not "arbitrage bonds" under the Code and the regulations promulgated thereunder.

CERTAIN FORWARD DELIVERY CONSIDERATIONS OF THE BONDS

Subject to the terms of the bond purchase agreement (the "Purchase Agreement") between the City and FHN Financial Capital Markets as representative of the underwriters (the "Underwriter") the City expects to issue and deliver the Series A Bonds on or about June 8, 2022 and the Series B Bonds on or about July 21, 2022 (each a "Closing Date"). In connection with the sale of the Bonds, investors will be required to sign a forward delivery contract (each a "Forward Delivery Contract") with the Underwriter, the form of which is attached hereto as Appendix H. The City is not a party to the Forward Delivery Contract, and the City is not in any way responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations under the Purchase Agreement are not conditioned or dependent upon the performance of any Forward Delivery Contract.

The following is a description of certain provisions of the Purchase Agreement and Forward Delivery Contract. This description is not considered a full statement of the terms of the Purchase Agreement and the Forward Delivery Contract, and accordingly is qualified by reference thereto and is subject to the full text thereof.

BY PLACING AN ORDER WITH THE UNDERWRITER FOR THE PURCHASE OF THE BONDS, EACH INVESTOR ACKNOWLEDGES AND AGREES THAT THE BONDS ARE BEING SOLD ON A "DELAYED DELIVERY" BASIS, AND THAT THE INVESTOR IS OBLIGATED TO ACCEPT DELIVERY OF AND PAY FOR BONDS AT CLOSING ON THE CLOSING DATE SUBJECT TO THE CONDITIONS IN THE FORWARD DELIVERY CONTRACT, AND THAT EACH INVESTOR WILL SIGN, AND DELIVER TO THE UNDERWRITER, A FORWARD DELIVERY CONTRACT AS A CONDITION TO ANY BONDS BEING ALLOCATED TO SUCH INVESTOR.

Termination of Purchase Agreement

The Underwriters has the ability, without liability, to terminate its obligation under the Purchase Agreement by notifying the City of any of the following:

(1) Legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or otherwise, or would be in violation of any provision of the federal securities laws; or

(2) A Change in Law has occurred meaning (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Closing Date, (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Closing Date or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would (A) prohibit the Underwriter from underwriting the Bonds or selling the Bonds or beneficial ownership interests therein to the public or (B) make the completion of issuance, sale or delivery of the Bonds illegal. It should be noted that, notwithstanding that a Change in Law might diminish the value of the exclusion of interest on the Bonds for purposes of federal income taxation, the City might be able to satisfy the requirements for the delivery of Bonds. In such event, the Underwriter would be required to accept delivery of the Bonds and the Investor would be required to purchase the Bonds from the Underwriters; or

(3) Bond Counsel does not deliver an opinion at Closing substantially in the form and to the effect set forth in Appendix E of the Official Statement; or

(4) The United States of America shall have become engaged in hostilities which shall have resulted in a declaration of war or a national emergency, or other national or international calamity or other event shall have occurred or accelerated to such an extent as, in the opinion of the Underwriter, to have a materially adverse effect on the marketability of the Bonds; or

(5) There shall have occurred a suspension of trading on the New York Stock Exchange continuing for more than one full daily session; or

(6) A general banking moratorium shall have been declared by the United State of America or New York or a material disruption in commercial banking, or securities settlement or clearance services shall have occurred; or

(7) An event or circumstance exists which requires the preparation and distribution of a supplement or amendment to the Preliminary Official Statement and Official Statement and the City shall refuse to (1) to provide such supplement or amendment or (2) to pay for such supplement or amendment or (3) the amendment would materially adversely affect the marketability of the Bonds; or

(8) The evidence of an investment grade rating on the Bonds from Moody's and S&P is not delivered at Closing.

Additional Risks Related to the Delayed Delivery Period

From the date of the Purchase Agreement to the Closing Date, certain information contained in this Official Statement could change in a material respect. Changes in such information will not permit the Underwriter to terminate the Purchase Agreement unless the change reflects an event described above in items (1) - (8) or release the purchasers of their obligation to purchase the Bonds except as expressly described in the Forward Delivery Contract.

In addition to the risks set forth above, purchasers of the Bonds are subject to certain additional risks, some of which are described below, and which will not constitute grounds for purchasers to refuse to accept delivery of and pay for the Bonds.

Opinion of Bond Counsel: Tax Law Risk

The Purchase Agreement obligates the City deliver and the Underwriters to acquire the Bonds if the City delivers the Bond Counsel Opinion. New legislation, new court decisions, new regulations, or new rulings may be enacted, promulgated or interpreted that might prevent Bond Counsel from rendering its opinion or otherwise affect the substance of such opinion. Notwithstanding that the enactment of new legislation, new court decisions or the promulgation of new regulations or rulings might diminish the value of, or otherwise affect, the exclusion of interest on the Bonds for purposes of federal income taxation payable on "state or local bonds," the City might be able to satisfy the requirements for the delivery of the B Bonds. In such event, the Underwriter would be required to accept delivery of the Bonds.

Ratings Risk

Ratings have been assigned to the Bonds as described under "RATINGS." No assurances can be given that the ratings assigned to the Bonds on the Closing Date will not be different from those currently assigned to the Bonds. Issuance of the Bonds and the Underwriters' obligations under the Purchase Agreement are not conditioned upon the assignment of any particular ratings for Bonds or the maintenance of the initial ratings of the Bonds. However, as described under item (8) above, should investment grade ratings from Moody's and S&P not be provided at Closing, the Underwriter can terminate the Purchase Agreement.

Market Value Risk

The market value of the Bonds as of the Closing Date may be affected by a variety of factors including, without limitation, general market conditions, the ratings then assigned to the Bonds, the financial condition and operations of the City, and federal and state income tax and other laws. The market value of the Bonds as of the Closing Date could therefore be higher or lower than the price to be paid by the initial purchasers of the Bonds and that difference could be substantial. NEITHER THE CITY NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE EXPECTED MARKET PRICE OF THE BONDS AS OF THE CLOSING DATE. Further, no assurance can be given that the introduction or enactment of any future legislation will not affect the market price for the Bonds as of the Closing Date or thereafter or not have a materially adverse impact on any secondary market for the Bonds.

Secondary Market Risk

The Underwriter is not obligated to make a secondary market in the Bonds, and no assurances can be given that a secondary market will exist for the Bonds between the date of the Purchase Agreement and the Closing Date.

PAYMENT AND SECURITY FOR THE BONDS

General

Each Bond when duly issued and paid for will constitute a contract between the City and the holder thereof. Each of the Bonds will be general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal of and interest thereon. For the payment of such principal and interest, the City has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the City, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" under "*PROPERTY TAXES*" in Appendix A hereto.) Under the Constitution of the State, the State is specifically precluded from restricting the power of the City to levy taxes on real estate for such purpose. However, the Tax Levy Limit Law imposes a statutory limitation on the City's power to increase its annual tax levy. As a result, the power of the City to levy real estate taxes on all the taxable real property within the City is subject to certain statutory limitations set forth in Tax Levy Limit Law, unless the City complies with certain procedural requirements to permit the City to levy certain year-to-year increases in real property taxes.

The Bonds also will be entitled to the benefits of the provisions of the Sale Ordinance, including certain covenants of the City contained therein and certain rights of the Bondholders to enforce such covenants. The Sale Ordinance constitutes the special contract and credit agreement with Bondholders authorized by the City in accordance with the Act. Pursuant to the Sale Ordinance and the Act, the State Comptroller is the Fiscal Agent and has specific monitoring and enforcement functions.

(See "*FUNCTIONS OF THE FISCAL AGENT*" herein and summaries of the Sale Ordinance and Act in Appendix C and Appendix D attached hereto.)

Debt Service Fund

Pursuant to the Sale Ordinance, the Debt Service Fund (as hereinafter defined in Section 407 of the Sale Ordinance), established by the City pursuant to the Act and its 1976 bond ordinance, is continued and shall be maintained by the City with the Fiscal Agent for the purpose of paying Special Debt Service. "Special Debt Service" means, with respect to a fiscal year, the amount required for the punctual payment of all principal and interest due and payable in such year on the Bonds and on all of the City's other outstanding serial bonds, tax anticipation notes, revenue anticipation notes (subject to the limitation described herein), capital notes and budget notes and the required principal amortization and interest due on the City's outstanding bond anticipation notes and urban renewal notes. All such obligations are general obligations of the City. The City is also authorized to incur debt which is not a general obligation of the City, payable from and secured by increases in real property taxes on benefited property. (See "*Tax Increment Financing*" under "*CITY INDEBTEDNESS*" in Appendix A attached hereto.)

The Sale Ordinance reaffirms the requirements of the Act, and the safeguards and provisions which apply to the aforesaid obligations issued by the City in 1976 and thereafter, that the City appropriate in its budget for each fiscal year the amounts required for such year to pay Special Debt Service, as well as the amounts estimated to be required for interest on tax anticipation and revenue anticipation notes anticipated to be issued and to mature in such fiscal year.

The following amounts are required to be deposited in the Debt Service Fund:

(a) The percentage of all ad valorem real property taxes collected by the City, determined according to the following formula and calculated at the commencement of each fiscal year:

$$\frac{\text{total appropriation for Special Debt Service}}{\text{total city ad valorem real property tax levy } \textit{less} \text{ reserve for uncollected}} = \text{Debt Service Percentage}$$

Immediately upon receipt of any ad valorem real property tax payments during each fiscal year, the City is required to remit the total of such payments to the Fiscal Agent, who will deposit into the Debt Service Fund the portion of such payment equal to the Debt Service Percentage. The remainder of such payment is then paid over to the City Comptroller (subject to (c) and (d) below) for City use.

(b) The revenues derived from the imposition of the Special Sales Tax of the City will be deposited monthly by or on behalf of the State Comptroller into the Debt Service Fund. (See "*Revenues*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" in Appendix A attached hereto.)

There can be no assurance that the authorization or the imposition of the Special Sales Tax will not be repealed, amended or otherwise changed by the State or the City. Neither in the Act nor Sale Ordinance does the State or the City expressly pledge or covenant to continue such special sales and use tax. Pursuant to the Sale Ordinance, the first one percent of any sales and use tax that is authorized and imposed by the City will be the Special Sales Tax and will be deposited into the Debt Service Fund.

(c) With respect to tax anticipation notes issued during a fiscal year (with the requisite Fiscal Agent authentications), the Fiscal Agent will retain from the original proceeds of such tax anticipation notes that portion thereof equal to the Debt Service Percentage (see (a) above) and the Added Debt Service Percentage (see (d) below) and shall pay over the remaining proceeds to the City Comptroller for City use. Thereafter, the Fiscal Agent is required to deposit into the Debt Service Fund all ad valorem real property taxes until full provision for the payment of such tax anticipation notes has been made.

(d) With respect to the issuance of revenue anticipation notes, urban renewal notes and budget notes during a fiscal year, the Fiscal Agent is required to deposit in the Debt Service Fund from total ad valorem real property taxes thereafter received by him an additional amount (the "Added Debt Service Percentage") computed as follows:

$$\frac{\text{Interest payable on such notes in such fiscal year}}{\text{Total uncollected City ad valorem real property Taxes less reserve for uncollected taxes}} = \text{Added Debt Service Percentage}$$

(e) The Sale Ordinance provides that no principal of or interest on other note obligations, issued during the year and for the payment of which the above described percentages do not apply, are to be paid from the Debt Service Fund unless the City shall deposit additional monies in the Debt Service Fund for such purpose.

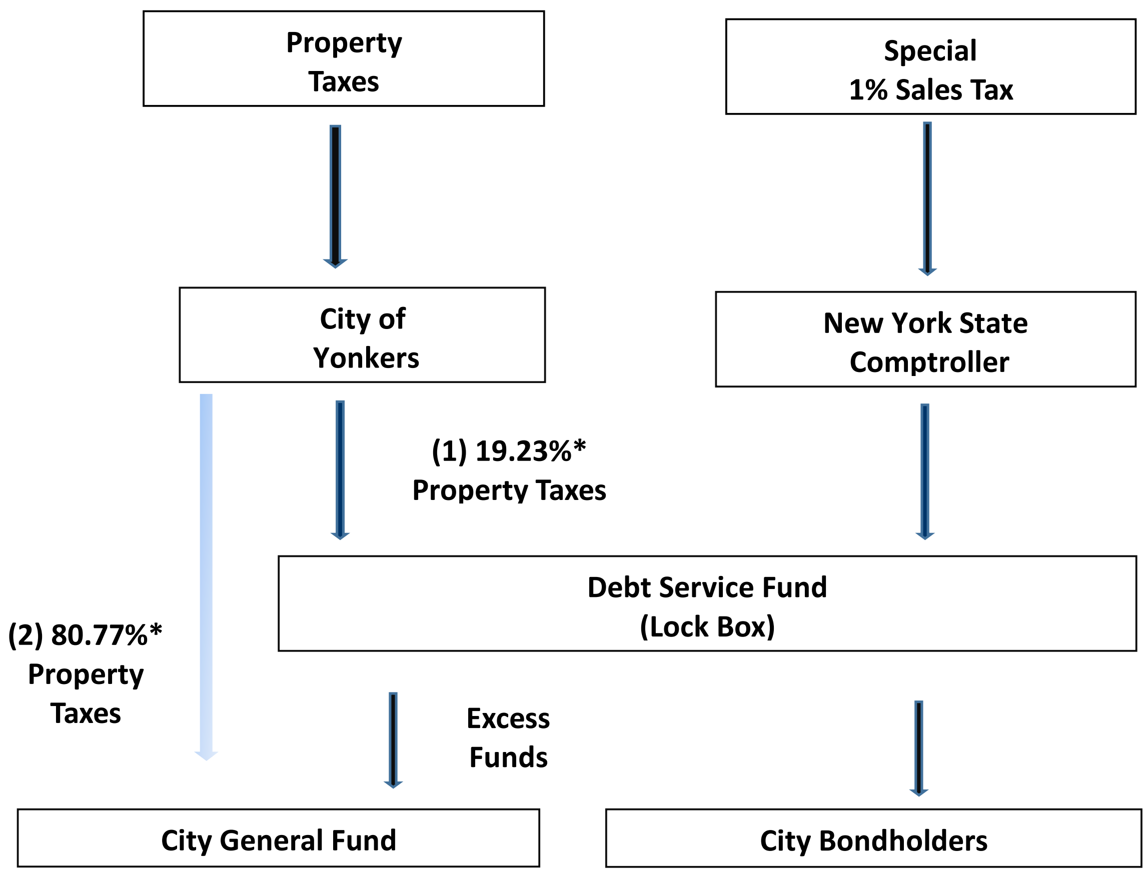
If at any time during a fiscal year the monies in the Debt Service Fund exceed the unpaid amount of Special Debt Service due, or to become due on or prior to the first day of July next ensuing, the Fiscal Agent shall pay over to the City Comptroller the amount of such excess for use by the City.

The Act provides that the Debt Service Fund and any or all monies payable to the Debt Service Fund are City property devoted to essential governmental purposes and shall not be subject to any order, judgment, lien, attachment, execution, setoff or counterclaim by any creditors of the City other than a creditor for whose benefit the Debt Service Fund is established. (See, however, "*SPECIAL RIGHTS AND REMEDIES*" herein for a discussion of the effect on the Debt Service Fund of the filing of a petition by or on behalf of the City under the Federal Bankruptcy Code or subsequently enacted law governing creditors' rights.)

The Sale Ordinance contains a general covenant of the City to comply with the provisions of the Act and a specific covenant incorporating the requirements of the budgetary procedures set forth in the Act. (See "*Procedures*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" in Appendix A attached hereto.) The Sale Ordinance also includes the pledge and agreement of the State to respect the Act and the contract of the City with the Bondholders. (See "*State Pledge and Agreement*" under "*SPECIAL RIGHTS AND REMEDIES*" herein.)

The following summarizes the flow of funds pursuant to the Act.

Bondholder Flow of Funds*



* Reflects Debt Service Percentage for FY21-22.

FUNCTIONS OF THE FISCAL AGENT

Pursuant to the Act, the proceeds of the Bonds are to be deposited with the Fiscal Agent in a special account. The Fiscal Agent is to withdraw monies from such account only upon written requisition of the City Council or the chief fiscal officer of the City, including a statement that such requisitioned item is properly accounted for. Pending such withdrawals, the Fiscal Agent, upon instruction from the chief fiscal officer of the City or his authorized deputy and in the manner provided by the New York State Local Finance Law and

New York State General Municipal Law, shall invest the monies in investment obligations defined in the Sale Ordinance, which mature at such times and in such amounts so as to provide available monies to make payments from these accounts when required. The Fiscal Agent generally is required to deposit in the Debt Service Fund any monies or investment obligations remaining in such account after completion of the objects or purposes for which the Bonds are issued.

The Debt Service Fund has been established with the Fiscal Agent for the purpose of paying the Special Debt Service. (See "*PAYMENT AND SECURITY FOR THE BONDS*" herein.) Pursuant to the Act, the City is required to remit to the Fiscal Agent any payment during a fiscal year of, or on account of, any City real property taxes levied by the City. The Fiscal Agent is required to deposit in the Debt Service Fund the Debt Service Percentage and the Added Debt Service Percentage, if any, of such tax receipts and pay the remainder over to the City Comptroller for the general use of the City. Revenues derived from the imposition of the Special Sales Tax authorized pursuant to the New York State Tax Law are also deposited in the Debt Service Fund. If at any time during a fiscal year the monies in the Debt Service Fund exceed the unpaid amount of all Special Debt Service due or to become due on or prior to the July next ensuing, the Fiscal Agent is required to pay over to the City Comptroller the amount of such excess for the general use of the City. (See "*PAYMENT AND SECURITY FOR THE BONDS*" herein.)

The Fiscal Agent is required to withdraw from the Debt Service Fund from time to time during each fiscal year all amounts needed for the payment of all Special Debt Service of such fiscal year.

Tax anticipation notes, revenue anticipation notes, urban renewal notes, and budget notes cannot be issued by the City or be valid for any purpose unless authenticated by the Fiscal Agent upon the receipt of appropriate documentation as required by the Sale Ordinance.

The City must file with the Fiscal Agent its proposed budget, adopted budget, the Justification Documents (as defined in the Sale Ordinance) and all other documents required to be so filed by the Act or the Sale Ordinance. The Fiscal Agent is required to review all such documents and to approve or disapprove each document. As set forth in the Sale Ordinance, a Justification Document is a written certificate setting forth facts determined and actions completed forming an existing basis for a reasonable expectation that amounts of receipts will actually be collected or realized or amounts of appropriations will be sufficient for proposed expenditures.

The Fiscal Agent may not approve any Justification Document unless it determines that such document complies with the Act and the Sale Ordinance and the City shall not take any action with respect to which any such document is required to be filed unless and until the Fiscal Agent shall have endorsed its approval thereon.

The Fiscal Agent is not given by the Act or Sale Ordinance the power as attorney in fact of the holders of the Bonds or the holders of coupons to vote the claims of such holders in any bankruptcy proceeding or to accept or consent to any plan of reorganization, readjustment, arrangement or composition or other like plan, or by other action of any character to waive or change any right of any such holder or to give consent on behalf of any such holder to any modification or amendment of the Sale Ordinance requiring such consent under the provisions of the Sale Ordinance.

SPECIAL RIGHTS AND REMEDIES

The Act provides that the City may adopt as a contract with the holders of bonds an ordinance which provides for or contains covenants of the City to protect and safeguard the securities and rights of the holders. The City has adopted such covenants in the Sale Ordinance. The Sale Ordinance provides special rights to the holders of City bonds, including the requirement of annual audits by independent accountants, the maintenance of the Debt Service Fund and certain covenants of the City including its covenant to comply with the Act and the budget procedures discussed under "*Procedures*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" in Appendix A attached hereto. The Sale Ordinance also contains covenants relating to the appointment, rights, powers and duties of the Fiscal Agent, including the right to have the Fiscal Agent review budget proceedings and enforce the budget procedures specified in the Act and Sale Ordinance. (See Appendix C and Appendix D attached hereto for summaries of the Sale Ordinance and Act.)

The holders of all bonds and other general obligations, including the Bonds, heretofore and hereafter issued by the City for the term that such bonds are outstanding have the benefit of the Act, which provides the holders of the Bonds with certain rights and remedies. Under the State General Municipal Law currently applicable to the City, the rate of interest that may be adjudged due to creditors, with certain exceptions, is limited to nine per centum per annum. However, pursuant to and by reference to the Act, the Bonds provide that any interest to be paid by the City upon any judgment or accrued claim with respect to the Bonds shall be paid at the rate of interest per annum stated on such Bonds.

The Sale Ordinance vests in the Fiscal Agent the powers of enforcement of the Sale Ordinance and abrogates the right of the holders of the Bonds to appoint a separate trustee for such purpose. The Sale Ordinance provides that the following shall be an “event of default”: (1) failure of the City to make payment of principal of or interest on the Bonds or any other obligations, whether at maturity or upon call for redemption, which continues for a period of thirty (30) days; or (2) failure or refusal by the City to comply with the provisions of the Act or the Sale Ordinance, or default by the City in the performance of any contract or covenant made with the holders of the Bonds or any other obligations which continues for forty-five (45) days after written notice of such default to the City by the Fiscal Agent or the holders of five per cent (5%) of the principal amount of the bonds; or (3) filing by the City of a petition seeking a composition of indebtedness under any applicable law or statute of the United States of America or of the State of New York or the filing by the City of a petition pursuant to the bankruptcy provisions of federal law. The Fiscal Agent, during the happening or continuance of an event of default, may by mandamus or other suit in law or in equity enforce all such rights, including the right to require the City to assess, levy and collect taxes adequate to carry out the contract with the Bondholders and may enjoin any doing of acts or things by the City which may be in violation of the rights of the Bondholders.

While the Act permits the Sale Ordinance to include the right of the Fiscal Agent upon an event of default by the City on any issue of obligations to declare such obligations due and payable, the Sale Ordinance does not provide for such remedy and precludes the City from including such a remedy in any other contract with any other purchaser of obligations of the City.

Neither the Act nor the Sale Ordinance purports to create any priority for the holders of the Bonds should the City be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal payments from the City could be adversely affected by a restructuring of the City’s debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the City (including the Bonds) to payment from monies retained in the Debt Service Fund or from other cash resources would be recognized if a petition were filed by or on behalf of the City under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors’ rights; such monies might, under such circumstances, be paid to satisfy the claims of all City creditors generally. Judicial enforcement of the City’s obligation to make payments into the Debt Service Fund, of the State Comptroller’s obligation to retain certain monies in the Debt Service Fund, of the rights of holders of bonds and notes of the City to monies in the Debt Service Fund and of the obligations of the City under certain covenants of the City and of the State under certain covenants of the State, may, under certain circumstances, be within the discretion of a court.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal

Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debts, which may modify or alter the rights of creditors and authorizes the Federal bankruptcy court to permit the municipality to incur indebtedness, which could have priority over existing creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. Although Title 6 A of the Local Finance Law provides that a municipality in the State or its emergency control board may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness, the Act provides that the provisions of Title 6 A of the Local Finance Law shall not apply to the City or any bonds or notes issued by it. Reference should be made to the following section which describes the provisions of the Act relating to the power of the State to authorize the City to seek application of laws under the bankruptcy provisions of federal law. (See Appendix C and Appendix D attached hereto for summaries of the Sale Ordinance and Act.)

State Pledge and Agreement

In prior years, events and legislation in the State affecting bondholders' remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, it cannot now be ascertained whether future events and legislation and any litigation arising therefrom would or would not be held by a court of final jurisdiction to render the rights of bondholders subject to the emergency and police powers of the State to deal with various financial crises as they may occur in the State and in municipalities of the State and to assure the continuation of essential services therein.

However, in enacting the Act, the State determined that the powers and duties of the City authorized pursuant to the Act are an appropriate, reasonable and proper means which the State can and should exercise and that the provisions of the Act were necessary and in the public interest and an appropriate means to improve market reception for the purchase of the Bonds and other obligations of the City.

Section 12 of Article VIII of the State Constitution provides that:

> It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Pursuant to the provisions of the Act, the State authorized and directed the City to include in the Sale Ordinance a pledge and agreement of the State with and for the benefit of the holders of the Bonds, including both the original and all subsequent holders thereof.

The terms of said pledge and agreement are substantially as follows:

The State will not:

(a) repeal, revoke, repudiate, limit, alter, stay, suspend or otherwise reduce or rescind or impair the power or duty of the City to exercise, perform, carry out and fulfill its responsibilities under the Act to the extent that the City has incorporated in the Sale Ordinance covenants and agreements to so exercise, perform, carry out and fulfill such responsibilities,

(b) repeal, revoke, repudiate, limit, alter, stay, suspend or otherwise reduce or rescind or impair the rights and remedies of any such holders to fully enforce in a court of law such covenants and agreements so incorporated in the Sale Ordinance or to enforce the pledge and agreement of the State contained in the Sale Ordinance, or

(c) otherwise exercise any sovereign power contrary to or inconsistent with the provisions of such Sale Ordinance, provided, however, the foregoing pledge and agreement shall be of no further force and effect if at any time:

(i) there is on deposit in a separate trust account with the Fiscal Agent sufficient monies or direct obligations of the United States of America or the State the principal of and/or interest on which will provide monies to pay punctually when due at maturity or prior to maturity by redemption in accordance with their terms all principal of and interest on the Bonds,

(ii) irrevocable instructions from the State and the City to the Fiscal Agent for such payment of such principal and interest with such monies have been given, and

(iii) notice to the holders of such Bonds, as provided in the Sale Ordinance, has been given, and

provided further that such pledge and agreement by the State may be temporarily suspended upon the declaration of martial law in the City in the event of circumstances in the City deriving directly out of a natural disaster (such as an earthquake or major conflagration or flood, but not a snowstorm) or civil disturbance (such as military invasions or civil insurrections, but not strikes or crises created by financial abuses or economic events).

The Act provides that nothing contained in the Act shall preclude the State from authorizing the City to exercise, or the City from exercising, any power provided by law to seek application of laws then in effect under the bankruptcy provisions of federal law or to preclude the State from further exercise of its powers under Section 12 of Article VIII of the State Constitution. No such State authority exists at this time.

The Act further provides that the payment for the Bonds by the purchasers of the Bonds shall be deemed conclusive evidence of valuable consideration received by the State and the City for such pledge and agreement and of reliance upon such pledge and agreement by any holder of the Bonds, and any actions by the State contrary to or inconsistent with the provisions of the Act are void. The State has granted any such holder the right to sue the State and enforce said pledge and agreement, and further, has waived all rights of defense based on sovereign immunity or sovereign power in such suit.

Additional Remedy for Holders of School Bonds

Section 99-b of the State Finance Law ("SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of bonds and notes issued for school purposes, that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of State education aid or assistance due to the issuer such amount thereof as may be required to pay (a) the issuer's contribution to the state teachers retirement system, and (b) the principal of and interest on such bonds and notes of such issuer then in default. In the event such State education aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State education aid or assistance due such issuer such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State education aid so deducted or withheld by the State Comptroller for the payment of principal of and interest on bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such issuer for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. In the event such successive allotments, apportionments or payments of such State education aid so deducted or withheld shall be less than the amount necessary to pay all principal and interest due on the bonds and notes in default with respect to which the same was so deducted or withheld then the State Comptroller shall promptly forward to each paying agent its pro rata portion of such amount. The State Comptroller shall promptly notify the chief fiscal officer of such issuer of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL. **The holders of the Series A Bonds will NOT have the benefit of the State covenants set forth in Section 99-b of the SFL. The holders of the Series B Bonds will have the benefit of the State covenants set forth in Section 99-b of the SFL.**

BOOK ENTRY ONLY SYSTEM

DTC 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 maturity, and will be deposited with DTC.

DTC is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, 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 City. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (IV) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

MARKET 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:

CHAPTER 55 OF THE LAWS OF 2014 OF THE STATE OF NEW YORK ("CHAPTER 55") AUTHORIZED THE CITY TO ISSUE DEFICIT BONDS ON BEHALF OF THE BOARD OF EDUCATION OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED $45,000,000 TO FUND THE CUMULATIVE DEFICIT IN THE GENERAL FUND OF SAID BOARD OF EDUCATION AS OF JUNE 30, 2014. ON MARCH 27, 2015, THE CITY ISSUED ITS $37,260,000 SCHOOL DEFICIT BONDS-2015A PURSUANT TO SUCH AUTHORIZATION.

The City's credit rating could be affected by circumstances beyond the City'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 City 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 City'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 City 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.

The City is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The City's receipt of State Aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the City fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys, the City is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the City will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the

City requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures.

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

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 City, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the City, may affect the market price and/or marketability for the Bonds. (See "*Tax Levy Limit Law*" under "*PROPERTY TAXES*" in Appendix A attached hereto.)

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the City's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor has taken and continues to take steps designed to mitigate the spread and impacts of COVID-19. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact on the City's operations and finances as a result of COVID-19 is extremely difficult to predict due to uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread or resurfacing of the outbreak could have a material adverse effect on the State and municipalities, including the City. The City is continuously monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. See also "*Impacts of COVID-19*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" in Appendix A for a discussion of the impacts of the COVID-19 pandemic upon the City and the BOE.

CYBERSECURITY

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

The City’s computer network was attacked with a ransomware virus on Saturday, September 4, 2021 at approximately 5:30 PM. The City’s Department of Information Technology immediately responded and by Sunday, September 5th at approximately 2:00PM, the virus had been quarantined on the City network and restoration work had begun. Servers were restored from backups by Monday, September 6, 2021 at 3:00PM. The Department of Information Technology deployed staff throughout the City to restore desktops that were affected. The City did have to purchase 200 new computers at an aggregate cost of approximately $150,000 to replace those that could not be restored. The City does not have a cybersecurity insurance policy. Costs for supplies, overtime and additional security measures put in place were paid for through the City’s operating budget. New computers were paid for with capital funds.

The City did not make any payments to the ransomware perpetrators.

The Department of Information Technology notified Homeland Security on Sunday, September 5, 2021 and they performed a forensic analysis to determine if any files were taken. The forensic analysis could not determine the entry point, as log files had been wiped out as a part of the attack. It does not appear that any files were taken. The City has added an additional level of security and has changed some of its core software following the incident.

OFFICE OF SUSTAINABILITY AND CLIMATE ACTION PLAN

The current administration is committed to making the City a leader in sustainability and taking meaningful action to protect the future of the environment, the City’s economy and its diverse communities. Since establishing the Mayor's Office of Sustainability and the Yonkers Green City Advisory Committee, the City has launched a comprehensive energy master plan and completed dozens of actions to advance conservation, clean energy and waste reduction.

In 2014, the City became the first city in the State to complete the replacement of its nearly 12,000 streetlights with LED bulbs, resulting in $18 million in energy cost-savings for taxpayers over 10 years and an annual reduction in carbon emissions of 3,000 tons. Going a step further, the City also recently became the first in the region to take lighting at a City park off-the-grid entirely with the installation of solar and wind powered LED lights at the JFK Park and Marina. The City's commitment to renewable energy and emissions reduction has also extended to its operation of buildings, infrastructure, vehicles and equipment with numerous energy-efficiency retrofits, green fleet initiatives, green building standards and the launch of the first emission-free dockless bike and scooter micromobility programs.

The City has also been a leader in protecting and improving the health of its natural resources. The award-winning “Daylighting” of the Saw Mill River has been called a model for urban redevelopment and environmental revitalization and has received international attention for its innovative approach. With 3 phases now complete, the Daylighting project has unearthed, restored, and transformed a major portion of the river – that had for decades been buried below City streets – into a natural habitat for migratory fish passage and beautiful new green space in the heart of Downtown Yonkers. The project has also helped spur over a billion dollars in transit oriented development, including new affordable housing and job growth in the downtown district.

The Mayor's Office of Sustainability is tasked with ensuring sustainable practices are incorporated into the planning and daily operations of every City department. It serves to create and promote opportunities for all residents and businesses to be part of a greener, healthier city for generations to come. The Office also receives guidance and recommendations on energy and sustainability initiatives from the Yonkers Green City Advisory Committee.

In addition, the City is expected to embark on developing a new climate action plan. This comes in response to the Yonkers NY Rising Community Reconstruction Plan undertaken as part of New York State’s

Rising Community Reconstruction Program. The Yonkers NYRCR Plan was developed following Superstorm Sandy and lays out the City's vulnerabilities to more frequent and intense weather events resulting from climate change and outlines measures that may be taken to reduce risk.

Specifically, the plan identifies innovative reconstruction and resiliency projects and other actions to mitigate increasingly common natural risks resulting from climate change. The plan includes five focus areas incorporating watershed areas of the City most heavily impacted by storm damage including the Bronx River, Grassy Sprain Brook and Reservoir, Saw Mill River, Tibbetts Brook, and the Hudson River waterfront.

During and after Hurricane Irene and Superstorm Sandy, many water bodies in the City overtopped their banks and released floodwaters throughout the City. In addition to flooding, strong winds during Superstorm Sandy brought down trees and power lines causing disruption to power. These storms exposed vulnerabilities within the City. The issues identified affect the City's ability to withstand the impact and recover from future storms. The key critical issues facing the City as discussed in the plan include:

(i) Riverine, Coastal, and Stormwater Flooding
(ii) Tree and Wind Damage
(iii) Susceptibility of Major Infrastructure to Storm Damage
(iv) Communication and Education Challenges
(v) Managing the Impacts of Development, including Resiliency Projects

To address specific vulnerabilities, a comprehensive needs and opportunities analysis was prepared. Strategies were then developed, including proposed projects for State funding, to address the stated needs and transform opportunities into action items. Some projects proposed for funding included:

(i) Bronx River and Grassy Sprain Brook Hydrologic Study
(ii) Saw Mill River Hydrologic Study
(iii) Emergency Power to Street Lights along Evacuation Routes
(iv) Yonkers Emergency Response and Recovery Campaign
(v) Technical Assistance Program for Residential Resiliency
(vi) Planning Study to Establish Best Management Practices for Upland Waterways
(vii) Resilient Revitalization of the Alexander Street Waterfront – Study and Pilot Project
(viii) Scout Field Engineering Study
(ix) Creation of Access to Grassy Sprain Brook through Sprain Brook Parkway Sound Barrier
(x) Reconstruction of Seawall at Yonkers Paddling and Rowing Club
(xi) Feasibility Study for Creation of a Regional Flood Control Authority
(xii) Planning Study for Sprain Diversion Channel

A full copy of such Plan is available at:
https://stormrecovery.ny.gov/sites/default/files/crp/community/documents/yonkers_nyrcr_combined_full_plan_akrf_3.30.15_0.pdf.

References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

TAX MATTERS

Opinion of Bond Counsel

Hawkins Delafield & Wood LLP, Bond Counsel to the City, expects to deliver an opinion on June 8, 2022 with respect to the Series A Bonds and on July 21, 2022 with respect to the Series B Bonds, which states that: 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. The Tax Certificate of the City (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Series A Bonds and the Series B Bonds will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel willy rely on certain representations, certifications of fact, and statements of reasonable expectations made by the City and others in connection with each series of Bonds, and Bond Counsel will assume compliance by the City 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, the opinions of Bond Counsel to the City, will state that, 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 and the City of Yonkers.

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.

Changes in fact or law (including federal or State law, regulations, rulings and court decisions) that occur between the date hereof and the date of delivery of each series of the Bonds may adversely affect the ability of Bond Counsel to deliver an opinion to the foregoing effect with respect to the Bonds, in which case the Bonds may not be delivered. See, "*CERTAIN FORWARD DELIVERY CONSIDERATIONS OF THE BONDS*" herein.

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 City, in executing each Tax Certificate, will certify to the effect that the City 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 on the cover page of the 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 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 Bonds 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 paid 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 respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the City. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix E. Certain legal matters will be passed on for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters will be passed on for the City by its Corporation Counsel.

UNDERWRITING

The Bonds are being purchased for reoffering by the Underwriters for whom FHN Financial Markets is acting as Senior Managing Underwriter, at an aggregate purchase price for the Bonds of $46,429,166.63 plus accrued interest, if any (which reflects an aggregate Underwriters' discount of $107,186.22 and an aggregate net original issue premium of $5,491,352.85). The purchase contract between the City and the Underwriters provides that the Underwriters will purchase all of the Bonds, if any Bonds are purchased.

The Underwriters may offer and sell the Bonds to certain dealers and others at prices other than the initial offering prices. The offering prices may be changed from time to time by the Underwriters.

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as Appendix I hereto.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

RATINGS

S&P Global Ratings ("S&P") is expected to assign an insured rating of "AA" (with a stable outlook) to the Insured Bonds based on the understanding that the insurance policy of BAM insuring the scheduled payment of principal of and interest on the Insured Bonds when due will be issued concurrently with the issuance of the Insured Bonds. (See "BOND INSURANCE POLICY" and "APPENDIX I – INFORMATION CONCERNING THE BOND INSURER AND SPECIMEN POLICY" herein.)

On January 18, 2022, Moody's Investors Service ("Moody's") affirmed the long-term underlying credit rating of "A3" with a stable outlook, applicable to the City's outstanding general obligation bonds issued for City purposes and assigned such rating to the Bonds maturing in the years 2022 and 2023 and as an underlying rating to the Insured Bonds. At the same time, Moody's assigned the enhanced rating of "A1" (stable outlook) to the Series B Bonds, which are being issued by the City on behalf of the Board of Education and qualify for the State aid intercept authorized by Section 99-b of the State Finance Law. (See "*Additional Remedy for Holders of School Bonds*" under "*SPECIAL RIGHTS AND REMEDIES*" herein.)

On January 19, 2022, S&P affirmed the long-term, underlying rating credit rating of "A" and revised the outlook to "stable" from "negative", applicable to the City's general obligation bonds and assigned such rating to the Bonds maturing in the years 2022 and 2023 and as an underlying rating to the Insured Bonds. In accordance with S&P's policy, which removed all post-default enhanced ratings, S&P no longer assigns an enhanced rating to bonds issued by the City on behalf of the Board of Education on account of the State aid intercept authorized by Section 99-b of the State Finance Law. (See "*Additional Remedy for Holders of School Bon*ds" under "*SPECIAL RIGHTS AND REMEDIES*" herein.)

These ratings reflect only the view of the rating agency furnishing the same, and an explanation of the significance of each of these ratings may be obtained only from the respective rating agency. There is no assurance that any of these ratings will continue for any given period of time or will not be raised, lowered or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of any of these ratings may have an adverse effect on the market price of such bonds or notes

MUNICIPAL ADVISOR

Capital Markets Advisors LLC served as independent municipal advisor to the City for the Bonds.

The Municipal Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

DISCLOSURE UNDERTAKING

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

Prior Compliance History

In some recent years, the City failed to file bond call notices with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") following the refunding of certain outstanding bond issues of the City.

For FY14-15, the City made timely filings of its annual financial information as required; however, the annual financial information filed by the City on December 23, 2015 referenced CUSIP base 986081, but did not reference CUSIP base 986082. On November 7, 2016, the City amended the December 23, 2015 filing to add the second CUSIP base.

On December 14, 2017, Moody's raised the City's enhanced 99B Intercept Rating on its school bonds to "Aa3" from "A1". The City did not make a timely filing of the notice related to such rating change pursuant to Rule 15c2-12.

The filing deadline for annual financial information and audited financial statements is 180 days for bonds issued by the City prior to 2012 and will remain 180 days for as long as such bonds are outstanding. The 240 day deadline for filing annual financial information and audited financial statements discussed above is applicable to bonds of the City issued since 2013.

ADDITIONAL INFORMATION

The Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as an opinion and not as representations of fact. The information and expressions of opinions 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 affairs in the City since the date hereof.

Questions regarding this Official Statement or requests for additional financial information concerning the City should be directed to John Liszewski, Commissioner of Finance & Management Services, Board of Education, 1 Larkin Center, Yonkers, New York 10701; telephone (914) 377-6160. Additional financial information and forecasts are also available at the online home page of the City's Finance Department, located at http://www.yonkersny.gov by clicking on: Government-Departments A-F-Finance. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement. See also "*Four Year Financial Plan for FY 2021-2022 through FY 2024-2025*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" in Appendix A hereof for a discussion of the City's four-year financial plan. A copy of said plan is attached hereto as Appendix G.

Any prospective financial information or forecasts which may be made available on the home page of the City's Finance Department reflect currently available estimates and judgments, and present, to the best of the City's knowledge and belief, the expected course of action and the expected future financial performance of the City and the Board of Education. However, this information is not fact and should not be relied upon as being necessarily indicative of future results. Readers of this Official Statement are cautioned not to place undue reliance on any such prospective financial information.

Neither the City's nor the Board of Education's independent auditor, nor any other independent accountants, have compiled, examined or performed any procedures with respect to any such prospective financial information or forecasts, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, any such prospective financial information or forecasts.

The execution of this Official Statement and its delivery by the Commissioner of Finance & Management Services have been duly authorized.

CITY OF YONKERS

BY:

/s/ John A. Liszewski
Commissioner of Finance &
Management Services

January 26, 2022

APPENDIX A

CITY OF YONKERS

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THE GOVERNMENT OF YONKERS

City Services

The City of Yonkers was incorporated in 1872. Subject to the State Constitution, the City operates pursuant to the City Charter, adopted in 1961 and subsequently amended as described hereinafter, and in accordance with other laws governing the City, including the General City Law, the Second Class Cities Law, Municipal Home Rule Law, the General Municipal Law and the Local Finance Law, to the extent that such laws are applicable to a city operating under a charter form of government.

The City is responsible for and maintains police, fire, sanitation and water services, municipal streets, library, parks and facilities. Pursuant to State law, the County, not the City, is responsible for the local funding of mandated social service programs such as Medicaid, Aid to Families with Dependent Children, and home relief programs.

Although the City is also, in large measure, responsible for the financing of local primary and secondary educational expenditures, the BOE, composed of members appointed by the Mayor, administers the City's school system. Pursuant to State legislation enacted on April 1, 2014, the City and the BOE entered into an inter-municipal agreement, whereby the City assumes control of all Board financial and budget functions. The inter-municipal agreement gives the City certain administrative controls over non-academic operations functions of the BOE. (See "*DISCUSSION OF FINANCIAL OPERATIONS*" herein.)

City Officials

Set forth below is a brief description of the structure of the government of the City. In November 1989, voters in the City approved a change to the City Charter that transferred the executive power formerly held by the City Manager to the Mayor. It extended the mayoral term of office to four years and established the Mayor and his administration as a separate executive branch of government. The position of City Manager was eliminated. These changes took effect January 1, 1992. Prior to this date there had not been a strong mayoral position in the City for fifty years. The current Mayor, Mike Spano, was elected to his first term on November 8, 2011 and took office on January 1, 2012. Mayor Mike Spano was re-elected on November 3, 2015 and began his second term on January 1, 2016. On November 5, 2019, Mayor Mike Spano was elected to his third four-year term and was sworn in on January 2, 2020.

The Mayor. The Mayor is elected for a four-year term and is designated by the charter to be the chief executive and administrative officer of the City. The Mayor is limited to up to 12 years consecutively, or 3 terms. The Mayor appoints the members of the Yonkers Parking Authority and the Industrial Development Agency, as well as, many other Boards and Commissions. The Mayor is responsible for appointing the Board of Trustees of the BOE without the advice and consent of the City Council. The Mayor is responsible for the appointment of all department and Agency heads, with the advice and consent of the City Council, except for the members of the Library Board and the City Clerk. The Mayor is responsible for the operations and performance of all City departments and agencies and prepares the City's Annual Budget. The Mayor is also a member of the Board of Cooperative Educational Services of the Sole Supervisory District of Westchester.

The City Council President. The City Council President is elected City-wide for a four-year term and presides over the deliberations of the City Council. The City Council President is limited to three consecutive terms. In addition, the City Council President is the Chair of the Rules Committee which sets the agenda for all City Council meetings. The City Council President also holds a seat on the Board of Contract and Supply as well as the Community Development Agency. The current City Council President is Lakisha Collins-Bellamy who began serving in that capacity on January 1, 2022.

City Council. The legislative power of the City is vested in the City Council. The membership of the City Council includes the City Council President and six members selected from single member districts. A

City Council term is four years and the Council Members are limited to three consecutive terms. The Council meets at both regular and special meetings throughout the year. The Council utilizes the committee system, and through the committees, the Council reviews legislative proposals and, subject to the terms of the Act, adopts the annual budget, levies taxes, approves modifications to the budget proposed by the Mayor, and authorizes all indebtedness of the City. The Council appoints the City Clerk.

Commissioner of Finance and Management Services. The Commissioner of Finance and Management Services and Comptroller oversees the audit and financial aspects of the government. John Liszewski is the appointed Commissioner of Finance and Management Services. He heads the Department of Finance and Management Services for the City, and assists the Mayor in preparing the annual operating budget. The Commissioner of Finance and Management Services is responsible for monitoring operations against the budget and identifying the need to prepare revisions to the budget. The Commissioner of Finance and Management Services is appointed by the Mayor with the consent of the City Council.

Related Entities

Board of Education

The Board of Education ("BOE") of the City is a separate public entity with its own budget, administration and members appointed by the Mayor. It has no taxing power and relies solely on the City Council for appropriations. With the signing of the Inter-municipal Agreement (IMA) on June 12, 2014, the City has taken over several non-academic departments from the BOE, such as, finance, human resources, legal, public information and information technology, allowing for greater transparency and accountability between the City and the BOE.

The BOE appoints a Superintendent of Schools to act as Chief Administrator of the City's public school system. Dr. Edwin M. Quezada was appointed Superintendent of Schools on March 16, 2016.

As of September 2021, the school system operates 39 elementary, middle and high schools including grade configurations of: one (1) prekindergarten to 2 site; two (2) prekindergarten to 5 sites; eight (8) prekindergarten to 6 sites; one (1) grades 3 to eight 8; nineteen (19) prekindergarten to 8 sites; one (1) prekindergarten to 12 site; one (1) 6 to 12 site; one (1) 7 to 12; five (5) 9 to 12 sites; and one (1) adult education center for a total of 40 educational sites. Each elementary school has full-day prekindergarten, mandated full-day kindergarten and a unique magnet theme. Montessori education is available across all grade levels. There is a dedicated academically talented school for grades prekindergarten to 8 and the International Baccalaureate Programme for grades 9 to 12. The comprehensive high schools provide 29 specialized career and college readiness programs and unique magnet themes. Yonkers Pathways to Success program provides free adult education, English as a New Language, job training and preparation for the New York State high school equivalency diploma.

BOE operations are funded through City appropriations, Federal and State aid to education, grants, and locally generated revenues of the BOE. The BOE operates a school breakfast and lunch program separately accounted for in a special revenue fund designated School Lunch Fund.

In January 2019, The New York State Education Department (NYSED) announced district and school accountability determinations as required by the federal Every Student Succeeds Act (ESSA) and New York's ESSA plan. The State Education Commissioner identified 106 school districts as Target Districts, 245 schools for Comprehensive Support and Improvement and 125 for Targeted Support and Improvement. In addition, NYSED identified 26 schools to be newly placed into receivership and 37 schools to be removed from receivership.

Under ESSA, every district, public school and charter school earns a score of 1 to 4, where 1 is the lowest and 4 is the highest, for each ESSA accountability indicator, Accountability indicators include: student achievement in English Language Arts, mathematics, science and social studies; student growth in language arts and math; 4-, 5-, 6-year graduation rates; student readiness for college, career, and participation in civic life; acquisition of English proficiency by English language learners and chronic absenteeism. Schools and districts earn a score for all students and student subgroups. Such subgroups include members of racial and ethnic groups, economically disadvantaged students, students with disabilities and English language learners. These levels are used to determine whether a district is a Good Standing District or a Target District and whether a school is in Good Standing or identified for Comprehensive Support and Improvement (CSI), Targeted Support and Improvement (TSI). In addition, Good Standing schools can be identified as a Recognition School. This honor is given to the highest performing and rapidly improving schools across the state.

The BOE is identified as a Target District under the New York State Education Department (NYSED) Every Student Succeeds Act (ESSA) Accountability Status for 2019-2020 because schools in the district were identified as CSI or TSI. In September 2019, two (2) schools are identified as Comprehensive Support and Improvement because NYSED assessment results indicated a Level 1 on a combination of indicators for the All Students group. One of the CSI schools is under Receivership meaning the Superintendent is the Receiver and makes all decisions for the school. This CSI/Receivership school has to meet an additional set of indicators. As long as the school continues to meet the indicators, it will remain with the Superintendent as Receiver. When the school meets the CSI indicators for two consecutive years, it will be removed from CSI and Receivership designations and will become a school in Good Standing. In the 19-20 academic school year, six (6) schools were identified as Targeted Support and Improvement based on NYSED assessment results for one of the subgroups at level 1 on a combination of indicators and three (3) schools were identified as Recognition Schools.

In June, 2021 USDE granted NYSED a waiver and amended the ESSA. Any school that is identified for Comprehensive, Targeted, or additional Targeted Support and Improvement in the 2019-20 school year (i.e., any school that was in that status as of the 2019-20 school year), will maintain that identification status in the 2021-22 school year, implement its support and improvement plan, and receive appropriate supports and interventions. The State will identify Comprehensive, Targeted, and additional Targeted Support and Improvement Schools using data from the 2021-22 school year in the fall of 2022 to ensure school identification resumes as quickly as possible. Therefore, the District will continue to be identified as a Target District with two (2) CSI schools and six (6) TSI schools.

Since its inception in 1881, Yonkers Public Schools has changed in many ways, but remains steadfastly committed to challenging the city's youth to aspire to their highest potential, and inspire a life-long love of learning. YPS embraces innovation by pioneering exemplar programs that are recognized nationally and across the State. Yonkers Class of 2021 (Cohort 2017) had a 91% on-time graduation rate, which exceeds the statewide graduation rate. In 2016, Yonkers achieved an 83% graduation rate and was the first and only Big 5 cities school district to achieve a graduation rate over 80%. These successes are attributed to the perseverance of Yonkers district and school leadership, teachers and staff who work relentlessly to meet the needs of ALL students, and the strong collaborations with all stakeholders.

The NYSED ESSA Program News are available on the NYSED website at http://www.nysed.gov/program-news/1473. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Education aid from the State and Federal Governments to the BOE exclusive of school lunch program aid totaled $346,549,743 for all purposes in FY15-16. Of this amount, $290,638,601 was comprised of operating funds which are generally unrestricted, and $55,911,192 was restricted for such purposes as improvement of reading skills, universal Pre-K, health services, and improving pupil performance.

Education aid from the State and Federal Governments to the BOE exclusive of school lunch program aid totaled $356,594,119 for all purposes in FY16-17. Of this amount, $303,808,849 was comprised of operating funds which are generally unrestricted, and $52,785,270 was restricted for such purposes as improvement of reading skills, universal Pre-K, health services, and improving pupil performance.

Education aid from the State and Federal Governments to the BOE exclusive of school lunch program aid totaled $354,510,551 for all purposes in FY17-18. Of this amount, $301,459,935 was comprised of operating funds which are generally unrestricted, and $53,050,616 was restricted for such purposes as improvement of reading skills, universal Pre-K, health services, and improving pupil performance.

Education aid from the State and Federal Governments to the BOE exclusive of school lunch program aid totaled $375,977,368 for all purposes in FY18-19. Of this amount, $323,815,033 comprised operating funds which are generally unrestricted, and $52,162,335 was restricted for such purposes as improvement of reading skills, Pre-K, health services, and improving pupil performance.

Education aid from the State and Federal Governments to the BOE exclusive of school lunch program aid is totaled $387,690,102 for all purposes in FY19-20. Of this amount, $339,703,934 comprises operating funds which are generally unrestricted, and $47,986,168 was restricted for such purposes as improvement of reading skills, Pre-K, health services, and improving pupil performance.

Education aid from the State and Federal Governments to the BOE exclusive of school lunch program aid totaled $379,347,126 for all purposes in FY20-21. Of this amount, $331,370,627 comprises operating funds which are generally unrestricted, and $47,976,499 is restricted for such purposes as improvement of reading skills, Pre-K, health services, and improving pupil performance

Education aid from the State and Federal Governments to the BOE exclusive of school lunch program aid is budgeted to be $457,085,866 for all purposes in FY21-22. Of this amount, $359,632,599 comprises operating funds which are generally unrestricted, and $97,453,267 is restricted for such purposes as improvement of reading skills, Pre-K, health services, and improving pupil performance.

The following table sets forth information relating to the school system. Enrollment figures are determined in October of each year.

(School Year Ending June 30)

	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022[1]**
Enrollment	25,527	26,258	26,500	27,024	27,220	26,546	26,581	26,081	25,805	25,083
Schools	40	39	39	39	39	39	39	39	39	39

(1) Projected.

The following organizations are related to the City, but are not incorporated within the City's basic financial statements as they do not satisfy the criteria set forth in GASB Statement No. 61.

Municipal Housing Authority

The Municipal Housing Authority for the City of Yonkers ("MHACY") was created in 1934 under the New York State Public Housing Law as authorized by the Federal Housing Act. MHACY owns 132 Public Housing and manages 56 of those units. MHACY also manages 1,812 units of affordable housing. MHACY's Section 8 program administers a total of 5,118 vouchers (Housing Choice and Project-Based Vouchers). MHACY is in the process of completing the redevelopment of its public housing portfolio as part of HUD's Rental Assistance Demonstration Program ("RAD") and Section 18 disposition rules. All housing properties of MHACY are either under construction or have recently been reconstructed, which is expected to result in a total transformation of MHACY's previously outdated public housing buildings. This initiative is expected to be completed by the second quarter of 2022. The City does not guarantee the debt of MHACY.

Yonkers Parking Authority

The City of Yonkers Parking Authority (the "Parking Authority"), a public benefit corporation, was created by an act of the State legislature in April 1964. The Parking Authority operates and maintains 37 municipally owned off street and on street parking facilities and approximately 2,700 street meters. The Parking Authority also operates 3 garages, the Government Center Parking Garage adjacent to City Hall, Parkadrome on Ashburton Avenue across from the St. John's Riverside Hospital's Park Care facility and the Buena Vista Avenue Parking Garage.

On August 1, 2016, the Parking Authority unveiled a parking phone app, Parkmobile**,** to make parking payments possible from smart phones throughout the City. Approximately 32 Parkeon parking payment machines, which are compatible with the Parkmobile app, have been added to various streets and parking lots throughout the downtown and a few other areas in the City. In recent years, the Parking Authority did not require an annual subsidy from the City. However, in light of the COVID-19 pandemic, the City provided a subsidy to the Parking Authority in FY20-21.

Yonkers Industrial Development Agency

Established in 1982, the Yonkers Industrial Development Agency ("YIDA") is a public benefit corporation of the State of New York. YIDA promotes and supports the development of commerce in the City of Yonkers to encourage new employment and economic progress.

YIDA assists industrial and commercial ("participating organizations") in obtaining long term, low cost financing principally through the issuance of tax exempt industrial development bonds ("IDBs"). Financing is provided for commercial property acquisition, rehabilitation and development as well as the purchase of equipment. Additionally, YIDA arranges for full or partial real estate tax abatements and exemptions from sales and mortgage recording taxes. The participating organizations must meet certain criteria consistent with the laws governing YIDA; the most important of which is job creation and retention.

IDBs issued by the YIDA are generally collateralized by property, which is leased to participating organizations, and retired by lease payments. The IDBs are not obligations of YIDA, the City, the County or the State. YIDA does not record the assets, liabilities or rental operations resulting from completed IDBs in its accounts since its primary function is to arrange the financing between the borrowing companies and the bondholders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, YIDA receives bond administration fees from the borrowing companies.

Over the last few years, New York State has limited the ability of all IDAs to issue bonds. Yonkers Economic Development Corporation ("YEDC") was created in 2007 as a local development corporation established pursuant to Section 1411 of the Not-For-Profit-Corporation Law (NFPCL), to provide certain taxable and tax exempt financial assistance on occasions where these incentives are no longer provided by YIDA or in instances where the YIDA's ability to assist economic development projects have been significantly limited. YEDC's purpose of promoting the creation and preservation of employment opportunities is in line with the YIDA's overall objectives and helps to deliver financial assistance in a more cost effective form through this local development corporation. The debt issuances of YEDC are not liabilities of the State, the County, the City or YIDA. (See "*Yonkers Economic Development Corporation*" herein.)

Since 1982, the YIDA has assisted more than 141 companies with total investments in excess of $5.0 billion. YIDA is governed by a Board of Directors, which establishes official policies and reviews and approves requests for financing assistance. Its membership is prescribed by statute and includes both public officials and appointed business leaders.

Yonkers Economic Development Corporation

The Yonkers Economic Development Corporation ("YEDC") is a not-for-profit local development corporation created pursuant to 1411 of the NFPCL and authorized to issue tax-exempt debt under the provisions of Section 115 of the Internal Revenue Code for the purpose of assisting the City with promoting and supporting the development of commerce, bolstering employment and stimulating economic growth and prosperity in the City by providing certain taxable and tax exempt financial assistance on occasions where incentives are no longer provided by the YIDA or in instances where the YIDA's ability to assist economic development projects has been significantly limited. The YEDC has a December 31st fiscal year end. Members of the Board of Directors of the YEDC are appointed by the Mayor for a specified term. YEDC members have complete responsibility for management of the YEDC and accountability for fiscal matters. Neither the City, the State or the County is liable for the payment of YEDC bonds or notes.

Other Entities

Several organizations are shown as component units on the City's basic financial statements as they satisfy the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 61. These entities are the: Yonkers Downtown Waterfront Development Corporation, Yonkers Community Development Agency and other corporations including Local Development Corporations.

Yonkers Downtown Waterfront Development Corporation

The Yonkers Downtown Waterfront Development Corporation ("YDWDC") is a local development corporation established under the New York Not for Profit Corporation Law in accordance with the provisions of Section 501(c)(3) of the Internal Revenue Code, to promote and facilitate positive redevelopment activity throughout the City. Board members have complete responsibility for the management of the YDWDC and accountability for fiscal matters. The City is not liable for payment of the YDWDC's bonds or notes. Moreover, the YDWDC has divested itself of all of its real property assets and is presently divesting itself of its remaining assets with the intention of filing for corporate dissolution within the year. The YDWDC is reflected as a discretely presented component unit within the City's basic financial statements.

Yonkers Community Development Agency

The Yonkers Community Development Agency ("Agency") is a municipal urban renewal agency created pursuant to Chapter 266 of the Laws of 1964. The Agency seeks to promote the safety, health, and welfare of the people of the City and to encourage the sound growth of the City by engaging in wide range of activities aimed at correcting blighted conditions and neighborhoods throughout the City. The Agency is authorized to draft urban renewal plans and acquire, relocate and dispose of land within urban renewal areas. The Agency is currently facilitating redevelopment initiatives within the City's urban renewal areas that further its mission. The Agency is a governmental fund and is included as part of the City's Community Development Funds within the City's basic financial statements.

Other Corporations, including Local Development Corporations

The following related entities are financially inactive and/or are in the process of being dissolved pursuant to New York State law. These entities include: the Yonkers Local Assistance Corporation; Yonkers Brownfield Solutions, Inc.; Lower Hudson Valley Development Corporation; and Yonkers Partnership Housing Development Fund Corporation. The corporations were established under the New York Not for Profit Corporation Law for purposes related to economic development in the City including without limitation to develop and/or rehabilitate properties. Although the members of the governing board of some of the corporations were appointed by the Mayor, the respective board members have complete responsibility for the management of the corporation and accountability for fiscal matters. The City is not liable for payment of any of the corporations' bonds or notes.

DISCUSSION OF FINANCIAL OPERATIONS

Procedures

The budget of the City of Yonkers is prepared in the form of a comprehensive document that serves as a policy document, an operations guide, a financial plan and a communication device.

The proposed operating budget of the City is prepared by the Mayor and, pursuant to the Code of the City, is required to be submitted to the City Council by April 15th of each year. The Mayor includes estimates of expenditures required for each department of the City as well as estimates of revenues from all sources, including ad valorem real property taxes. The BOE submits to the Mayor an estimate of its anticipated expenditures, and the Mayor is responsible for recommending to the City Council the amount to be appropriated for educational purposes. Adoption of the budget by the City Council and approval by the Mayor is required under the City Code to occur by June 1 unless the State has not adopted its budget. Under those conditions, the City must adopt its budget 30 days after the State adopts its budget. Upon the adoption of the budget, the tax rate and levy are determined for the ensuing year. Under current law, the tax rate and levy cannot thereafter be amended. The City Council and the Mayor may, during the course of the year, revise appropriations and make fund transfers with respect to general operations, but may not reduce the appropriation for the BOE unless the BOE authorizes the reduction and it is approved by the State Comptroller. The BOE has complete discretion under the education laws over its expenditures within the overall appropriation. (See also "*State Comptroller's Audits and Related Matters*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" herein).

Commencing with the budget for FY77-78, fiscal and budget procedures were substantially influenced by the legal restrictions set forth in the Act. The Act mandates that a balanced budget be prepared based upon estimated expenditures of not less than the "Base Year" or the "Current Year" (as such terms are defined under the caption "The Special Local Finance and Budget Act" herein below), whichever is less, and upon estimated revenues of not more than the Base Year or an amount properly attributable to the Current Year, whichever is greater, unless there are circumstances which justify increases. The City must file a Justification Document with the Fiscal Agent setting forth the facts and actions completed that provide the basis for reasonable expectation of the receipt of such revenues. Pursuant to the Act, the City is required to appropriate in the budget at least the following amounts:

1. all amounts to fund expenditures required by law;

2. amounts required to pay Special Debt Service on obligations outstanding at the beginning of the fiscal year;

3. amounts required for the payment of any judgments or settled claims against the City and any interest or reserves with respect thereto;

4. amounts estimated to be required for the payment of interest on tax anticipation notes and revenue anticipation notes to be issued during the budget year;

5. amounts required for all other expenses for the general support and current expense of the government of the City;

6. an amount for a reserve for uncollected taxes (pursuant to a percentage formula related to Base Year uncollected taxes and the budget year tax levy); and

7. an amount for liquidation of aggregate deficits, if any, of the various operating funds as of the end of the Base Year.

In addition, the City is required to prepare a monthly schedule of cash expenditures and cash receipts which provides the basis for the estimated need for the issuance of tax and revenue anticipation notes as part of the budget and such schedule is to be filed with the Fiscal Agent.

Pursuant to the Act, the revenues (other than ad valorem real property taxes) estimated to be received by the City may not be in excess of the following:

1. operating surpluses as of the end of the Base Year;

2. state aid or federal aid under any program continuing fully in effect until the end of the budget year, but not in excess of the amount received in cash by the City on account of such program during the Base Year unless a larger amount is certified to by the appropriate officer of the State or Federal government as receivable in cash for such budget year on account of such program under legislation fully effective; and

3. miscellaneous revenues (revenues other than those derived from ad valorem real property taxes) with respect to any item not in excess of any amount of such revenues from the same source in the Base Year or properly attributable to the Current Year, subject to increases for any such item provided that a Justification Document is filed with the Fiscal Agent.

In the event that during a Current Year a new source of revenue was created or identified (such as a new type of tax), the Act permits such revenue to be estimated for the budget. Such estimates may not be in excess of the total amount of revenues actually realized in cash from such source in the Current Year for not less than four of the six months prior to the beginning of the budget year plus any additional amount that can be anticipated from the same source in the remaining months of the Current Year. In addition, a Justification Document approved by the City Council must be filed with the Fiscal Agent.

For each budget year, the difference between total appropriations and total estimated revenues must be raised by a tax upon all of the taxable real property in the City. The Sale Ordinance provides that the City shall file the proposed and adopted budget with the Fiscal Agent in order that the Fiscal Agent shall have sufficient time, prior to the levy of ad valorem real property taxes, to review the budget for its compliance with the Act.

During the fiscal year, no transfers of appropriations are to be authorized or are to take effect unless a resolution of the City Council is filed with the Fiscal Agent finding that the unencumbered balance of such appropriation remaining after such transfer equals or exceeds the estimated expenditures of the City required for the purpose of such appropriation during the remainder of the budget year. No emergency, supplemental or increased appropriation is to be made during the budget year except as a result of such a transfer or as a result of revenues, consisting of State or federal aid, anticipated to be received in cash and not estimated or anticipated at the time of the adoption of the budget, provided that the appropriate officer of the State or federal government certifies that such revenues will be received in cash during such budget year under legislation and appropriations then fully effective and sufficient therefor.

If the State adopts its budget by April 1 in conformance with law, State appropriations to the City would be known at the time the City adopts its budget. As discussed above, in the event that such appropriations of aid are not known, the City is required to determine its budget items by the amount of appropriations received from the State in the Base Year, provided the program is continuing fully in effect until the end of said budget year.

The Act provides that the City may issue budget notes upon the filing with the Fiscal Agent of a Justification Document stating the facts and circumstances and that no other funds are available to the City. The aggregate amount of such budget notes may not exceed 5% of the annual budget for each year. However, no budget notes may be issued in any fiscal year for the purpose of paying any wage and salary increases or increases in pension payments which take effect during the fiscal year pursuant to collective bargaining agreements executed after the adoption of the original budget for such fiscal year.

The Act provides legal restrictions for the fiscal and budget procedures of the City, including the Fiscal Agent's responsibility to the holders for review and, if necessary, enforcement of such provisions.

In addition, pursuant to the Deficit Financing Act (as hereinafter defined), for each fiscal year that the bonds issued by the City to fund the deficit of the BOE are outstanding, the State Comptroller and the Commissioner of Education of the State must examine the proposed budget of the City and make such recommendations as deemed appropriate prior to the adoption of such budget by the City. The City must review and make adjustments to its proposed budget consistent with the recommendations of the State Comptroller and the Commissioner of Education. Copies of the recent reports issued by the State Comptroller and the Commissioner of Education, together with the City's responses thereto, are available upon request.

The City must also prepare a quarterly report of summarized budget data depicting trends of actual revenues and budget expenditures for the entire budget. Such budgetary reports must compare revenue estimates and appropriations as set forth in the budget with actual revenues and expenditures made to date. All reports must be accompanied by a recommendation of the Mayor setting forth any remedial action necessary to resolve any unfavorable budget variances. All reports must be completed within thirty (30) days after the end of each quarter and must be submitted at the end of each quarter to each member of the City Council, the Director of the New York State Division of Budget, the State Comptroller and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee. Copies of the recent quarterly reports are available upon request.

The Special Local Finance and Budget Act

In June 1976, the State Legislature, in response to a Home Rule message of the City Council, enacted a comprehensive law, known as the Special Local Finance and Budget Act of the City of Yonkers constituting Chapters 488 and 489 of the Laws of 1976 (the "Act", as previously defined), which was designed to preclude the recurrence of certain fiscal practices found and declared by the State Legislature to include inadequate regard for proper financial accounting procedures as required by law, improvident budgeting and taxing practices, inappropriate deferral of current expenditures, increased dependence on emergency legislation to fund resulting deficiencies, and other documented disregard for prudent management of its financial affairs.

The mandates of the Act include the following: (a) a balanced budget which requires (i) appropriations for expenditures, estimated at not less than those of the "Base Year" (the fiscal year next preceding the fiscal year in which the budget is required to be prepared and adopted) or the "Current Year" (the fiscal year in which the budget is required to be prepared and adopted, being the fiscal year next preceding the budget year), whichever is less (unless a Justification Document of the City Council is filed with and accepted by the Fiscal Agent); (ii) provision for revenues, estimated at not more than those of the Base Year or properly attributable to the Current Year, whichever is greater (unless a Justification Document of the City Council is filed with and accepted by the Fiscal Agent); and (iii) the requirement that the operating budget include an appropriation equal to the amount of any deficit from the Base Year, and a reserve for uncollected taxes; (b) the levy of ad valorem real property taxes required by such balanced budget; (c) the establishment of a debt service fund (the "Debt Service Fund") and the method of computing the amount of the ad valorem real property taxes as collected that could be deposited therein; (d) the funding by sale of bonds of the audited amounts of cumulative operating fund deficit and all capital indebtedness, each as of June 30, 1976; (e) the segregation in special funds held by the Fiscal Agent of proceeds from the sale of bonds and future City capital borrowings and voucher disbursements therefrom; and (f) prohibition against the temporary use of operating fund monies for capital expenditures for which bonds and notes have been previously authorized, and limitations on the issuance of budget notes for the purpose of paying increases in expenditures arising out of collective bargaining agreements.'

The Act authorizes the City to contract with City bondholders to comply with the foregoing requirements of the Act and as to certain other matters. The Act further authorizes the State Comptroller to be the Fiscal Agent for the purpose of monitoring compliance by the City and confers upon the Fiscal Agent certain remedies, on behalf of City bondholders, to enforce the rights of the bondholders including the right to require the City to levy ad valorem real property taxes under certain circumstances.

The Act contains a pledge and agreement of the State that it will not impair the contract of the City with its bondholders and will not otherwise repeal, reduce or suspend the power or duty of the City to perform under the Act in accordance with such contracts. The Act grants to the bondholders the right to sue the State to enforce such pledge and agreement and provides a State waiver of all rights of defense based upon sovereign immunity or sovereign power in such suit.

The Act was enacted by the State pursuant to Section 12 of Article VIII of the State Constitution which imposes a duty on the Legislature to restrict the powers of taxation, assessment, borrowing money and in contracting indebtedness by municipalities of the State.

Significant features of the Act and the Sale Ordinance as they relate to City bonds include:

(a) the Debt Service Fund, and the setting aside of the required percentage of real property tax and certain sales tax collections to pay all City debt service;

(b) the existence of the Fiscal Agent who holds the Debt Service Fund and is vested with trustee powers on behalf of the bondholders;

(c) the State pledge and agreement not to impair the City's contract with bondholders and the City's duty to comply with the Act;

(d) the budgeting requirements applicable to the City which help to ensure against overestimated revenues and underestimated expenditures; and

(e) the pledges and covenants made by the City.

Reference is directed to the summary of the Act contained in Appendix C attached hereto and the definitive form thereof for a full and complete statement of the rights of holders of City bonds pursuant to the Act.

Independent Audit

For the Fiscal Year ended June 30, 2021, the City of Yonkers has presented separate audited financial statements for the City and the BOE. A link to the audited financial statements for such period is contained in Appendix B attached hereto. The City and BOE financial statements are audited by the independent accounting firm of PKF O'Connor Davies LLP. The auditing firm has rendered an unmodified opinion with respect to its audit of the City's and the BOE's financial statements, as applicable, for the Fiscal Year ended June 30, 2021. Neither the City nor the BOE is required to obtain the consent of its independent auditors as a condition to the use of its audited financial statements or information therefrom in this Official Statement. However, the auditing firm has consented to the use of their auditor's reports on the basic financial statements of the City, for the year ended June 30, 2021. The BOE's Financial Statements are included in the City's Financial Statement and Auditor's Report. The City audited financial statements for the Fiscal Year ended June 30, 2021 was released on December 8, 2021.

State Comptroller's Audits and Related Matters

The State Comptroller concluded several audits of the City in calendar year 2018. The audits were focused on the City's financial operations, payroll and procurement of professional services.

The financial operations audit covered the period July 1, 2014 through June 30, 2016 and reviewed the City's financial condition, including use of bond proceeds, capital planning and budgeting practices, accounting records (with a focus on the reporting of fund balance), reconciliation of accounts receivables, financial reporting, recording of journal entries, maintenance of bank accounts and the payment of tax certiorari judgments. The audit also reviewed whether there was adequate financial oversight of the City's financial operations. Key findings in the audit included the following:

- The City has borrowed without first exhausting prior bond proceeds.
- The City Council appropriated fund balance in the City's budget without using it.
- For the FY15-16, non-spendable fund balance was overstated by approximately $4 million.
- The City did not perform internal audits or establish a fund balance policy.

The purpose of the payroll audit was to determine whether City officials established adequate internal controls over employees' leave accruals, time and attendance, and overtime for the period July 1, 2015 through February 14, 2017.

The purpose of procurement audit was to determine whether City officials sought competition when procuring professional services for the period July 1, 2015 through June 30, 2017.

The State also conducted an audit of the City that focused on cash and cash collection during 2018. Such audit was released in November 2019.

Full copies of the completed audits and the responses/corrective action plans of the City are available on the website of the State Comptroller. References to websites and/or website addresses presented herein are for informational purposes only and implies no warranty of accuracy of information therein. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Fund Structure and Accounts

The General Fund is the operating fund that is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for substantially all of the City's operating and maintenance costs, except for the Education Fund. For a description of other governmental fund types, see Appendix B attached hereto.

In accordance with law, the Board of Education maintains its own accounts independent of the City. The City accounts for the Board of Education in the Education Fund, which is classified as one of the City's Special Revenue Funds. The Board of Education is responsible for managing and controlling its own budget allotment approved by the City Council. Accordingly, the City levies and collects real property taxes for general City and Board of Education purposes. The City accounts for the entire real property tax in its General Fund and records revenue allocations to the Board of Education as transfers.

Basis of Accounting

The City's General Fund follows the modified accrual basis of accounting. Under this method of accounting, revenues susceptible to accrual include real property taxes, income taxes, sales taxes, charges for services, intergovernmental revenues and transfers. Permits, fees and other similar revenues are not susceptible to accrual because generally they are not measurable until they are received in cash.

The City's financial statements conform to generally accepted accounting principles ("GAAP"). (See Appendix B attached hereto for a link to the City's audited financial statements for the Fiscal Year ended June 30, 2021.) The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the Fiscal Year ended June 30, 2020. The City has applied to GFOA for such Certificate for the City's audited financial statements for the Fiscal Year ended June 30, 2021. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The City received the designation of "Significant Fiscal Stress" as part of the State Comptroller's Fiscal Stress Monitoring System for FY19-20. The City also received a separate environmental score of "No Designation" for FY19-20.

Issuance of Deficit Bonds by the City

As set forth in the audited financial statements of the BOE for the Fiscal Year ended June 30, 2014, a deficit of $40,754,451 appears in the General Fund of the BOE as of June 30, 2014.

Causes of General Fund Deficit for FY13-14. The State provides annual State aid to school districts in the State, including the BOE, on the basis of various formulas. Due to the State's own budgetary crisis in 2009 and to assist the State in mitigating the impacts of its own revenue shortfall, the State reduced the allocation of State aid to school districts as part of a program known as the Gap Elimination Adjustment ("GEA"). To lessen the impact of the reductions in State aid upon school districts, the State authorized school districts, including the BOE, to advance or to "spin-up" a portion of the subsequent year's State aid allocation in the current year. During FY10-11 and FY11-12, the BOE opted to advance or "spin-up" its State aid apportionment in an amount equal to its State aid allocation reduced by the GEA (the "Spin-up Aid"). In FY12-13 and FY13-14, the BOE also opted to advance or "spin-up" its State aid on account of the GEA; however, there was no State legislative authorization allowing a spin-up in such years. As a result of the foregoing, the BOE overstated State aid revenues of approximately $55.0 million for FY12-13 ($26.9 million) and FY13-14 ($28.1 million), creating two fiscal years of budget shortfalls and an ongoing budget gap.

In January 2014, the City learned that the FY12-13 and FY13-14 Adopted Budgets of the BOE had overestimated State aid revenues in the aggregate amount of approximately $55.0 million. Immediately following the discovery of the BOE budget shortfall, the City imposed various measures in an effort to curtail spending and mitigate the deficit. Due to the governance structure of the BOE and City, the City was not authorized to assume control of the BOE and its finances. As a budget-dependent/operationally independent school district, the control and management of the BOE pursuant to State law was exclusively within the province of the BOE. The City's sole role was to provide financial support to operate the BOE, but the City was legally restricted from overseeing the budget preparation, spending or accounts receivables function of the BOE, despite the fact that BOE financial support comprises more than one-half of the City's overall budget. Pursuant to State law, the City has a statutory "maintenance of effort" requirement (the "Maintenance of Effort") to provide a minimum level of local funding. As a result of the Maintenance of Effort, generally, financial support provided by the City cannot be reduced from one year to the next. In order to ensure compliance with the legal prohibition on direct control, the City and the BOE entered into an interim inter-municipal agreement (the "Interim IMA"), which authorized the City to provide interim financial consulting services to the BOE.

On February 25, 2014, the City's Commissioner of Finance and Management Services issued a report providing an overview of the BOE budget shortfall. On May 30, 2014, the Inspector General of the City released a report detailing his findings relating to the causes of the overestimation of State aid revenues in the FY12-13 and FY13-14 Adopted Budgets of the BOE. The Superintendent of Schools and the Chief Administrative Officer resigned in February 2014 as a result of the foregoing. An interim Superintendent was appointed by the Board of Education followed by his permanent appointment to the title of Superintendent of Schools until his resignation in November 2015. The current Superintendent of Schools was appointed in March, 2016.

The overestimation of State aid in the aggregate amount of $55,000,000 by the BOE depleted the BOE's fund balance, resulting in a BOE deficit for FY13-14 and a significant projected BOE deficit for FY14-15. The City requested assistance from the State to help mitigate the deficit for FY13-14 and the projected budgetary deficit for FY14-15. In response, the State enacted special legislation in connection with the adoption of the State budget on or about April 1, 2014, entitled Chapter 55 of the New York Laws of 2014 (the "Deficit Financing Act"). The Deficit Financing Act authorized the City to issue bonds in the principal amount of not to exceed $45,000,000 for the purpose of liquidating the deficit in the General Fund of the BOE for FY13-14. Upon the enactment of the Deficit Financing Act, the City became and continues to be subject to the provisions of the Deficit Financing Act and certain additional requirements and procedures pursuant to Section 10.10 of the Local Finance Law ("Section 10.10"). The Deficit Financing Act provided that the City may not issue any bonds for the purpose of liquidating such deficit until the amount of such deficit was confirmed and certified by the State Comptroller and such bonds were required to be issued no later than March 31, 2015. On March 27, 2015, following certification of the deficit by the State Comptroller, the City issued its $37,260,000 School Deficit Bonds-2015A pursuant to this authorization.

Pursuant to the Deficit Financing Act, the City is required to submit to the State Comptroller and the Commissioner of Education of the State each year, starting with the budget prepared for FY14-15 and for each subsequent fiscal year during which any deficit obligations issued pursuant to the Deficit Financing Act are outstanding, its tentative or preliminary budget for the succeeding fiscal year. The State Comptroller and the Commissioner of Education of the State must examine the proposed budget and make such recommendations as deemed appropriate thereon to the City prior to the adoption of such budget. Such recommendations are to be made after examination into the estimates of revenues and expenditures of the City. Pursuant to the Deficit Financing Act, the City, no later than five days prior to the adoption of the budget, shall review any such recommendations made by the State Comptroller and the Commissioner of Education and make adjustments to its proposed budget consistent with those recommendations. Copies of the recent reports issued by the State Comptroller and the Commissioner of Education, together with the City's responses thereto, are available upon request. In addition, for each fiscal year that bonds issued to fund the deficits are outstanding, the City must prepare a quarterly report of summarized budget data depicting trends of actual revenues and budget expenditures for the entire budget. Such budgetary reports must compare revenue estimates and appropriations as set forth in the budget with actual revenues and expenditures made to date. All reports must be accompanied by a recommendation of the Mayor setting forth any remedial action necessary to resolve any unfavorable budget variances. All reports must be completed within thirty (30) days after the end of each quarter and must be submitted at the end of each quarter to each member of the City Council, the Director of the New York State Division of Budget, the State Comptroller and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee.

In addition, beginning with the fiscal year during which the City is authorized to issue bonds to finance the deficit, to and including the last fiscal year that any of such bonds are outstanding, within thirty days after final adoption of the budget for the next succeeding fiscal year, the City must prepare a three (3) year financial plan covering the next succeeding fiscal year and the two fiscal years thereafter. The financial plan must contain the information required by paragraph (e) of Section 10.10 and must be submitted to each member of the City Council, the Director of the New York State Division of Budget, the State Comptroller and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee. The City must also notify the State Comptroller at least fifteen (15) days prior to the issuance of any bonds or notes or entering into any installment purchase contract by the City and the State Comptroller may review and make recommendations to the City regarding the affordability of any such proposed issuance or contract.

The Deficit Financing Act also authorized an additional provision of $28,000,000 in grant funds from the State to the City. In order to receive the funding from the State, the City and the BOE were required to enter into an inter-municipal agreement, which provides for the City to impose specific financial, operational and/or supervisory controls over the BOE. The new inter-municipal agreement between the City and the BOE became effective on July 1, 2014 and continues in perpetuity (the "IMA"). On June 13, 2014 the New York State Director of Budget issued a letter determining that the IMA meets the requirements of the Deficit Financing Act and the $28,000,000 grant was given to the City to balance the budget of the BOE for the FY14-15.

The IMA requires that the City assume all BOE finance and budget functions in consultation with the Superintendent of Schools and the Board of Trustees of the BOE. Additionally, the IMA gives the City the authority to consult on all labor contracts. The IMA also gives the City, in consultation with the Superintendent of Schools and the Board of Education of the BOE, the authority to supervise certain non-academic operational functions of the BOE, as described in the Deficit Financing Act and the IMA. Pursuant to the IMA, in connection with the adoption of its FY14-15 budget, the City immediately absorbed the operations and expenses of various BOE administrative functions. In addition, in accordance with the Deficit Financing Act, the IMA grants the City the authority to create, abolish, maintain and consolidate all positions in the non-academic operational functions described in the IMA. The BOE retains the authority to create, abolish, maintain or consolidate positions which have a nexus to the academic activities of the BOE, which do not fall within the scope of the finance and budget functions and non-academic operational functions discussed in the IMA. The Deficit Financing Act and the IMA authorize the City to implement a schedule of public hearings on the BOE's budget, which must be held at least quarterly and must be held in consultation with the Superintendent of Schools and the Board of Trustees of the BOE. Lastly, the City is required to periodically prepare and issue a report regarding the consolidation.

As of the date hereof, the City and the BOE have complied with the requirements of the Deficit Financing Act.

Additional measures undertaken to mitigate structural imbalance. The 2015-2016 Adopted Budget of the State did not continue the $28,000,000 grant to the City; however, Chapter 20 of the New York State Laws of 2015 authorized the transfer of not-to-exceed $25,000,000 from the State's Mortgage Insurance Fund (the "MIF Grant"), to assist the BOE in addressing the structural imbalance created by the overestimation of spin-up aid. As a condition of the release of the MIF Grant, the City was required to submit a comprehensive financial plan that provides for continuity of current educational services. The City's plan was submitted to and approved by the State Budget Division.

In addition, Chapter 67 of the New York Laws of 2015 authorized the City to increase its sales and compensating use tax by one half of one percent (from 2.5% to 3.0% of the total sales and compensating use tax collected in the City. The City is required to use the revenues generated by the increase in the sales and compensating use tax rate for the support of education, unless the City Council votes, on an annual basis, to use such additional revenue for a different purpose of the City.

Absent the MIF Grant and the increase in the sales and compensating use tax rate, the BOE would have been required to make significant reductions in staff and program in order to balance its budget for FY15-16. The BOE included $14.0 million of the MIF Grant in its FY15-16 budget and the $11.0 million balance in the BOE's FY16-17 budget. The City also included $11.4 million in additional sales and compensating use tax in its FY15-16 budget and $14.8 million in its FY16-17 budget. The additional sales and compensating use tax collected and applied to the BOE's budgets pursuant to Chapter 67 of the Laws of 2015 and allocated to the BOE must be included in the Maintenance of Effort requirement and must be maintained by the City even if Chapter 67 of the Laws of 2015 is not extended beyond its current expiration date, which is November 30, 2020. Any decreases in the revenues generated from such additional sales and compensating use tax must be made up by the City as part of its annual contribution to the BOE. The MIF Grant was exempt from the Maintenance of Effort pursuant to the express provisions of Chapter 20 of the Laws of 2015.

City and Board of Education General Fund Operations FY16-17

For the City's Fiscal Year ended June 30, 2017, under the modified accrual method of accounting, the City's General Fund revenues and other financing sources of $758,771,871 was exceeded by expenditures and other financing uses of $779,344,575 by $20,572,704. The ending unassigned fund balance for FY16-17 was $18,261,008. The ending assigned amount for FY16-17 was $42,354,793.

The Board of Education's General Fund FY16-17 revenues and other financing sources of $552,111,129 exceeded expenditures and other financing uses of $536,894,359 by $15,216,770. The ending assigned fund balance for FY16-17 was $42,724,727. The ending restricted fund balance for FY16-17 was $964,300.

City and Board of Education General Fund Operations FY17-18

For the City's Fiscal Year ended June 30, 2018, under the modified accrual method of accounting, the City's General Fund revenues and other financing sources of $769,420,457 was exceeded by expenditures and other financing uses of $783,436,079 by $14,015,622. The ending unassigned fund balance for FY17-18 was $27,890,155. The ending assigned amount for FY17-18 was $18,710,024.

The Board of Education's General Fund FY17-18 revenues and other financing sources of $552,886,846 was exceeded by expenditures and other financing uses of $563,628,783 by $10,741,937. The ending assigned fund balance for FY17-18 was $31,982,790. The ending restricted fund balance for FY17-18 was $964,300.

City and Board of Education General Fund Operations FY18-19

For the City's Fiscal Year ended June 30, 2019, under the modified accrual method of accounting, the City's General Fund revenues and other financing sources of $827,102,402 exceeded expenditures and other financing uses of $804,238,497 by $22,863,905. The ending unassigned fund balance for FY18-19 was $41,021,887. The ending assigned amount for FY18-19 was $28,442,197.

The Board of Education's General Fund FY18-19 revenues and other financing sources of $559,481,299 was exceeded by expenditures and other financing uses of $569,097,681 by $9,616,382. The ending assigned fund balance for FY18-19 was $20,813,401.

City and Board of Education General Fund Operations FY19-20

For the City's Fiscal Year ended June 30, 2020, under the modified accrual method of accounting, the City's General Fund revenues and other financing sources of $774,077,295 were exceeded by expenditures and other financing uses of $803,334,674 by $29,257,379. The ending unassigned fund balance for FY19-20 was $5,904,566. The ending assigned amount for FY19-20 was $34,302,139.

The Board of Education's General Fund FY19-20 revenues and other financing sources of $586,588,425 exceeded expenditures and other financing uses of $568,549,688 by $18,038,737. The ending assigned fund balance for FY19-20 was $37,228,141.

City and Board of Education General Fund Operations FY20-21

For the City's Fiscal Year ended June 30, 2021, under the modified accrual method of accounting, the City's General Fund revenues and other financing sources of $846,938,606 exceeded expenditures and other financing uses of $789,974,011 by $56,964,595. The ending unassigned fund balance for FY20-21 was $69,340,160. The ending assigned amount for FY20-21 was $27,831,140.

The Board of Education's General Fund FY20-21 revenues and other financing sources of $583,538,395 exceeded expenditures and other financing uses of $570,623,222 by $12,915,173. The ending assigned fund balance for FY20-21 was $53,551,498.

City and Board of Education Adopted Budget FY21-22

The discussion below is based, in part, on projections and/or forward-looking statements related to FY21-22. No assurance can be given that the budget estimates and/or forward-looking statements discussed below will be realized. The accuracy of the budget estimates and/or forward-looking statements contained under this caption cannot be verified until after the close of such Fiscal Year(s) and the completion of the related audits. In addition, the accuracy of all projections and forward-looking statements is dependent on a number of factors, including: (1) general economic factors that affect local source revenues such as sales taxes and individual income taxes, (2) the effectiveness of monitoring City and BOE expenditures, (3) the ability of the City and the BOE to meet spending reduction initiatives, (4) the amount of state and federally mandated expenditures, (5) year-end accruals of revenues and expenses, and (6) the implementation of new state and federal legislation or initiatives, among others.

The City Council adopted the FY21-22 Budget on May 28, 2021. The State Comptroller certified the City's FY21-22 Budget on July 2, 2021.

The adopted operating budget for combined City and BOE operations in FY21-22 totals $1,251,512,189, a $16,703,265 (1.35%) increase over the FY20-21 Adopted Budget. The FY21-22 Adopted Budget provides (1) a municipal operating budget of $587,534,813, a $6.0 million (1.0%) decrease from FY20-21, and (2) a BOE budget of $663,977,376, a $22.7 million (3.5%) increase from Adopted Budget

FY20-21. The City increased its contribution to the BOE by $10,900,794 over FY20-21, to a total of $280,543,063, which includes $17,362,120 from the increase in the City's sales and compensating use tax by one half of one percent (from 2.5% to 3.0% of the total sales and compensating use tax collected in the City).

The FY21-22 City Adopted Budget is balanced by utilizing all of the available unassigned General Fund balance from year-end FY19-20 ($5.9 million) and $21.6 million in Aid and Incentives to Municipalities State Aid ("AIM") which was withheld from the city in FY19-20 but received in FY20-21 and budgetable as revenue under Section 7 of the Special Local Finance and Budget Act of 1976. The FY21-22 BOE Adopted Budget is balanced utilizing $8.4 million of the $23.3 million available for future year use Education General Fund balance from year-end FY19-20.

The overall tax levy is $390,725,376, a $1.1 million (0.28%) decrease from the FY20-21 Adopted Budget amount of $391,815,589. The tax rate decreased by 0.01% to $852.37 per $1,000 of assessed value.

The FY21-22 City Adopted Budget includes 2,026 operating budget positions which is an increase of 26 positions over the FY20-21 Adopted Budget amount. The FY21-22 BOE Adopted Budget includes 3,184 operating budget positions, a decrease of 27 positions, as compared to the FY20-21 Adopted Budget.

Review of FY21-22 Adopted Budget by State Comptroller

Chapter 55 of the Laws of 2014 requires the City to submit to the State Comptroller and the Commissioner, its proposed budget for the next succeeding fiscal year. The State Comptroller and the Commissioner must examine the proposed budget and make recommendations as deemed appropriate after examining the estimates of revenues and expenditures of the City. The City must review the recommendations made by the State Comptroller and the Commissioner and make adjustment to its proposed budget consistent such recommendations.

On May 17, 2021, the State Comptroller provided several recommendations to the City related to its FY21-22 budget by way of Report Number B21-6-7. A link to the complete report may be found at: https://www.osc.state.ny.us/files/local-government/audits/2021/pdf/yonkers-budget-review-b21-6-7.pdf

Chapter 488 of the Laws of 1976 (the "Fiscal Agent Act") requires the State Comptroller, as Fiscal Agent for the City, to certify the City's annual budget. On July 2, 2021, the State Comptroller certified that the FY21-22 City Adopted Budget, together with the justification documents are in material compliance with the Fiscal Agent Act and the City's bond ordinances. On that same date, the State Comptroller shared key findings and recommendations, by way of Report Number B21-6-8, regarding that certified budget with the City. A link to the complete report may be found at: https://www.osc.state.ny.us/files/local-government/audits/2021/pdf/yonkers-budget-review-b-21-6-8.pdf.

The City's Four Year Financial Plan for FY21-22 through FY24-25 and the gap mitigation measures developed by the City address many of the concerns raised by the State Comptroller. For more information see "City of Yonkers Four Year Financial Plan Fiscal Year 2022 – Fiscal Year 2025" available on the City's website at https://www.yonkersny.gov/government/departments/finance/four-year-financial-plans. Copies of the State Comptroller's letters are available at upon request.

PROJECTED FINANCIAL RESULTS OF THE CITY FOR FY21-22

THE CITY MUST PREPARE A QUARTERLY REPORT OF SUMMARIZED BUDGET DATA DEPICTING TRENDS OF ACTUAL REVENUES AND BUDGET EXPENDITURES FOR THE ENTIRE BUDGET. THE INFORMATION THAT FOLLOWS IS BASED UPON THE CITY'S QUARTERLY REPORT FOR THE 1ST QUARTER OF FY21-22 [LATEST AVAILABLE]. THE CITY AND THE BOE CANNOT PREDICT AT THIS TIME WHETHER THE YEAR-END RESULTS FOR FY21-22 WILL DIFFER SIGNIFICANTLY FROM THE 1ST QUARTER RESULTS SET FORTH HEREIN.

Based upon the City's quarterly report for the 1st quarter of FY21-22, the City's General Fund operations for FY21-22 were projected to increase unassigned fund balance by $10.8 million. All funds combined, total unassigned fund balance increase is projected at $7.4 million, including a $10.8 million increase for the City General Fund, $3.6 million decrease for the Education Fund, and a combined $0.2 million increase in the Water, Sewer, Library, Museum, and Debt Service Funds.

For FY21-22, Special Taxes – including sales tax, personal income tax, mortgage recording tax, and real estate transfer tax – are projected to be $7.8 million above budget. Sales and Use Tax, including the portion dedicated for Education is budgeted at $104.2 million and projected at $107.1 million, or $2.9 million above budget. Personal Income Tax, the second largest Special Tax, is budgeted at $56.8 million and projected at $59.4 million, or $2.6 million over budget. Real Estate Transfer Tax is budgeted at $12.66 million and projected at $13.94 million, or $1.28 million above budget. City & State Mortgage Tax is budgeted at $10.3 million and projected at $11.3 million, or $1.0 million above budget. General Fund City Department revenues are projected to be $0.2 million below budget primarily due to Civil Service Exam Application revenue being below budget by $0.2 million. State and Federal Funding is budgeted at $108.7 million and projected at $111.5 million, or $2.8 million above budget primarily due to revenue recognition of $2.7 million of Federal Revenue awarded to the city under the American Rescue Plan. In total, General Fund revenues are projected at $11.2 million over budget.

For FY21-22, General Fund City Department Expenditure budgets were budgeted at $291.2 million and are projected at $291.3 million, or $0.1 million above budget. General Fund Fringe Benefits were budgeted at $165.2 million and are projected at $165.0 million, or $0.2 million below budget. Transfers out from the City General Fund to the Education Fund for overages in Sales Tax for Education are projected to be $0.5 million above budget. In total, General Fund expenditures were budgeted at $816.3 million and are projected at $816.7 million, or $0.4 million above budget.

Combined, for the City General Fund, revenues are projected $11.2 million over budget, while expenditures are projected $0.4 million over budget, equaling a projected increase to the unassigned fund balance of $10.8 million.

PROJECTED FINANCIAL RESULTS OF THE BOE FOR FY21-22

THE CITY MUST PREPARE A QUARTERLY REPORT OF SUMMARIZED BUDGET DATA DEPICTING TRENDS OF ACTUAL REVENUES AND BUDGET EXPENDITURES FOR THE ENTIRE BUDGET. THE INFORMATION THAT FOLLOWS IS BASED UPON THE CITY'S QUARTERLY REPORT FOR THE 1ST QUARTER OF FY21-22 [LATEST AVAILABLE]. THE CITY AND THE BOE CANNOT PREDICT AT THIS TIME WHETHER THE YEAR-END RESULTS FOR FY21-22 WILL DIFFER SIGNIFICANTLY FROM THE 1ST QUARTER RESULTS SET FORTH HEREIN.

Based on the quarterly report for the first quarter of FY21-22, the BOE is projected to decrease available fund balance by $3.6 million. Education Fund revenues are projected at $660.9 million, or $3.7 million less than the FY21-22 amended budget amount of $664.6 million The primary driver of the projected revenue shortfall in FY21-22 is a reduction in reimbursable State Aid since final expenditure results for FY20-21 (amounts used for actual revenue calculation by New York State) were lower than the projections used at the time of budget adoption. Career Aid ($1.2 million), Transportation Aid ($1.2 million), and Charter School Transitional Aid ($1.1 million) make up most of the projected revenue shortfall.

For FY21-22, BOE expenditures were budgeted at $664.6 million and are projected at $664.5 million, or $0.1 million below budget. Employee Benefits were budgeted at $165.2 million and are projected at $164.6 million, or $0.6 million below budget. Transportation expenses were budgeted at $43.1 million and are projected at $43.6 million, or $0.5 million above budget.

Combined, $3.7 million below budget in revenues, and $0.1 million under budget in expenditures, equals a projected decrease to the available fund balance of $3.6 million.

Impacts of COVID-19

COVID-19 had a major financial impact on the City and the BOE. The City and the BOE have continued to monitor cash, revenues and expenditures to help financially navigate through this difficult time.

The overall fiscal impacts of the pandemic may be illustrated by comparing the City's and the BOE's current projected fund balance reserves with those of the period ending prior to the start of the pandemic. The first effects of the COVID-19 pandemic started for both the City and the BOE in February/March 2020. The last financial projection prepared by the City prior to such period was the FY19-20 Q2 Projection, which projected financial performance up to December 31, 2019. The FY21-22 Q1 Projection, which projected performance up to September 20, 2021, is the most current financial projection prepared by the City. The following represents the change in available fund balance reserves for both the City and the BOE from the FY19-20 Q2 Projection to the FY21-22 Q1 Projection.

For the City, the FY19-20 Q2 Projection forecasted general fund unassigned fund balance of $51.0 million while the FY21-22 Q1 Projection indicates an $80.1 million unassigned general fund balance projection, indicating that unassigned general fund balance reserves grew by $29.1 million over the course of seven fiscal quarters. The factors that have influenced performance during this time are: (1) federally awarded Coronavirus State and Local Fiscal Recovery Funds, part of the American Rescue Plan Act, signed into law on March 11, 2021; (2) no increase in contractual wage costs since most union contracts have been outstanding since the start of the pandemic; (3) strong performance in the following revenue categories: sales tax, personal income tax, real estate transfer tax, mortgage tax, and development income; and (4) prudent management of expenditure, including reductions in the following areas: Public Safety, Employee Benefits, Shared Services, Uncollected Taxes and Termination Payments.

There have been additional expenditures required by the City and the BOE to meet the health standards for protecting residents and employees from COVID-19. Such expenses were paid from both entity's General Funds and Capital Project Funds with the expectation of partial Federal reimbursement of qualifying expenditures.

As part of the American Rescue Plan Act, under the Coronavirus State and Local Fiscal Recovery Plan, the City was awarded $87.5 million with the first tranche, equaling 50% of the total, being received in May 2021. The remaining second tranche is expected to be received, at minimum, twelve months after the receipt of the first tranche. Of the total amount of $87.5 million awarded, only $12.9 million has been recognized as revenue in the measurement period and represented in the projected $80.1 million unassigned fund balance, leaving $74.6 million left to be recorded as revenue when funds are completely received and spent consistently with the Coronavirus State and Local Fiscal Recovery Funds guidelines.

For the BOE, the FY2019-20 Q2 Projection forecasted available to use general fund balance of $7.5 million while the FY2021-22 Q1 Projection indicates $40.8 million available to use general fund balance projection, indicating that available to use general fund balance reserves grew by $33.3 million over the course of seven fiscal quarters. The factors that have influenced performance during this time include: (1) Savings in Transportation expenses due to the closure of schools; (2) Additional State Aid in the form of Foundation Aid for the FY21-22 Budget (see also "*State Aid to Education*," herein) and (3)

Reduction in Employee Benefits. Included in the measurement period are multiple federally awarded grants, which are above the normally allotted federal grant funding and directly resulting from large federal stimulus packages enacted since the beginning of the pandemic. For FY2020-21, the BOE was awarded $10.4 million under Cares Act grants named the Elementary and Secondary School Emergency Relief ("ESSER") Grant and the Governor's Emergency Education Relief Grant ("GEER") to be budgeted in the FY2020-21 general fund budget. For use in fiscal years starting FY2021-22 and forward the BOE was additionally awarded a total approximate amount of $105 million in combined GEER and ESSER funds under the both the Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act. Amounts for those grants are expected to be budgeted and expensed in entirety by FY24-25 in the BOE's special aid fund, which is outside the BOE's general fund.

The spread or resurfacing of the COVID-19 outbreak has had, and may continue to have, a material adverse effect on the State and the City. The City and BOE are continuously monitoring the situation and will modify projections as circumstances require.

See also "*Litigation*" herein for a discussion of a Notice of Claim filed by one of the BOE's transportation providers seeking payment for invoices submitted during the school shutdown.

Financial Restructuring Board

By resolution of the City Council, the City of Yonkers submitted an application to the Financial Restructuring Board for Local Governments on April 17, 2018 and was accepted into the program at the FRB board meeting on June 13, 2018. The FRB undertook a comprehensive review of the operations of the City and the BOE and has issued a report regarding the City's finances. Cost savings resulting from the Inter-Municipal Agreement between the City and the BOE was acknowledged in the FRB's report. A $5 million grant was awarded to the City and was included in the FY18-19 budget. On June 26, 2019, the grant was confirmed by Financial Restructuring Board for Local Governments. The City received the $5 million grant during FY19-20.

Transfers from the Water Fund

According to Section C9-17 of the City's charter, the disposition for water rents are first made for the operation and maintenance of the waterworks and for interest on all City issued water bonds. Historically, the City has attributed to the Water Fund a portion of the salaries and fringe benefits of certain City employees who perform duties related to the operation, maintenance and management of water services. In addition, certain costs incurred for expenses such as judgments and claims, settlements, and other expenses related to the delivery of water service have been charged back to the Water Fund. Following a review by the City's Finance and Budget Departments of the costs and expenses incurred by the various City departments and employees, a portion of the water rents is considered a revenue and disposed of in the City's adopted budget. In the past, the amount of the transfer from the Water Fund to the General Fund was determined during the annual budgetary process, based upon a variety of factors. The amount of the transfers from the Water Fund to the General Fund for FY14-15 and FY15-16 was $11.42 million in each such year. For the FY16-17 Adopted Budget, the City developed a budgetary template and policy to determine the appropriate amount of the transfer from the Water Fund to the General Fund in each fiscal year. As such, the FY16-17 Adopted Budget for the City's Water Fund included an appropriation transfer of approximately $12.65 million to the City's General Fund that represented an allocation of expenses borne wholly by the General Fund but directly or indirectly related to supporting the Water Bureau's operations and its responsibility to provide safe and potable water for residential, commercial, and industrial users, and also providing adequate water supply for firefighting purposes. Such transfer included costs or pro-rated cost shares such as: (i) debt service for Water Fund capital projects, such as repair and replacement of water hydrants, valves, mains, towers, etc.; (ii) Water Fund employee fringe benefits, such as health insurance, pension cost, workers compensation, and payout of accrued leave balances; (iii) administrative support from departments such as purchasing, corporation counsel, human resources, engineering, and information technology and from city councilpersons and city administration; and (iv) non-departmental expenditure cost allocations including litigation expenses, judgment and claims, and expenses related to the annual City audit. The FY16-17 Budget transfer from the Water Fund to the General Fund provided reimbursement for services provided and was based on a rigorous analysis of cost centers. The FY17-18 transfer was $11.82 million and $11.90 million for FY18-19. Starting with the FY19-20 Adopted Budget, the transfer template was adjusted by removing (i) debt service for Water Fund capital projects, such as replacement of water hydrants, valves, mains, towers, etc. and (ii) Water Fund employee fringe benefits, such as health insurance, pension cost, workers compensation, and payout of accrued leave balances from the transfer. The expenses, which totaled $8.5 million, were budgeted directly inside the Water Fund for the FY19-20 Adopted Budget reducing the transfer to the General Fund to $4.0 million. In FY20-21, the transfer to the General Fund increased to $7.75 million. The increase was based upon a variety of factors and not necessarily based upon an allocation of expenses borne wholly by the General Fund in support of the Water Bureau's operations. For FY21-22, the transfer is budgeted at $5.9 million.

Capital Project Close Out

During FY15-16, the City identified certain capital projects that had been financed with the proceeds of bonds which had been completed or abandoned by the City. The City also determined that no further claims or liabilities existed to be satisfied with the proceeds of the original bonds. The City requested that the State Comptroller transfer the unexpended Note Proceeds to the Debt Service Fund and to use such funds to pay the principal due on the respective bonds issued to finance such capital projects until all such unexpended Note Proceeds have been fully exhausted or the respective bonds have been paid in full. The City utilized $5.9 million in FY17-18 being held in the Debt Service Fund to pay the principal payments due for each respective series of bonds.

Through FY17-18 to FY19-20, the City identified certain capital projects that had been financed with the proceeds of bonds and bond anticipation notes which had been completed or abandoned by the City. The City also determined that no further claims or liabilities existed to be satisfied with the proceeds of the original bonds or bond anticipation notes. The City requested that the State Comptroller transfer the unexpended Note Proceeds to the Debt Service Fund and to use such funds to pay the principal due on the respective bonds issued to finance such capital projects until all such unexpended Note Proceeds have been fully exhausted or the respective bonds have been paid in full. The City utilized $1.5 million in FY19-20 and will be utilizing $0.3 million in FY20-21 and $0.2 million in FY21-22 being held in the Debt Service Fund to pay the principal payment, or part thereof, due on the respective series of bonds.

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CITY - GENERAL FUND
SUMMARY OF OPERATIONS AND CHANGES IN FUND BALANCE[1]
(000's Omitted)

	Adopted Budget FY21-22	Actual (Audited) FY20-21	Actual (Audited) FY19-20	Actual (Audited) FY18-19	Actual (Audited) FY17-18
Revenues:					
Real Property Taxes [2]	$ 371,446	$ 372,943	$ 362,113	$ 355,456	$ 344,259
Other Tax Items	70,230	74,461	75,191	87,944	79,334
Non-Property Taxes	174,375	181,493	163,614	169,294	161,732
Departmental Income	45,306	45,153	43,790	44,583	43,127
Use of Money and Property	255	1,302	2,882	1,616	795
Sale of Property and Compensation for Loss	300	1,391	69	78	205
State and Federal Aid [7]	118,978	151,472	95,548	122,687	117,346
Miscellaneous	1,673	2,568	3,064	3,287	2,947
Total Revenues	782,563	830,783	746,271	784,945	749,745
Expenditures:					
Current-					
General Government Support	91,126	84,394	88,626	103,441	96,584
Public Safety	187,408	184,062	185,298	182,188	177,228
Transportation	2,080	1,600	898	1,904	1,719
Culture and Recreation	11,444	8,984	9,716	10,230	9,926
Home and Community Services	25,944	23,616	23,861	23,149	23,603
Employee Benefits [3]	165,173	160,680	161,209	163,060	153,848
Debt Service	1,120	842	18,440	2,385	6,834
Total Expenditures	484,296	464,178	488,048	486,357	469,742
Excess of Revenues Over Expenditures	298,266	366,605	258,223	298,588	280,003
Other Financing Sources (Uses):					
Sale of Real Property	-	2,305	1,506	14,107	1,853
Bond anticipation notes issued	-	-	-	16,150	-
Transfers In [4]	5,936	7,754	3,993	11,900	11,822
General Obligation bonds issued	-	6,095	22,325	-	6,000
Transfer Out – Debt Service	(40,235)	(45,268)	(39,373)	41,395	(34,875)
Transfers Out – Other	(291,515)	(280,527)	(275,931)	(359,276)	(278,819)
Total Other Financing Sources (Uses)	(325,814)	(309,641)	(287,480)	(275,724)	(294,019)
Net Change in Fund Balance	$ (27,548)	56,964	(29,257)	22,864	(14,016)
Fund Balance [5]:					
Beginning of Year [6]		40,207	69,464	46,600	60,616
End of Year		$ 97,171	$ 40,207	$ 69,464	$ 46,600
Fund Balance [5][6]:					
Assigned		$ 27,831	$ 34,302	$ 28,442	$ 18,710
Unassigned		69,340	5,905	41,022	27,890
End of Year		$ 97,171	$ 40,207	$ 69,464	$ 46,600

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(1) Presented on a modified accrual basis of accounting. (See "*Basis of Accounting*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" herein.)
(2) Includes current year tax levy as well as prior year taxes anticipated to be collected.
(3) Employee benefits for positions accounted for in the Water and Library Funds are paid from the General Fund.
(4) Transfers to the General Fund include an annual transfer from the Water Fund, which in FY20-21 amounted to $7,754,382.
(5) Fund Balance Section left blank for Adopted Budget Column FY21-22.
(6) Detailed information on the components of fund balance may be found in Appendix B, Note 3.N.
(7) FY19-20 Actual results exclude $21.6 million in State Aid owed to Yonkers for Aid and Incentives to Municipality Aid withheld by New York State due to the COVID-19 pandemic. The funds were released and paid to the City during FY20-21, and recognized as revenue at that time.

BOARD OF EDUCATION – GENERAL FUND
SUMMARY OF OPERATIONS AND CHANGES IN FUND BALANCE[(1)]

(000's Omitted)

Revenues:	**Adopted Budget FY21-22**	**Actual (Audited) FY20-21**	**Actual (Audited) FY19-20**	**Actual (Audited) FY18-19**	**Actual (Audited) FY17-18**
Charges for Services	$ 531	$ 239	$ 578	$ 171	$ 392
Use of Money and Property	60	24	163	288	300
Sale of Property and Compensation for Loss	19	21	2	3	308
Interfund Revenues	406	314	328	385	375
State Aid	359,013	321,118	338,670	322,208	300,326
Federal Aid	620	10,252	1,034	1,607	1,134
Miscellaneous	842	5,047	2,468	3,658	3,515
Total Revenues	361,492	337,015	343,243	328,320	306,350
Expenditures:					
Current-					
Education	458,374	418,286	408,906	409,975	395,380
Employee Benefits	161,960	147,852	154,502	155,067	147,885
Debt Service	1,652	1,634	1,616	1,598	1,582
Total Expenditures	621,985	567,772	565,024	566,640	544,847
Excess of Revenues Over Expenditures	(260,494)	(230,757)	(221,781)	(238,320)	(238,497)
Other Financing Sources (Uses):					
Transfer In	252,122	246,523	243,345	231,161	246,537
Transfer Out – Debt Service	-	-	-	(964)	(16,764)
Transfers Out – Other	-	(2,851)	(3,526)	(1,493)	(2,018)
Total Other Financing Sources (Uses)	252,122	243,672	239,819	228,704	227,755
Net Change in Fund Balance	$ (8,372)	12,915	18,038	(9,616)	(10,742)
Fund Balance[(2)(3)]:					
Beginning of Year		41,369	23,331	32,947	43,689
End of Year		$ 54,284	$ 41,369	$ 23,331	$ 32,947
Fund Balance [(2)(3)(4)]:					
Restricted		$ -	$ -	$ -	$ 964
Nonspendable		733	4,141	2,517	-
Assigned		53,551	37,228	20,814	31,983
End of Year		$ 54,284	$ 41,369	$ 23,331	$ 32,947

(1) Presented on a modified accrual basis of accounting. (See "*Basis of Accounting*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" herein.)
(2) Fund Balance Section left blank for Adopted Budget Columns F21-22.
(3) Detailed information on the components of fund balance may be found in Appendix B, Note 3.N.
(4) The Board of Education (BOE) General Fund, when presented in the City's Annual Comprehensive Financial Report (ACFR), is reported as a Special Revenue Fund. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", a special revenue fund cannot report unassigned fund balance (unless reporting a deficit fund balance). Therefore, when reflected in the City's ACFR, the residual fund balance for the BOE General Fund is reflected as assigned for educational purposes. However, in the stand alone audited financial statements for the BOE, this amount is reflected as both assigned (to balance the subsequent year's budget and encumbrances) $9,009,419 for FY21, $13,964,418 for FY20, $8,095,580 for FY19, and $24,175,517 for FY18; and unassigned (to be used at the BOE's discretion) $44,542,079 for FY21, $23,263,723 for FY20, $12,717,821 for FY19, and $7,806,273 for FY18.

Revenues

The General Fund accounts for the full receipt of the tax levy, including that portion of the levy raised for the Board of Education and that portion of the levy deposited in the Debt Service Fund for the payment of debt service.

The City's property tax levying powers, other than for debt service and certain other purposes, are limited by the State Constitution to 2% of the five-year average full valuation of taxable real property. The City's ability to increase its tax levy is also constrained by the Tax Levy Limitation Law. (See "*Tax Levy Limit Law*" under "*PROPERTY TAXES*" herein.)

The real property tax levy in the FY17-18 Adopted Budget is $356,243,271, representing a 0.23% increase over the real property tax levy in FY16-17. The real property tax rate was $754.56 per $1,000 of assessed value, representing a 0.61% increase over the real property tax rate in FY16-17.

The real property tax levy in the FY18-19 Adopted Budget is $378,330,354, representing a 6.20% increase over the real property tax levy in FY17-18. The real property tax rate was $804.72 per $1,000 of assessed value, representing a 6.65% increase over the real property tax rate in FY17-18.

The real property tax levy in the FY19-20 Adopted Budget is $385,707,869, representing a 1.95% increase over the real property tax levy in FY18-19. The real property tax rate is $831.98 per $1,000 of assessed value, representing a 3.39% increase over the real property tax rate in FY18-19.

The real property tax levy in the FY20-21 Adopted Budget Is $391,815,589, representing a 1.58% increase over the real property tax levy in FY19-20. The real property tax rate is $852.47 per $1,000 of assessed value, representing a 2.46% increase over the real property tax rate in FY19-20.

The real property tax levy in the FY21-22 Adopted Budget Is $390,725,376 representing a 0.3% decrease from the real property tax levy in FY20-21. The real property tax rate is $852.37 per $1,000 of assessed value, representing a 0.01% decrease from the real property tax rate in FY20-21.

The following table provides the allocation of the City's real property tax levy in the Adopted Budgets for FY17-18 to FY21-22.

($ millions)

	FY17-18	**FY18-19**	**FY19-20**	**FY20-21**	**FY21-22**
Board of Education Operations	$214,453	$213,472	$225,089	$227,713	$233,107
City Operations	68,845	84,662	90,848	84,345	80,622
Debt Service and Capital Exclusions[(1)]	72,945	80,197	69,770	79,757	76,996
Total	$356,243	$378,330	$385,708	$391,816	$390,725

[(1)] Combines debt service for City and Board of Education operations.

Sales Tax. Currently, an 8.875% sales and use tax is imposed on all retail sales in the City except for sales of goods qualifying for New York State exemptions. Revenues from the sales and use tax are apportioned: 4.0% to the State; 3.0% combined to the City of Yonkers, with 2.5% to the City and 0.5% to the BOE (subject to approval of the Yonkers City Council); 1.5% to the County; and 0.375% to the Metropolitan Transportation Authority.

On July 2, 2015, the State enacted legislation (Chapter 67 of the Laws of 2015) that authorized the City to increase its sales and use tax rate by one half of one percent (from 2.5% of the 8.375% rate to 3.0% of the 8.875% rate). According to the terms of legislation, the City is required to use the revenues generated by the increase for the support of education, unless the City Council votes, on an annual basis, to use such additional revenue for a different purpose for the City. Pursuant to the legislation, the City began collecting the additional one half of one percent sales and use tax on September 1, 2015. Chapter 58 of the Laws of 2020 extends the authorization period to November 30, 2023.

The City sales tax includes a 1% City Special Sales Tax enacted pursuant to Chapter 871 of the Laws of 1975. Pursuant to that legislation, the City's right to impose the additional tax may not be preempted by any other governmental body. The proceeds of the Special Sales Tax are deposited directly into the Debt Service Fund by or on behalf of the State Comptroller for the purpose of paying principal of and interest on outstanding City indebtedness. Such revenues may become available for other use by the City after the debt service requirement for the current year has been fully funded through revenues generated by the Special Sales Tax and ad valorem real property taxes. Chapter 58 of the Laws of 2020 extends the authorization period for the City to collection this 1% City Special Sales Tax to November 30, 2023.

Revenues from the 2.5% sales and use tax apportioned to the City were $70.4 million for FY13-14, $72.8 million for FY14-15, $73.0 million for FY15-16, $75.0 million for FY16-17, $78.4 million for FY17-18, $80.9 million for FY18-19, $77.6 million for FY19-20, and $89.4 million for FY20-21. Sales Tax is budgeted at $86.8 million for FY21-22.

Sales tax from the additional one half of one percent sales and use tax authorized by Chapter 67 of the Laws of 2015 were $11.1 million for FY15-16, $14.8 million for FY16-17, $15.5 million for FY17-18, $15.9 for FY 18-19, $15.5 million for FY19-20, $17.8 million for FY20-21, and is budgeted at $17.4 million in the FY21-22 Adopted Budget.

The following table provides annual sales tax revenues for the last ten fiscal years.

SALES AND USE TAX

Fiscal Year	City Sales and Use Tax	BOE Sales and Use Tax
2012-13	$68,321,467	-
2013-14	70,395,766	-
2014-15	72,828,806	-
2015-16	73,034,880	$11,129,446
2016-17	75,055,806	14,808,005
2017-18	78,408,852	15,519,574
2018-19	80,922,819	15,936,259
2019-20	77,637,127	15,531,852
2020-21	89,396,866	17,800,685
2021-22(1)	86,812,594	17,362,120

(1) Budgeted

See also "*Impacts of COVID-19*" herein for a discussion of the impacts of the COVID-19 pandemic upon the City and the BOE.

Income Tax Surcharge. Chapter 345 of the Laws of 1984, which became effective on July 3, 1984, authorized the City to enact a local law imposing an income tax surcharge on residents of the City at a rate not to exceed 15.00% of the net State tax, and permitted the City to impose a City tax on the gross earnings of non-residents employed in the City at a rate not to exceed one-half of one percent (collectively, the "Income Tax Surcharge"). Chapter 535 of the Laws of 1988, increased the maximum rate that the city can impose by local law on resident income to 19.25% of the net State tax. The city income tax surcharge, by law, is administered, collected and distributed by the State Tax Commission As of January 1, 2014, as set by city local law, the resident City tax rate is 16.75% of the net State tax and the non-resident tax is one half of one percent of gross wages. Periodic amendments to existing New York State Law are required to extend the authorized collection period. Chapter 229 of the Laws of 2021 extended the authorization period to the tax year beginning prior to January 1, 2024.

Pursuant to the authority granted by this State statute, the City enacted Local Law No. 6-2013 imposing the Income Tax Surcharge at a rate of 15.00% and subsequently increased the rate to 16.75% with the enactment of Local Law No. 11-2014, on June 11, 2014. Revenue from the City's Income Tax Surcharge were $41.3 million for FY13-14, $47.7 million for FY14-15, $50.8 million for FY15-16, $50.0 million for FY16-17 and $53.0 million for FY17-18, $57.9 million for FY18-19, $56.7 million for FY19-20, and $60.3 million for FY20-21. The FY21-22 Adopted Budget figure is $56.8 million. See also "*Impacts of COVID-19*" herein for a discussion of the impacts of the COVID-19 pandemic upon the City and the BOE.

Real Property Transfer Tax. The City receives 1.5% of the gross sale amount from the seller upon the transfer of real property. For cooperative apartments, the tax is imposed only when a building converts to co-op, not when individual units are offered for sale. The real property transfer tax generated $8.4 million in FY13-14, $9.9 million in FY14-15, $10.1 million in FY15-16, $12.8 million in FY16-17, $13.9 million in FY17-18, $23.8 million in FY18-19, $12.2 million for FY19-20, and $14.3 million for FY20-21. The FY21-22 Adopted Budget is $12.7 million. See also "*Impacts of COVID-19*" herein for a discussion of the impacts of the COVID-19 pandemic upon the City and the BOE.

Hotel Room Occupancy Tax. Chapter 62 of the Laws of 2015 of the State of New York, enacted into law on July 2, 2015, authorized the City to levy a hotel room occupancy tax at a rate of three percent (3%) of the rent on every occupied room or rooms within the City. The tax began to be levied as of August 1, 2015. Chapter 224 of the Laws of 2021 of the State of New York extended the collection period to September 1, 2024. Local Law 10-2021 was adopted by the City Council and approved by the Mayor extending the date to September 1, 2024 consistent with State Law. This tax is separate from the tax currently imposed by the County. The Hotel Room Occupancy Tax revenue was $0.72 million in FY15-16, $0.84 million in FY16-17, $1.1 million in FY17-18, $1.0 million in FY18-19, $0.8 million for FY19-20, and $0.7 million for FY20-21. The FY21-22 Adopted Budget amount is $0.8 million. See also "*Impacts of COVID*-19" herein for a discussion of the impacts of the COVID-19 pandemic upon the City and the BOE.

Intergovernmental Revenues. The principal sources of economic funding furnished by the State to the City are State funding to education, per capita revenue sharing, municipal overburden and State local assistance funding. Additionally, there are several lesser funding, grant and shared revenue programs, including the mortgage tax (collected for the City and the State by the County at the rate of $.50 per $100 of mortgages), traffic violation fines (collected for the City by the State), and State youth program funds (received on a matching basis for both recreational and delinquency prevention programs). The City also enacted in the 1994 fiscal year budget an additional City mortgage tax at the rate of $.50 per $100 of mortgages. The County of Westchester collects the tax for the City. Chapter 58 of the Laws of 2020 extends the authorization period to August 31, 2023.

State Aid to Education. Basic formula aid is paid based upon an application submitted to the State by the BOE which incorporates required data concerning enrollment, attendance and approved expenses. The amount of other aid distributed to the Board of Education is fixed in the authorizing State legislation. In addition, the City receives aid for such earmarked purposes as educationally disadvantaged pupils, occupational education and handicapped pupils. Also, the BOE receives Building aid which is based on a substantially flat, assumed amortization schedule, which is set at the maximum useable life of the item being purchased, built or reconstructed. Building aid is subject to a cap, which is called Approved Building Cost Allowances, which sets a maximum aidable cost of a project upon which the State will base its aid. The FY21-22 building aid ratio on new projects for Yonkers Public Schools is 73.7% with the 10% incentive and the High Needs Supplement included, and it is derived by a formula which uses a combination of property value and resident student data.

The City receives aid to education in several installments throughout its fiscal year. Basic formula aids are computed according to a complex aid ratio formula. By law, the City should receive this aid in monthly installments commencing on September 15 of each fiscal year. Cash distributions of these aids are net of Board of Education contributions to the New York State Teachers' Retirement System. The $19.6 million Video Lottery Terminal payment, which is paid to the City on the basis that the City is an eligible city in which a video lottery gaming facility is located, has a different payment schedule and is payable in June of each fiscal year. $19.6 million was paid to the City for FY20-21.

Payment of State aid to education may be withheld due to the failure of the City or the Board of Education to comply with various requirements of State law relating to instructional programs, programs for the handicapped or other matters or the failure of the City to pay debt service on obligations issued for school purposes. The City and the Board believe that they are in full compliance with all such requirements and have made the necessary debt service appropriations.

The City and the BOE depend on the State for aid to balance their budgets and to meet their cash requirements. If the State experiences revenue shortfalls or spending increases, such developments could result in reductions in aid to the City and the BOE. In addition, there can be no assurance that future State budgets will be adopted by the April 1 statutory deadline or that timely aid payments will be made to the City.

General Purpose Aid. The Adopted State Budget for Fiscal Year 2006 changed the formula for State Aid to cities and other local governments. The State combined general purpose aid, emergency funding to cities, emergency funding to eligible municipalities and supplement municipal funding into one category called Aid and Incentives to Municipalities (AIM). The total annual City aid in this category was $108.2 million for the FY14-15 through FY18-19, inclusive. The City's FY19-20 budget included AIM aid of $108.2 million. For FY19-20, the New York State Division of Budget withheld 20% of the amounts owed to City in AIM Aid. Based on accounting revenue recognition rules, the delay was responsible for a revenue shortfall of $21.6 million in FY19-20. The 20% withheld in FY19-20 was restored in FY20-21 resulting in actual revenues of $129.8 million for FY20-21. Aid and Incentives to Municipalities aid was budgeted at $108.2 million for FY20-21. Aid and Incentives to Municipalities aid is budgeted at $108.2 million for FY21-22. See also "*Impacts of COVID-19*" herein for a discussion of the impacts of the COVID-19 pandemic upon the City and the BOE.

Special Revenue Funds

The City has established special revenue funds to account for the proceeds of specific revenue sources that are legally restricted to expenditures for defined purposes. The largest of these funds is the Education Fund, which is discussed in detail in this Official Statement. (See "*DISCUSSION OF FINANCIAL OPERATIONS*" and "*Board of Education*" under "*Related Entities*" under "*THE GOVERNMENT OF YONKERS*" herein.) Other special revenue funds include the Sewer Fund, Water Fund, Public Library Fund, School Lunch Fund, Education Special Aid Fund, Community Development Fund, City Grants Fund and Special Purpose Fund. (For a link to a description of these accounts and their Fiscal Year ended June 30, 2021 operations, see Appendix B attached hereto.) References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Appropriations

FY21-22 Adopted Budget appropriations for the City's various departments are indicated in the following table.

Department	FY21-22[1] Adopted Budget	FY21-22 Authorized Positions
Constituent Services	$ 1,172,283	8
Corporation Counsel	2,695,971	22
Development	1,547,099	15
Engineering	3,291,826	27
Executive	2,459,529	15
Finance	16,899,708	140
Fire	71,612,701	459
Housing & Buildings	5,655,855	50
Human Resources	4,728,779	39
Human Rights	115,000	1
Information Technology	8,032,240	43
Inspector General	729,200	3
Legislative	3,554,890	30
Parks	13,997,472	108
Police	110,139,106	693
Public Works	81,141,499	368
Veteran's Agency	473,532	5
	$328,246,690	2,026

(1) In the FY21-22 Adopted Budget, the Yonkers Public Library appropriation of $10,729,238 and the Hudson River Museum appropriation of $275,000 are not included in these figures.

Employee Contracts

Pursuant to Article 14 of the New York State Civil Service Law, Public Employees' Fair Employment Act (Taylor Law), the City of Yonkers, as a local government, is required to enter into collective negotiations with its certified or recognized employee representatives over terms and conditions of employment and enter into written collective bargaining agreements. The City negotiates with eight municipal employee organizations.

The Taylor Law requires that any collective bargaining agreement requiring legislative action to permit its implementation by amendment of law or by additional funds therefore, shall not become effective until the appropriate legislative body (the Yonkers City Council) has given its approval.

- The collective bargaining agreement with Police Benevolent Association (PBA) became effective on July 1, 2009 and expired on June 30, 2019.
- The collective bargaining agreement with the Police Captains Lieutenants and Sergeants Association (CLSA) became effective on July 1, 2009 and expired on June 30, 2019.
- The collective bargaining agreement with the Teamster Local 456 (Blue Collar) became effective on January 1, 2009 and expired on December 31, 2018.
- The collective bargaining agreement with the American Federation of State, County and Municipal Employees (AFSCME) became effective on January 1, 2009 and expired on June 30, 2020.
- The collective bargaining agreement with the Service Employees International Union (SEIU) became effective on January 1, 2009 and expired on December 31, 2018.
- The collective bargaining agreement with the Yonkers Firefighters Local 628 (Local 628) became effective on July 1, 2009 and expired on June 30, 2019.
- The collective bargaining agreement with the Yonkers Uniformed Fire Officers Association (UFOA) became on effective July 1, 2009 and expired on June 30, 2019.
- The collective bargaining agreement with the Teamsters Local 456 (White Collar) became effective on January 5, 2009 and expired on June 30, 2020.

- The collective bargaining agreement between the Civil Service Employees Association (CSEA) and the Yonkers Parking Authority (YPA) became effective January 1, 2016 and expired on December 31, 2019.
- The Library collective bargaining agreement with the SEIU Local 704B became effective on July 1, 2009 and expired on June 30, 2019. It should be noted that although the City provides 99% of the funding for the Library, the City does not negotiate the Library SEIU 704B contract.

The BOE negotiates with four employee organizations. The CSEA and the Yonkers Federation of Teachers (YFT) are the two largest employee organizations.

- The Yonkers Public Schools CSEA collective bargaining agreement became effective on July 1, 2014 and expired on June 30, 2021.
- The Yonkers Federation of Teacher collective bargaining agreement became effective on July 1, 2014 and was extended to June 30, 2022.
- The Yonkers Council of Administrators collective bargaining agreement became effective on July 1, 2014 and was extended to June 30, 2022.
- The Yonkers Public Schools White Collar Teamsters ("WCT") collective bargaining agreement became effective on July 1, 2015 and expired on June 30, 2021.

Retirement Benefits

The State Employees' Retirement System ("ERS") was established in 1920. In 1967 all police officers and firefighters were transferred into the separate Police and Fire Retirement System ("PFRS"). Both retirement systems are administered by the State Comptroller. The State Teachers' Retirement System ("TRS") is separately administered by a ten member board. ERS, PFRS and TRS are collectively referred to as the "New York State Retirement System".

The retirement benefit package available to City and Board of Education employees who are members of ERS depends on the date of their enrollment in the system and/or their classification as Tier 1 through Tier 6 employees. Retirement benefit packages available are prescribed by the State and are most liberal for Tier 1 and least liberal for Tier 6 employees. The retirement plan adopted by the City and Board of Education for Tier 1 and Tier 2 ERS members is noncontributory for employees. Tier 3 and Tier 4 ERS members with less than ten years of service must make annual contributions of 3% of their salary to the system; Tier 3 and Tier 4 members with ten years of service or more are not required to contribute.

TRS members hired after July 1, 1976 and before January 1, 2010 with less than 10 years of service must make annual contributions of 3% of their salaries, similar to Tier 3 and Tier 4 members of ERS. While TRS payments are Board budgeted appropriations, payment is made through a withholding of the required payment from general State education aid.

On December 10, 2009, then Governor Paterson signed into law a new Tier 5. The law is effective for new ERS and TRS employees hired after January 1, 2010. New ERS employees hired under Tier 5 contribute 3% of their salaries and new TRS employees contribute 3.0% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee contributions throughout their employment.

City police officers and firefighters who are members of PFRS are now divided into five tiers. As with ERS, retirement benefit plans available under PFRS are most liberal for Tier 1 employees. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. Police officers and firefighters hired from July 1, 2009 to January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. Police officers and firefighters hired after January 9, 2010 are in Tier 5, which also requires a 3% employee contribution from members. Police officers and firefighters hired after April 1, 2012 are in Tier 6, which was also a 3% contribution requirement for members for FY12-13; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: $45,000.00 or less contributes 3%; $45,000.01 to $55,000.00 contributes 3.5%; $55,000.01 to $75,000.00 contributes 4.5%; $75,000.01 to $100,000.00 contributes 5.75%; and more than $100,000.00 contributes 6%.

Each year the State bills the City and the BOE for their required contributions to the State Pension Plan. The Pension Retirement System billing period is from April 1 through March 31, and the City was required to pay an estimated bill for that fiscal year in December. Beginning with FY04-05, the City is allowed to pay the estimated bill on February 1 of each year. The New York State Retirement System has advised the City that municipalities can elect to make employer contribution payments in December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discounted amount. The City and the BOE prepaid their employer contributions in December 2015. The City and the BOE prepaid their contributions in December 2016 for the Employee Retirement System but did not pay the contributions due under the Police and Fire Retirement System until the due date, February 1, 2017. In December 2017, the BOE prepaid its contributions and the City prepaid the contribution to the Police and Fire Retirement System, but did not pay the employer contributions of the City until the due date, February 1, 2018. The BOE prepaid its employer contribution in December 2018. The City prepaid its employer contribution in December 2018, but did not pay the contributions due under the Police and Fire Retirement System until the due date, February 1, 2019. The BOE prepaid its employer contribution in December 2019. The City prepaid its employer contribution in December 2019 but did not pay the contributions due under the Police and Fire Retirement System until the due date, February 2020. For FY21, all employer contributions owed by the BOE and the City were prepaid in December 2020. For FY22, all employer contributions owed by the BOE and the City were prepaid in December 2021.

Billing for the TRS is made to the Board of Education for each plan year ending June 30 in the next fiscal year and is paid by the Board of Education in the same fiscal year as billed.

The employer contribution rate for the State's Retirement System continues to be higher than the minimum contribution rate established by law. To mitigate the expected increases in the employer contribution rate, legislation was enacted in 2010 that authorized local governments and school districts to borrow a portion of their required payments from the State pension plan at interest rates which vary each year. Under this Original Contribution Stabilization Program (CSP) of 2010, the applicable interest rate applied to amortized amounts of ERS and PFRS pension contributions was 3.00% for 2013. Pursuant to Chapter 57 of the Laws of 2013 of the State (the "Alternative CSP"), the City and BOE opted to enter the Alternate CSP starting in 2014. The interest rates on the amortized portions are 3.50% for 2015, 3.31% for 2016, 2.63% for 2017, 3.31% for 2018, 3.99% for 2019, 2.87% for FY20, 1.6% for FY21, and 2.24% for FY22. Under the ERS System, both the City and BOE did not amortize pension costs in FY21 but did amortize for PFRS pension costs. For FY22, both the City and the BOE amortized ERS and PFRS pension costs.

The City and the BOE have elected to amortize a portion of their required pension contributions and certain early retirement incentives with the New York State Retirement System. A historical summary of the foregoing is set forth in Note 3 of the Notes to the Financial Statements of the City for the Fiscal Year ended June 30, 2021, a link to which is set forth in Appendix B. (References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.)

The following is a summary of the contributions amortized by the City and the BOE:

Fiscal Year	TRS, ERS and PFRS Contributions Amortized by the City and BOE
2015-2016	$15,128,535
2016-2017(1)	$11,252,908
2017-2018	$10,751,480
2018-2019	$7,919,525
2019-2020	$6,262,727
2020-2021	$6,649,272
2021-2022	$13,843,593

(1) The BOE left the TRS Stable Contribution Plan in 2016-2017, and did not amortize any amounts in FY17-18, FY18-19, FY19-20, FY20-21, and does not expect to amortize any of its pension obligation for TRS for FY21-22.

The Alternate Contribution Stabilization Option, enacted by the State under Chapter 57, Laws of 2013, modified the Original Contribution Stabilization Option adopted in 2010, giving municipalities the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs") by extending the maximum length of any amortizations from 10 years to 12 years for ERS and PFRS. Similar to the Original SCO, the Alternate plan allows municipalities to pay the "SCO" amount in lieu of the "ARC" amount. The City and BOE chose to enter the Alternate Contribution Stabilization Option for both ERS and PFRS.

Under Chapter 57 of the Laws of 2013, the State also enacted a Stable Contribution Option for the New York State Teachers' Retirement System. The BOE chose to enter this Stable Contribution Option for 2013-14, 2014-15 and 2015-16 but exited the SCO in 2016-2017 and returned to paying the normal rate.

The City also maintains a Local Police Fire Special Pension Fund which contains no active employees. There are currently 4 pensioners who are widows of former City employees receiving monthly annuity payments from this fund. This local pension fund covered City police and fire employees who were employed by the City prior to 1939 when the City first joined the State system and stopped accepting new members in the City plan. The costs of the unfunded pension plan are paid by the City as incurred. The FY21-22 Adopted Budget of the City includes $33,000 for this purpose. No actuarial valuation has been made to determine the liability for future payments. Eventually, monies will no longer be appropriated as the retirees beneficiaries decrease in number. In addition, the City supplements the pension of firefighters under State law who received disability pensions.

The following table indicates expenditures by the City for ERS and PFRS and the Board of Education for ERS and TRS for FY17-18 through FY20-21, as well as amounts budgeted in FY21-22. The amounts set forth in the following table include installment payments made by the City for pension obligation payments previously amortized by the City.

	Actual FY 17-18	Actual FY 18-19	Actual FY 19-20	Actual FY 20-21	Budget FY 21-22
City (ERS and PFRS) (1)	$54,365,578	$58,157,296	$59,851,651	$60,331,427	$62,968,361
Board of Education (ERS) (2)	10,021,107	11,073,076	11,053,790	11,409,024	11,605,087
Board of Education (TRS) (2)	24,273,984	26,684,986	25,834,895	22,273,426	23,684,066
Local Pension Fund & Fire Disability	2,772,776	3,348,477	3,101,004	2,635,381	3,096,860

(1) Excludes Community Development and City Grant Funds
(2) Excludes Special Aid and School Lunch Funds
Source: City of Yonkers.

GASB 68 Accounting and Financial Reporting for Pensions

The City and the BOE participate in the New York State Retirement System. As discussed above, these are cost-sharing multiple employer defined benefit plans. Under the requirements of Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions", effective beginning with financial statements as of June 30, 2015, cost-sharing employers such as the City and BOE were now required to report in their entity-wide financial statements a net pension liability (or asset), pension expense and pension related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan.

Statement No. 68 expanded disclosures in the notes to the financial statements and the required supplementary information (the "RSI"). The note disclosures now include 1) a description of the plan(s) and the benefits provided, 2) the significant assumptions employed in the measurement of the net pension liability (or asset), 3) descriptions of benefit changes and changes in assumptions, 4) assumptions related to the discount rate and the impact on the total pension liability (or asset) of a one percentage point increase or decrease in the discount rate and 5) the net pension liability (or asset) and deferred inflows and outflows of resources. The RSI must also provide ten year historical information (when available) regarding the entity's proportionate share of the net pension liability (or asset) and a schedule of the entity's contributions.

The City and BOE are provided with the above information by the New York State Retirement System and have incorporated this information into their audited financial statements for the year ended June 30, 2021. The City reported a net pension liability of $299,470 and the BOE a net pension liability of $223,329 (for a total of $522,799) for their proportionate shares of the net pension liability of ERS. The City also reported a liability of $77,941,044 for its proportionate share of the net pension liability of PFRS. The BOE reported a net pension liability of $42,435,625 for its proportionate share of the net pension liability of TRS.

More detailed information about the City and BOE's pension plan reporting in accordance with the provisions of GASB 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in Note 3, J in the City's audited financial statements for June 30, 2021. A link to the audited financial statements for such period is contained in Appendix B attached hereto. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Life, Health and Dental Insurance

The City provides life, health and dental insurance for all active employees and provides continuing health insurance coverage for substantially all City employees retired from City service. It is the City's practice to fund these insurance premiums as billed. In addition, the City reimburses certain widows or widowers of retirees for the cost of Medicare premiums.

In FY14-15 through FY20-21, inclusive, the City expended $51.3 million, $54.3 million, $58.5 million, $64.0 million, $67.0 million, $67.7 million, and $67.5 million respectively, in premiums and reimbursement for active employees, eligible retirees and other beneficiaries. The amount budgeted in the City's FY21-22 Adopted Budget for Life and Health Insurance is $71.8 million.

In FY14-15 through FY20-21, inclusive, the BOE's General Fund expended $71.9 million, $74.5 million, $80.2 million, $88.2million, $91.3 million, $90.8 million, and $87.9 million respectively, in premiums and reimbursement for active employees, eligible retirees and other beneficiaries. The BOE FY21-22 General Fund's Adopted Budget for Life and Health Insurance is $94.2 million.

GASB 75 and Other Post-Employment Benefits (OPEB)

The City and the Board of Education provide post-retirement healthcare benefits to former employees. In addition, the City is required to pay the difference in pay between a disabled firefighter's pension payment and the current salary for a firefighter until the retiree reaches the age of 62. These benefits are each funded on a pay as you go basis. Under the requirements of the Governmental Accounting Standards Board (GASB), Statement No. 75, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions" (GASB 75), all governmental entities are required to report the estimated cost of the accrued liability for such post-retirement benefits.

In addition to providing pension benefits, the City and the BOE provide certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the City and the BOE may vary according to length of service. The cost of providing post-employment health care benefits is shared between the employer and the retired employee. Substantially all of the City's and BOE's employees may become eligible for those benefits if they reach normal retirement age while working for the City or BOE. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

The City's total OPEB liability of $3,814,099,761 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019. Of that total OPEB liability, the City's municipal liability is $1,556,322,463 and the BOE's total OPEB liability of $2,257,777,298 were both measured as of June 30, 2021, and were both determined by an actuarial valuation as of July 1, 2019.

Debt Service

Debt service costs for bonds and capital notes for both the City and the Board of Education (all funds excluding Community Development) was $74.9 million in FY15-16, $85.0 million in FY16-17, $92.5 million in FY17-18, $85.7 million in FY18-19, $91.1 million in FY19-20, $80.1 million in FY20-21 and the amount budgeted for FY21-22 is $78.9 million.

Board of Education

The BOE's Consolidated Fund operations are funded primarily from the City's budget appropriations and from State Aid.

In FY15-16, the City contributed $249.8 million to the BOE. In addition, exclusive of categorical aid, the Board received $290.6 million in State and Federal Aid and $4.4 million from other sources. In FY15-16, the City budgeted to contribute $249.8 million to the Board of Education. In addition, the BOE expected to receive $293.0 million in State and Federal Aid and $2.4 million from other sources in FY15-16. The FY15-16 Adopted Budget of the BOE included $14.0 million of the MIF Grant from the State and included $11.4

million in additional sales and compensating use tax to be collected by the City pursuant to Chapter 67 of the Laws of 2015.

In FY16-17, the City contributed $257.3 million to the Board of Education. In addition, exclusive of categorical aid, the BOE received $303.8 million in State and Federal Aid and $2.9 million from other sources. The FY16-17 Adopted Budget of the BOE included $11.0 million of the MIF Grant from the State and included $14.8 million in additional sales and compensating use tax to be collected by the City pursuant to Chapter 67 of the Laws of 2015.

In FY17-18, the City contributed $261.2 million to the Board of Education. In addition, exclusive of categorical aid, the BOE received $301.5 million in State and Federal Aid and to receive/appropriate $4.9 million from other sources. The FY17-18 revenues included $15.5 million in additional sales and compensating use tax collected by the City pursuant to Chapter 67 of the Laws of 2015.

In FY18-19, the City contributed $261.6 million to the Board of Education, which included $16.1 million in additional sales and compensating use tax collected by the City pursuant to Chapter 67 of the Laws of 2015. In addition, exclusive of categorical aid, the BOE received $323.8 million in State and Federal Aid and received $4.6 million from other sources.

In FY19-20, the City contributed $265.6 million to the Board of Education which includes $16.6 million in additional sales and compensating use tax collected by the City pursuant to Chapter 67 of the Laws of 2015. In addition, exclusive of categorical aid the BOE received $339.7 million in State and Federal Aid and to received $3.9 million from other sources.

In FY20-21, the City contributed $270.8 million to the Board of Education which included $17.8 million in additional sales and compensating use tax collected by the City pursuant to Chapter 67 of the Laws of 2015. In addition, exclusive of categorical aid the BOE received $331.4 million in State and Federal Aid and received $5.7 million from other sources.

In the FY21-22 Adopted Budget, the City is budgeted to contribute $280.5 million to the Board of Education which includes $17.4 million in additional sales and compensating use tax to be collected by the City pursuant to Chapter 67 of the Laws of 2015. In addition, exclusive of categorical aid the BOE is budgeted to receive $359.6 million in State and Federal Aid and to receive/appropriate $10.5 million from other sources.

As a matter of City policy, the Board of Education is credited with the full amount of taxes levied by the City for school general operating purposes regardless of any deficiency in tax collections. (See "*Board of Education*" under "*Related Entities*" under "*THE GOVERNMENT OF YONKERS*" and "*Revenues*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" and "*PROPERTY TAXES*" herein.)

Deficit of the BOE. As set forth in the audited financial statements of the BOE for the Fiscal Year ended June 30, 2014, a deficit of $40,754,451 appeared in the General Fund of the BOE as of June 30, 2014. State legislation (Chapter 55 of the Laws of the State of New York of 2014) was enacted by the State, which authorized the City to issue bonds in the principal amount of not to exceed $45,000,000 for the purpose of liquidating the deficit. Chapter 55 of the Laws of the State of New York of 2014 provided that the City may not issue any bonds for the purpose of liquidating such deficit until the amounts of such deficit was confirmed and certified by the State Comptroller. On February 19, 2015, the State Comptroller certified the amount of such deficit as of June 30, 2014, to be $41,718,751. On February 24, 2015, the City Council adopted a bond ordinance, which authorized the issuance of not to exceed $41,718,751 serial bonds for the purpose of liquidating such deficit. On March 27, 2015, the City's $37,260,000 School Deficit Bonds-2015A were issued pursuant to this authorization. For a discussion of the causes of such deficit, the authorization provided by the State to the City to issue bonds to fund said deficit and recent events involving the finances of the BOE, see "*DISCUSSION OF FINANCIAL OPERATIONS*" herein.

On June 26, 2015 Chapter 25 of the Laws of 2015 was enacted, which authorized the transfer of the not-to-exceed $25,000,000 from the State's Mortgage Insurance Fund (the "MIF Grant"), created pursuant to section 2429-b of the NYS Public Authorities Law, to assist the BOE in addressing the structural imbalance created by the overestimation of Spin-up Aid in FY12-13 ($26.9 million) and FY13-14 ($28.1 million), creating two fiscal years of budget shortfalls and a recurring budget gap. As a condition of the release of such funds, the Special State Legislation required the City to submit a comprehensive financial plan that provided for continuity of current educational services. Such plan was subject to the approval of the Director of the State Budget Division. The City's plan was approved by the State Budget Division.

In addition, the State enacted legislation (Chapter 67 of the Laws of 2015) which authorizes the City to increase its sales and compensating use tax by one half of one percent (2.5% of the 8.375% rate to 3.0% of the 8.875% rate). According to the terms of such legislation, the City is required to use the revenues generated by the increase in the sales and compensating use tax rate for the support of education, unless the City Council votes, on an annual basis to use such additional revenue for a different purpose of the City. Pursuant to this legislation, the City was authorized to begin collecting the additional one half of one percent sales and compensating use tax commencing on September 1, 2015. Chapter 58 of the Laws of 2020 extended the authorization period to November 30, 2023. See also "*Impacts of COVID-19*" herein for a discussion of the impacts of the COVID-19 pandemic upon the City and the BOE.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak. Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the current administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other medicaid rules.

The amount of State aid to municipalities and school districts is dependent in part upon the financial condition of the State. Due the outbreak of COVID-19 the State declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period and reopening in a phased manner. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have and are expected to continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. The use of federal stimulus funds has allowed the State to avoid gap closing measurements; however, the State may be required to implement gap closing measurements in the future. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the City and the BOE.

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

The State's 2020-21 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State aid in the event that actual State revenues came in below 99% of estimates or if actual disbursements exceeded 101% of estimates. Pursuant to that provision, in October 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. In December 2020, a second federal stimulus bill was enacted and provided additional funding for schools in the State. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above referenced 20% withholding. Such approval was received and the State did release all of the withheld funds by June 30, 2021.

The BOE received $2.5 million in State Aid payments previously withheld during its 2019-20 fiscal year by March 31, 2021 (the end of the State's 2021 fiscal year). The State did not reduce State Aid to municipalities and schools districts during its 2020-21 fiscal year to the extent permitted under provisions of the State's 2020-21 budget.

The State's 2021-22 Enacted Budget provides $29.5 billion in State funding to school districts for the 2021-22 school year the highest level of State aid ever. It represents an increase of $3.0 billion or 11.3 percent compared to the 2020-21 school year, and includes a $1.4 billion or 7.6 percent Foundation Aid increase. Approximately 75 percent of this increase is targeted to high-need school districts. The State's 2021-22 Enacted Budget also programs $13 billion of federal Elementary and Secondary School Emergency Relief Fund and the Governor's Emergency Education Relief Fund to public schools. This funding available for use over multiple years, is designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2021-22 Enacted Budget allocates $629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the State's 2021-22 Enacted Budget uses $105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-22 school year.

The adopted State budget for the 2021-22 fiscal year included significant increases in State Aid for the BOE, fully restored any State Aid reductions from FY20-21, and included legislation, that if followed, will fully fund State Foundation Aid by 2023-24, which includes a projected 6.6% increase in FY22-23 and a projected 6.2% in FY23-24 to BOE when other projected factors, such as, the CPI and Extraordinary Needs percents are included. Based on November State Aid Runs and output reports, Foundation Aid is expected to grow $20.2 million or 9.4% from $213.74 million to $233.9 million in FY21-22.

Based on the November State Aid Runs and output reports for FY2021-22, the BOE anticipates that for General and Categorical Aid Funds (Consolidated Budget), it will receive a total amount of $366.2 million in State Aid, which represents an increase of $32.3 million from the $333.9 million State Aid received in FY20-21.

Litigation regarding apportionment of State aid. In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity* ("CFE") v. *State of New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools - as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education - was reasonably determined. State legislative reforms enacted in the wake of the decision in *Campaign for Fiscal Equity* ("CFE") v. *State of New York*, included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid into one classroom operating formula referred to as foundation aid. Foundation aid prioritizes funding distribution based upon student need.

Litigation is continuing however as a statewide lawsuit entitled *NYSER* v. *State of New York* has been filed recently on behalf of the State's public school students. The lawsuit asserts that the State has failed to comply with the decision of the New York State Court of Appeals in *CFE* v. *State of New York*. The complaint asks the court for an order requiring the State to immediately discontinue the cap on State aid increases and the supermajority requirements regarding increases in local property tax levies. The complaint also asks the court to order the State to develop a new methodology for determining the actual costs of providing all students the opportunity for a sound basic education, revise the State funding formulas to ensure that all schools receive sufficient resources, and ensure a system of accountability that measures whether every school has sufficient resources and that all students are, in fact, receiving the opportunity to obtain a sound basic education. On June 27, 2017, the Court of Appeals ruled that NYSER's claims that students in New York City and Syracuse are being denied the opportunity for a sound basic education could go to trial and that NYSER could rely upon the CFE decision in its arguments. It is not possible to predict the outcome of this litigation.

Charter School Operations

There is one locally-operated charter school (the "Charter School") open to residents residing in the City. The Charter School is separately chartered by the Board of Regents of the State and is not subject to the control or supervision of the City or the BOE.

Under the Charter School Act, Article 56 of the New York Education Law, the BOE is required to pay a State-set tuition rate to the Charter School for students residing in the City who are enrolled in the Charter School. The amount to be paid to charter schools is based on various regulations, enrollment levels, and economic information related to the home school district of the children enrolled in charter schools. Currently, school districts in the State, including the BOE, are required to pay tuition amounts that fluctuate annually with the approved operating expense per pupil of the home school district. The tuition payable equals the product of the set tuition per student and the full-time-equivalent enrollment of the students in the charter school.

Charter school tuition payments are a significant expense to the BOE. The BOE made tuition payments to the Charter School in the aggregate amount of $8.9 million for FY15-16, $9.4 million for FY16-17, $9.7 million for FY17-18, $11.7 million for FY18-19, $13.1 million for FY19-20, $13.9 million for FY20-21 and has budgeted $16.0 million for FY21-22 which is based on a budgeted enrollment of 972 students. See also "*State Aid to Education*" herein.

The Charter School of Excellence, located in Yonkers, began a new High School Charter School in FY19-20. Enrollment is expected to grow by one class for each fiscal year FY 20-21 through FY22-23. The budget was increased in FY21-22 for the cost of an additional 40 students in the amount of $1.1 million. In addition to the Charter School located in City, approximately 199 residents are budgeted to attend 42 different charter schools located in the Bronx and Manhattan at a budgeted cost of $3.3 million based on projected enrollment totals.

In the event the BOE fails to make any required payment to the Charter School, the State Comptroller may deduct delinquent amounts from State Aid otherwise payable to the BOE and pay such amounts to the Charter School.

Four Year Financial Plan for FY21-22 through FY24-25

The discussion below is based, in part, on projections and/or forward-looking statements related to FY21-22 through FY24-25. No assurance can be given that the budget estimates and/or forward-looking statements discussed below will be realized. The accuracy of the budget estimates and/or forward-looking

statements contained in this section cannot be verified until after the close of such Fiscal Years and the completion of the related audits. In addition, the accuracy of all projections and forward-looking statements is dependent on a number of factors, including: (1) general economic factors that affect local source revenues such as sales taxes and individual income taxes, (2) the effectiveness of monitoring City and BOE expenditures, (3) the ability of the City and the BOE to meet spending reduction initiatives, (4) the amount of state and federally mandated expenditures, (5) year-end accruals of revenues and expenses, and (6) the implementation of new state and federal legislation or initiatives, among others.

Pursuant to Executive Order No. 3, dated April 9, 2012 and in accordance with Local Finance Law 10.10, the City is required to prepare and issue a four-year financial plan. The City released the Four Year Financial Plan for FY21-22 through FY24-25 (the "Plan") in July 2021. A copy of said Plan is attached hereto as Appendix G. The City has prepared the projected financial information set forth herein to present the plan for the City's FY21-22 through FY24-25. The prospective financial information contained in the Plan was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. However, in the view of the City's management, such financial information was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the City. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information.

Neither the City's independent auditors, nor any other independent accountants have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The City used current financial information, historical trends, anticipated cost increases and projected changes in service delivery in developing the Plan. The assumptions and estimates underlying the prospective financial information in the Plan are inherently uncertain and, though considered reasonable by the management of the City as of the date of preparation of the Plan, are subject to a wide variety of significant business, economic, and other risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the City or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this Official Statement should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

The Plan uses the FY21-22 Adopted Budget as the baseline for the future projections. The FY21-22 Adopted Budget continues to use "one-shot" practices to balance the Operating Budget, such as pension contribution payment amortization authorized by the State, borrowing to fund tax certioraris, and the utilization of available fund balance. For FY21-22, $27.5 million of the City's General Fund balance was used to balance the City's budget, and $8.4 million of the Education Fund balance was used to balance the BOE's budget.

The FY22-23 through FY24-25 projections assume that the City will continue to address budget gaps by borrowing for Police and Fire Pension costs. However, the plan assumes the exit from the previous practice of bonding for tax certioraris and BOE textbooks.

While fund balance was used to balance the FY21-22 budget, the FY22-23 through FY24-25 projections assume no use of fund balance, as the City cannot be certain of future availability. However, both the City and BOE have available fund balance as a result of the FY20-21 audit and use of this fund balance is an option to help close FY22-23 budget gaps. To the extent that expense savings and/or additional revenue are generated and available, the use of available fund balance will be part of the solution for the FY23-24 and FY24-25 budget gaps as well.

Major assumptions included in the Plan:

- Neither City nor BOE Fund balance is included to close projected budget gaps.

- Although actual rates of inflation for outer years are not known, real property tax increases are projected to stay within the requirements of Tax Levy Limit Law (see "*Tax Levy Limit Law*" under "*PROPERTY TAXES*" herein). In the Plan, the tax levy is projected to increase $11.9 million for FY22-FY23, $7.5 million in FY23-24, and $7.6 million in FY24-25.

- Payments in Lieu of Taxes (PILOTs) increase by 4% per year. The Plan assumes the growth in PILOTs will continue to be used in the tax levy cap calculation as an offset to the allowable tax levy growth.

- BOE State Aid funding is projected to increase over the financial plan, primarily due to the legislative full phase in of Foundation aid by FY23-24, by $0.5 million in FY22-23, $20.8 million in FY23-24, and $12.6 million in FY24-25. These amounts are net of a $12 million reduction in budgeted "Bullet Aid" in FY22-23 through FY24-25 since there is not guarantee of revenue collection.

- Sales and Use Tax Revenues are projected to be flat in FY22-23, increase by 1.5% in FY23-24 and FY24-25, as applied to the 1.5% City Sales Tax, the 1.0% City Special Sales Tax, and the 0.5% Sales Tax for Education.

- BOE Basic Operating Expenses are projected to increase, on average, $29.4 million each year.

- Provisions are made in the Plan for collective bargaining units with labor contract settlements, and a factor is included for collective bargaining unit settlements for expired labor contracts.

- The Financial Plan includes a Capital Improvement/Bond Issuance Plan, and resultant changes to Debt Service are reflected in each year.

- The Plan assumes continued amortization of a portion of the City's pension contributions with the NY Police and Fire Retirement System.

- The Plan reflects an approximate 8% annual increase to health care benefit expenses.

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CITY'S FOUR YEAR FINANCIAL PLAN FOR FY22 THROUGH FY25
(000's omitted)

	FY 2021-22 Adopted	FY 2022-23 Projection	FY 2023-24 Projection	FY 2024-25 Projection
Revenues				
Property Taxes	$ 390,725	$ 402,611	$ 410,092	$ 417,699
Special Taxes	193,728	196,633	198,970	201,340
State & Federal Funding	108,703	108,703	108,703	108,703
City Departments	44,761	44,541	44,541	44,791
Other Revenues	45,792	45,839	46,939	48,107
Appr. Fund Balance (General)	27,547	-	-	-
Total Revenues - General Fund	$ 811,257	$ 798,328	$ 809,245	$ 820,641
Library Fund	727	67	67	67
Water Fund	45,644	54,524	56,229	57,974
Sewer Fund	10,449	12,803	13,093	13,389
Total City Revenue	$ 868,078	$ 865,3722	$ 878,634	$ 892,071
Board of Education	383,434	384,363	403,349	415,384
Total Revenues - All Funds	$ 1,251,512	$ 1,250,086	$ 1,281,984	$ 1,307,455
Expenditures				
City Departments	$ 339,251	$ 353,184	$ 358,569	$ 363,742
Fringe Benefits	171,373	178,681	186,051	195,597
Special Items	26,811	45,297	43,070	44,049
Board of Education	633,504	654,988	672,913	721,666
Subtotal	$ 1,170,939	$ 1,232,150	$ 1,260,603	$ 1,325,055
Debt Service	80,573	87,173	93,253	95,798
Total Expenditures	$ 1,251,512	$ 1,319,323	$ 1,353,855	$ 1,420,852
Revenues vs. Expenditures	$ -	$ (69,237)	$ (71,872)	$ (113,398)

Budget Gap Mitigation Measures

The Plan projects shortfalls of approximately $69.2 million, $71.9 million, and $113.4 million for FY22-23 through FY24-25, respectively. In particular, the City projects out-year budget gaps of $49.1 million, $53.0 million, and $58.1 million, while the BOE budget gaps over the same period are projected at $20.2 million, $18.8 million, and $55.3 million.

Budget gaps will be closed with the use of fund balance, enhanced revenue programs, cost containment actions, and other gap closing measures. As noted earlier, the FY22-23 through FY24-25 projections assume no use of operational fund balance because future availability is uncertain. However, the use of available fund balance, to the extent that it is produced, will be part of future budget-balancing solutions.

The Mayor and the City Council are committed to addressing the projected shortfalls and structural imbalances in the operating budget in a responsible manner, and will continue to work together to develop the appropriate mitigation plans. The fiscal problems facing the City are not unique to the City and cannot be solved simply by cutting current costs significantly. A review of the categories of expenditures - Departmental Expenditures and Fringe, Special Items, the BOE, and Debt Service - and their associated costs reveals that many significant expenses are mandated or beyond the control of the City. For instance, the City cannot decrease its contribution to the BOE under the Maintenance of Effort (MOE) requirement. The City cannot easily decrease its Debt Service expense, as the expense is based on prior years' bonding, and repair and maintenance of critical infrastructure is a priority. The largest expense of the Special Items, the Reserve for

Uncollected Taxes, must be calculated based on a formula specified by the Act, and cannot be reduced as a budget item.

The following gap closing measures identify and quantify possible actions available to the City. None of the measures require enactment of special State legislation; all can be implemented locally. The measures provide recurring revenues or recurring expenditure savings and would help the City eliminate part of the structural balance in its operating budget.

- Income Tax Surcharge: The Income Tax Surcharge imposed by the City is currently at a rate of 16.75% of the net State income tax, and was increased from 15% to 16.75% as part of the FY14-15 Adopted Budget. Pursuant to Chapter 535 of the Laws of 1988, the maximum rate that the city can impose by local law on resident income is 19.25% of the net State tax. An increase in the rate from 16.75% to 19.25% could generate an additional $7.0 million in revenue annually for the City with additional amounts in the first year of implementation if made retroactive to January 1. For a description of the Income Tax Surcharge, see "*Income Tax Surcharge*" under "*Revenues*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" herein.

- Real Property Transfer Tax: The Real Estate Transfer Tax assessed on the gross sale amount of real estate in the City, which is paid by the seller upon the transfer of the real property, is currently at 1.5%. An increase in this tax to the maximum allowed (3.0%) could generate additional annual revenues of approximately $12 million annually, provided that the positive economic backdrop for collections, such as, a strong real estate market and relatively low interest rates, continues. For a description of the Real Estate Transfer Tax, see "*Real Property Transfer Tax*" under "*Revenues*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" herein.

- Real Property Tax: Each 1% increase in the real property tax rate imposed by the City would generate an additional $3.8 million in revenue for the City. The City's ability to increase real property taxes is constrained by City's Constitutional Tax Limit and the Property Tax Cap which would require a super-majority Council vote. (See "*Proposed Assessment Revaluation*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" herein.)

- Self-Insured Health Benefits Plan: Many cities and counties, i.e. the City of Syracuse and Westchester County, have been able to better control increases in health insurance costs by becoming self-insured. While savings would only be minimal in the short run because of the need for costly stop loss insurance for a newly established self-insured plan (without a track history of claims for catastrophic cases to evaluate), eventually this option could provide significant savings, especially if stop loss insurance could be discontinued. Alternately, the City can investigate health insurance carriers that offer commensurate services to the current provider (NYSHIP) at a lower cost.

- Property Revaluation: As mentioned earlier, the multi-year projection assumes that Yonkers will cease the practice of bonding for Tax Certiorari Payments in FYs 22-23 through FY24-25. A revaluation project, along with the continued improvement in market values, could reduce the annual amounts paid for successful certiorari challenges by approximately $6 million. The plan incorporates a $6 million appropriation for the cost of the revaluation in FY22-23 and $3 million appropriation for FY24-25.

- Savings from continued merging of BOE and City functions: The recent merger of BOE and City functions resulted in stronger financial and administrative departments, and also generated cost savings from improved efficiencies and improved operations. Additional services can be identified for sharing/merger, with commensurate improvement in efficiency and operations.

Notwithstanding the above gap closing measures, enacted budgets for the fiscal years covered in the Plan may include non-recurring revenues and/or expense reductions to close the anticipated budget shortfalls. Such measures, while they may be necessary, would not contribute to elimination of structural deficit. It is likely that a combination of increases in revenues (taxes and fees) and spending cuts, or other forms of cost containment, will be required to close the structural deficit.

In order to properly and effectively address the projected shortfalls and eliminate the structural imbalances in the City's operating budget, the City will have to develop multifaceted mitigation plans with the assistance of various stakeholders, including the public, City employees and their union representatives, local businesses, the BOE, property owners, and State officials.

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CITY INDEBTEDNESS

Certain Features of Debt Authorization

In general, the State Legislature has authorized the power and procedure for the City to borrow and incur capital indebtedness by the enactment of the State Local Finance Law, subject to certain constitutional provisions. The City is prohibited from giving or loaning any money or property to or in aid of any individual or private corporation or private undertaking, or giving or loaning its credit to or in aid of any of the foregoing or any public corporation. The City may contract indebtedness only for City purposes. The City generally authorizes construction and financing of facilities which are of service to the citizens on a City wide basis. Certain capital projects are subject to regulation and approval of applicable commissions and agencies. In addition, the City is authorized to issue bonds, with maturities generally not exceeding five years, to pay judgments and claims.

Each bond ordinance requires approval by at least a two-thirds vote of the City Council. The Local Finance Law also provides a twenty day statute of limitations after publication of a summary of an adopted bond ordinance together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond ordinance except for alleged constitutional violations.

The City is authorized by the State Constitution to contract debt for objects or purposes which the State Legislature has determined to have a “period of probable usefulness” and the maximum maturity of such debt may not exceed the period of probable usefulness of the object or purpose or, in the alternative, the weighted average period of probable usefulness of the several objects or purpose for which it is contracted. Serial bonds must mature in annual installments and may be issued to finance any object or purpose for which a “period of probable usefulness” has been determined by the State Legislature. With the exception of serial bonds issued under certain housing and urban renewal programs, no annual installment of a serial bond may be more than 50% in excess of the smallest prior installment unless the City Council provides for substantially level or declining debt service payments in the manner prescribed by the State Legislature. Except for certain short term indebtedness contracted in anticipation of taxes or to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness is required to be paid in annual installments commencing no later than two years after the date such indebtedness has been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute or, in the alternative, weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted.

Each bond ordinance usually authorizes the construction, acquisition or installation of the object or purpose to be financed (or identifies the bonds to be refunded), sets forth the plan of financing or refinancing, and specifies the maximum maturity of the bonds subject to the legal (constitutional, Local Finance Law and case law) restrictions relating to the applicable periods of probable usefulness.

A condition precedent to the incurrence of capital indebtedness is the adoption of a bond ordinance in conformity with the provisions of the Local Finance Law, which law requires that the City estimate the maximum cost of, and amount to be expended for, the particular object or purpose to be financed. After the expiration of the period ending July 15, 2024, the Local Finance Law requires that the City provide not less than 5% of the cost of certain objects or purposes to be financed from current funds, either budgeted or received from proceeds of capital note issues. The City may avoid the necessity of current fund down payments by determining that the bonds to be issued shall mature over a period not to exceed one half the period of probable usefulness of the object or purpose to be financed. In addition, there is no requirement for a current fund down payment with respect to projects having a useful life not in excess of five years, as well as water system improvements, capital improvements estimated to be self-sustaining, improvements to docks, wharfs, and piers, and certain other types of improvements.

In general, the Local Finance Law contains similar provisions providing the City with power to issue general obligation revenue and tax anticipation notes, budget and capital notes.

Except for Tax Increment Financing described below, all indebtedness contracted by the City pursuant to the Local Finance Law constitutes a general obligation of the City, and as required by the State Constitution and applicable law, the City pledges its faith and credit for the payment of the principal of and interest on all such City indebtedness.

Special Ordinance adopted on March 26, 2019 by the City Council provides that any bond ordinance adopted after March 26, 2019 shall be deemed repealed four years after the date of adoption, except to the extent of indebtedness theretofore contracted, meaning that any bonds or notes issued must be issued within four years after adoption of the bond resolution, and provides the City Council an approval role in the determination by the Commissioner of Finance and Management Services to issue bond anticipation notes of the City.

Tax Increment Financing

A 1983 amendment to the State Constitution permitted the State Legislature to authorize municipalities, including the City, to contract indebtedness for the purpose of redeveloping economically unproductive, blighted or deteriorated areas, without a pledge of the municipalities' faith and credit. Such indebtedness is to be excluded from the calculation of the debt incurring power of the municipality and is to be secured by a pledge of the incremental increases in real estate taxes resulting from such redevelopment.

Subsequent to this Constitutional amendment, the State Legislature amended the State's General Municipal Law to permit municipalities to issue tax increment bonds or tax increment bond anticipation notes, payable from and secured by increases in real property taxes for redeveloped areas. The statute prohibits a municipality from pledging its faith and credit or the faith and credit of the State to the payment of principal of or interest on tax increment bonds or tax increment bond anticipation notes. The City to date has not issued any tax increment bonds or tax increment bond anticipation notes.

Debt Limit

The State Constitution limits the amount of indebtedness which the City may incur. The State Constitution provides that the City may not contract indebtedness in an amount greater than nine percent of the average full value of taxable real property in the City for the most recent five fiscal years. Certain indebtedness is excluded in ascertaining the City's authority to contract indebtedness within the constitutional limits; accordingly debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limits and without affecting the City's authority to issue debt subject to the limit. Such exclusions are authorized by the Constitution and include the following:

(i) tax anticipation notes, revenue anticipation notes and budget notes, to the extent such obligations are retired within five years of their original issuance;

(ii) indebtedness (commonly referred to as "self-sustaining debt") contracted for public improvement or service, which provides sufficient annual revenue after paying annual operating expenses of the improvement or service, to pay at least 25% of the annual interest and principal installments due on such indebtedness. The indebtedness is excluded, after approval by the State Comptroller, in a proportion equal to the proportion of annual debt service covered by net revenues of the improvement or service for which it was contracted. Under State law, the revenues from such improvement or service, for the period of the exclusions, must be used solely for debt service on the excluded indebtedness and operating and other costs of the improvement or service or deposited in an account to be used for such purposes; and

(iii) indebtedness contracted for supply of water.

The following table shows the debt contracting power of the City within the debt limit as of the date set forth therein.

STATEMENT OF DEBT-CONTRACTING POWER

		As of January 14, 2022
Debt-Contracting Limitation:		
Nine Per Centum of five-year average full valuation of taxable real property	$	1,923,355,700
Outstanding Indebtedness:		
Revenue Anticipation Notes	$	0
Bond Anticipation Notes	$	0
Serial Bonds	$	535,365,000
Total Indebtedness	$	535,365,000
Less: Exclusions		
Debts created after January 1, 1980 to provide for water supply improvements: Bonds	$	24,447,607
Revenue Anticipation Notes	$	0
Appropriations (FY 2021-22)	$	7,313,608
Total Exclusions	$	31,761,215
Net Indebtedness	$	503,603,785
Margin of Debt Contracting Capacity	$	1,419,751,915
Percentage of Debt Contracting Capacity Exhausted		26.18%

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The following table shows the overlapping debt of the City as of December 31, 2020. Overlapping debt is the City's allocation of Westchester County debt.

STATEMENT OF OVERLAPPING DEBT
as of December 31, 2020

Unit	City's Allocation of County Debt	City's % Allocation of Total
General County Purposes	$ 81,528,484	11.50%
Sewer Districts	39,337,713	7.82
Water Districts	4,511,084	20.14
Refuse Districts	1,445,889	15.11
Total Debt	$126,823,170	10.20%

Source: County of Westchester

Debt Ratios

The following table sets forth certain debt ratios based upon the City's direct indebtedness as of January 14, 2022 and overlapping indebtedness as of December 31, 2020.

	Amount	Per Capita[1]	Ratio to Assessed Value of Taxable Property[2]	Ratio to Estimated Full Value of Taxable Property[3]
Gross Direct Debt	$535,365,000	$2,530	116.75%	2.35%
Net Direct Debt [4]	503,603,785	2,380	109.82%	2.21%
Net Direct and Overlapping Debt	630,426,955	2,980	137.48%	2.77%

(1) Calculated based upon estimated population of the City for 2020 (Census Bureau) of 211,569.
(2) The assessed valuation for Board of Education purposes for the 2021-2022 Fiscal Year is $458,556,063.
(3) The full valuation of the City for the 2021-2022 Fiscal Year, based on the State Special Equalization Ratio of 2.01% established by the State Office of Real Property Services is $22,765,462,985.
(4) Net of exclusions.

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Debt Service Schedule

The following table shows the debt service requirements to maturity on the City's outstanding general obligation bonded indebtedness reflecting payments made through June 30, 2021, exclusive of the Bonds. This amount does not include short term debt of the City, State loans payable, energy performance contract debt and notes payable.

Annual Debt Service Requirements(1)(2)

Maturing During FY End June 30th	Principal	Interest	Total
2022	$ 49,755,000.00	$ 23,305,164.09	$ 73,060,164.10
2023	54,435,000.00	21,154,040.46	75,589,040.47
2024	56,615,000.00	18,864,549.84	75,479,549.85
2025	58,195,000.00	16,479,316.56	74,674,316.56
2026	43,960,000.00	14,292,363.82	58,252,363.81
2027	38,895,000.00	12,594,486.23	51,489,486.23
2028	36,625,000.00	11,065,529.59	47,690,529.59
2029	30,730,000.00	9,573,808.63	40,303,808.63
2030	32,125,000.00	8,194,852.33	40,319,852.33
2031	31,635,000.00	6,797,606.37	38,432,606.37
2032	31,285,000.00	5,423,496.94	36,708,496.94
2033	18,730,000.00	4,351,006.30	23,081,006.30
2034	19,575,000.00	3,507,943.80	23,082,943.80
2035	20,365,000.00	2,705,293.76	23,070,293.76
2036	21,170,000.00	1,902,659.38	23,072,659.38
2037	14,595,000.00	1,151,775.00	15,746,775.00
2038	7,625,000.00	597,650.00	8,222,650.00
2039	6,405,000.00	329,400.00	6,734,400.00
2040	2,390,000.00	96,400.00	2,486,400.00
2041	2,340,000.00	48,600.00	2,478,600.00
Totals:	$ 577,540,000.00	$ 162,435,943.10	$ 739,975,943.12

(1) Does not include principal and interest payments made by the City since June 30, 2021. (See "*Debt Limit*" under "*CITY INDEBTEDNESS*" herein)

(2) A summary of the principal and interest for the City's energy performance contract(s) is set forth in the Financial Statements of the City for the Fiscal Year ended June 30, 2021, a link to which is set forth in Appendix B.

Trend of Bonded Indebtedness

The following table sets forth the gross amount of bonded indebtedness outstanding at the end of each of the last ten fiscal years.

OUTSTANDING LONG TERM INDEBTEDNESS

FY Ending June 30:	Amount
2012	$504,230,000
2013	518,960,000
2014	475,310,000
2015	541,405,000
2016	555,600,000
2017	536,415,000
2018	527,135,000
2019	466,780,000
2020	562,590,000
2021	577,540,000

Outstanding Short-term Indebtedness

The City does not have any outstanding short-term indebtedness.

Cash Flow, Capital and Tax Certiorari Financings of the City

Typically, the City issues revenue anticipation notes to finance cash flow deficits that occur during its fiscal year. The City monitors its cash flow needs on an on-going basis. An ordinance authorizing the issuance of not to exceed $140.0 million revenue anticipation notes was adopted by the City Council on May 28, 2021. The City does not anticipate issuing revenue anticipation notes during the current fiscal year.

The following table provides a summary of revenue anticipation notes borrowings by the City for the last five fiscal years.

Revenue Anticipation Note Borrowing History

Fiscal Year End June 30th	Issue Date	Amount Issued	Maturity Date
2017	01/24/2017	$73,000,000	06/30/2017
2018	12/12/2017	72,000,000	06/29/2018
2019	09/18/2018	80,000,000	06/28/2019
2020	12/09/2019	80,000,000	06/29/2020
2021	12/10/2020	65,000,000	06/30/2021

On May 28, 2021, the City Council also adopted an ordinance authorizing the issuance of not to exceed $150.0 million tax anticipation notes during the FY21-22; however the City does not expect to issue any notes pursuant to this authorization.

As of January 14, 2022, the City had authorized and unissued indebtedness for capital purposes of the City of $203,458,379. As of January 14, 2022, the City had authorized and unissued indebtedness of $67,792,791 for BOE capital purposes and the acquisition of equipment for the BOE. As of January 14, 2022, the City has authorized and unissued indebtedness for the payment of various tax certiorari judgments, compromised claims and settled claims of $18,330,000. The City plans to authorize additional bonds in the amount of $6,849,000 in January 2022. In addition, the City plans to issue bonds in March 2022 in the aggregate principal amount of approximately $95.5 million to finance various capital purposes in and for the City, all authorized pursuant to the bond ordinances referred to above.

The Special Ordinance adopted on March 26, 2019 further states that any bond ordinance adopted after March 26, 2019 shall be deemed repealed four years after the date of adoption, except to the extent of indebtedness theretofore contracted, meaning that any bonds or notes issued must be issued within four years after adoption of the bond resolution, and provides the City Council an approval role in the determination by the Commissioner of Finance and Management Services to issue bond anticipation notes of the City.

Deficit Financing of the City

The City's $37,260,000 School Deficit Bonds – 2015A were issued pursuant to Chapter 55 of the Laws of 2014, known as the "Yonkers City School District Deficit Financing Act" ("Deficit Financing Act"), which authorized the City to issue bonds in the principal amount of not to exceed $45,000,000 for the purpose of liquidating the deficit in the General Fund of the BOE for FY13-14. The Deficit Financing Act provided that the City may not issue any bonds for the purpose of liquidating such deficit until the amounts of such deficit was confirmed and certified by the State Comptroller. On February 19, 2015, the State Comptroller certified the amount of such deficit as of June 30, 2014, to be $41,718,751. Bonds issued pursuant to the Deficit Financing Act were required to be issued no later than March 31, 2015. On February 24, 2015, the City Council adopted a bond ordinance authorizing the issuance of bonds in the principal amount of not to exceed $41,718,751 for the purpose of liquidating the deficit pursuant to the Deficit Financing Act and on March 27, 2015, the City issued its $37,260,000 School Deficit Bonds – 2015A pursuant to this authorization.

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Capital Plan of the City

The City annually prepares a Capital Budget setting forth the capital needs of the City for the forthcoming fiscal year. The following table summarizes the City's Capital Plan for FY19-20 through FY21-22.

Department	**FY19-20 Budget(1)**	**FY20-21 Budget(2)**	**FY21-22 Budget(3)**
Education	$ 71,600,000	$34,300,000	$30,000,000
Engineering	21,854,235	3,829,136	14,345,000
Finance	0	35,000	52,104
Fire	6,608,501	2,405,750	5,389,407
Housing and Buildings	474,050	500,780	1,304,390
Information Technology	5,110,000	3,633,209	1,550,743
Library	1,139,336	949,081	669,398
Museum	400,000	30,000	62,617
Office for the Aging	0	0	166,000
Parks, Recreation & Conservation	5,468,500	649,000	15,000,000
Planning and Development	11,250,000	3,525,000	10,960,000
Police	8,090,990	2,738,782	5,227,390
Public Works	14,981,405	11,169,381	12,432,914
Totals:	$146,977,017	$63,765,119	$97,159,963

(1) Amended on July 15, 2019 by Special Ordinance 42-2019. Said ordinance increased the FY19-20 Capital Budget by $2,000,000 for City and BOE Joint School construction costs. The FY20 Capital Budget was amended to $148,977,017.

(2) Amended on October 27, 2020 by Special Ordinance 37-2020. Said ordinance increased the FY20-21 Capital Budget by $16,755,000 for various City projects. The FY20 Capital Budget was amended to $80,520,119.

(3) Amended on June 29, 2021 by Special Ordinance 35-2021. Said ordinance increased the FY21-22 Capital Budget by $9,608,550 for various City and BOE projects. The FY21-22 Capital Budget was amended to $106,768,513. Further amendments are anticipated in January 2022.

BOE School Facilities Reconstruction Project

Pursuant to special State legislation enacted on September 29, 2016 as Chapter 355 of the Laws of the State of New York 2016 and known as the Yonkers City School District Joint Schools Construction and Modernization Act (the "Modernization Act"), the foundation has been established for the purpose of providing the City and the BOE with increased flexibility to meet the needs of its school children by providing alternative financing mechanisms that would facilitate access to adequate capital for the financing of new school facilities and the modernization of existing school facilities in the City.

While the Modernization Act does not provide additional financial assistance from New York State to accomplish its objectives, the Modernization Act does authorize the establishment of the Yonkers Joint Schools Construction Board (the "YJSCB"), a 9-member board to be composed of the Mayor, the President of the BOE, the Superintendent of the Yonkers Public Schools, a designee of the Yonkers Council of Parent Teachers Association, a designee of the City Council majority party, a designee of the City Council minority party, and 3 individuals, not employed by the City or the City School District, jointly designated by the Mayor and the Superintendent. The YJSCB was appointed and officially sworn in on December 18, 2018.

The Modernization Act grants certain powers to the YJSCB with respect to directing and overseeing the rehabilitation and reconstruction of existing school facilities as well as the construction of new school buildings. The Modernization Act also permits the issuance of debt in the principal amount of not to exceed

$523 million for the purposes described above. The Modernization Act also allows projects undertaken pursuant to the legislation to be financed through the City of Yonkers Industrial Development Agency (YIDA) and/or any successor agency, and establishes a process for the intercept of State aid for the payment of the bonds issued by the YIDA. The Modernization Act requires that, among other things, that the YJSCB prepare a Phase I plan (the "Modernization Plan") for submission to and approval by the New York State Department of Education prior to undertaking any of the projects included in the Modernization Plan. The YJSCB prepared and submitted its Modernization Plan to the State, and the Modernization Plan is currently being reviewed by the State

A bill was approved by both houses of the State Legislature during the 2017 legislative session and signed into law by the Governor (the "Double MCA Statute"). The Double MCA Statute authorizes two multi-year cost allowances in a five-year period for the computation of State building aid for three new BOE school construction projects authorized pursuant to the Modernization Act. Additional multi-year cost allowances could not be reset for the affected buildings for a period of ten-years after establishment of the first maximum cost allowance. The financial impact of the Double MCA Statute is estimated to be $100 million. Specifically, the City's "local share" of the $347.5 million cost of constructing the three new schools is $245.6 million, with the balance paid by the State. Under this legislation, the City's "local share" is estimated to be $144 million.

On September 19, 2021, the YIDA issued its $25,000,000 School Facility Revenue Bonds (New Community School Project), Series 2021 to provide initial financing for one of the projects identified in the Modernization Plan: the construction of a new school at the site of the former St. Denis school and church (the "New Community School Project"). It is expected that additional bonds will be issued during FY22-23 to finance the balance of the cost of the New Community School Project.

The Modernization Act and the Double MCA Statute provide a framework for addressing the BOE's $2.0 billion capital construction needs, but these statutes do not change the State building aid reimbursement formula and future increases in New York State building aid and/or other forms of State assistance will be needed before the City and the BOE can fully implement all phases of the Program. The City is currently exploring various alternatives with stakeholders to reduce the "local share" of all phases of the Program.

PROPERTY TAXES

The City derives its power to levy ad valorem real property taxes from Section 10 of Article VIII of the State Constitution. The City is responsible for levying taxes for City and Board of Education purposes. The City's property tax levying powers, other than for debt service and certain other purposes, are limited by the State Constitution to two percent of the five year average full valuation of taxable real property of the City. (See "*Revenues*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" and "*LITIGATION*" herein.) On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the City, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the City.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011, as amended (the "Tax Levy Limit Law"), all the taxable real property within the City had been subject to the levy of ad valorem taxes to pay the bonds and notes of the City and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the City for fiscal years commencing July 1, 2012, without providing an exclusion for debt service on obligations issued by the City. As a result, the power of the City to levy real estate taxes on all the taxable real property within the City for City purposes, including the payment of bonds and notes of the City and interest thereon, is subject to certain statutory limitations imposed by the Tax Levy Limit Law. Such statutory limitations do not apply to the City's power to increase its annual tax levy for Board of Education purposes; however, the power of the City to levy real estate taxes on all the taxable real property within the City for City purposes is subject to 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 City, subject to certain exceptions. The Tax Levy Limit Law permits the City to increase its overall real property tax levy for City purposes over the tax levy of the prior year for City purposes 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 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 City is required to calculate its tax levy limit for City purposes for the upcoming year in accordance with the provision 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 City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the City, as well as real property taxes levied on behalf of the Board of Education. The City Council may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the City Council first enacts, by a vote of at least sixty percent of the total voting power of the City Council, a local law to override such limit for such coming fiscal year.

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 City or such indebtedness incurred after the effective date of the Tax Levy Limit Law, unless such indebtedness is issued on behalf of the Board of Education. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

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COMPUTATION OF CONSTITUTIONAL TAX LEVYING AND DEBT-CONTRACTING LIMITATION

Fiscal Year Ending June 30:	Assessed Valuation [1]	State Special Equalization Ratio [2]	Full Valuation [3]
2018	$ 472,279,768	2.44	$ 19,355,728,197
2019	470,338,041	2.28	20,628,861,447
2020	463,803,362	2.13	21,774,805,728
2021	459,961,664	2.06	22,328,236,117
2022	457,585,806	2.01	22,765,462,985

Total Five-Year Full Valuation	$ 106,853,094,474
Five-Year Average Full Valuation	21,370,618,895
Tax Levying Limitation: 2% of Average Full Valuation	427,412,378
Total Exclusions for FY21-22	76,996,350
Maximum Taxing Power	504,408,728
Adopted Total Levy for FY21-22 (includes BID districts)	391,727,369
Tax Margin	112,681,359
Percent of Tax Limitation Exhausted	77.66%
Debt-Contracting Limitation: 9% of Average Full Valuation	$ 1,923,355,700

[1] Includes: (a) property of veterans exempt for general City purposes but taxable for school purposes pursuant to Sec. 458 of State Real Property Tax Law; (b) property of owners 65 years or over with children attending public schools exempt for general City purposes but taxable for school purposes pursuant to Sec. 467 of State Real Property Tax Law; and (c) Special Franchises.

[2] Final Special Equalization Ratios established by State Office of Real Property Tax Services and provided to the City.

[3] Determined by dividing Assessed Valuation by State Special Equalization Ratio.

The State Office of Real Property Services annually establishes State Equalization Rates for the City and all localities in the State which are determined by statistical sampling of market sales/assessment studies. The Equalization Rates are used in calculation and distribution of certain State aid and are used by many localities in the calculation of debt contracting and real property taxing limitations. The debt contracting and real property taxing limitations are based on a percentage amount of average full valuation. The City determines the assessed valuation for taxable real properties. The State Office of Real Property Services determines the assessed valuation of special franchises and the taxable ceiling of railroad property, and these results are incorporated into the City's assessment. Special franchises include assessments on certain specialized equipment of utilities under, above, upon or through public streets or public places. Assessments are made on certain properties which are taxable for school purposes but which the City exempts for general municipal purposes.

In response to State court decisions regarding the constitutionality of debt contracting limitations, the State legislature authorized Special Equalization Ratios to be used in the computation of tax levying and debt contracting limitations for those affected entities. Such Special Equalization Ratios are based upon a trend of market sales/assessment studies which lag current data by several years. Such studies may not accurately reflect current trends in real property market values. The preceding table indicates the recent five year trend of assessed valuations, the Special Equalization Ratios assigned to the City by the State and full valuation implied thereby.

Preparation of the City assessment roll is the statutory responsibility of the City under the State Real Property Tax Law. The last City wide reassessment of all properties was undertaken in 1954; however, the Assessment Department of the City undertakes inspections of properties to ensure that new construction or improvements or demolitions are reflected in the annual roll of taxable properties.

The following table, which is as of October 18, 2021 indicates the composition of total valuation of all properties in the City for three fiscal years and depicts the trend of taxable valuations by major category, tax exempt properties and special franchises.

Type of Property	**2021**	**2020**	**2019**
Vacant Land	$ 8,330	$ 8,976	$ 9,509
Residential	279,277	281,331	282,486
Apartments	41,566	40,836	41,234
Commercial	87,391	82,798	83,115
Industrial	1,796	5,295	7,000
Miscellaneous	1,617	1,657	1,948
Utilities	13,778	14,186	13,845
Special Franchise	23,830	23,929	24,469
Total Taxable-City	457,586	459,008	463,606
Veteran's Exempt	478	486	535
Total Taxable-School	458,064	459,494	464,141
Wholly Exempt	246,315	246,167	243,196
Partially Exempt	20,066	20,457	21,859
Total Assessment Rolls	$724,455	$726,118	$729,197

Source: City's Assessment Department.

Tax Levy

Real property taxes are levied annually by the City for City and Board of Education operating purposes (within the taxing limitations described above) and for capital debt (not constrained by the tax levying limitation).

As a matter of City policy, the Board of Education is credited with the full amount of taxes levied by the City for school general operating purposes regardless of any deficiency in tax collections. In the Adopted Budget for FY16-17, the City used 90.77% (based upon final assessment rolls) of the State Constitutional limit. In the Adopted Budget for FY17-18, the City used 93.2% (based upon final assessment rolls) of the State Constitutional limit. In the Adopted Budget for FY18-19, the City used 92.3% (based upon final assessment rolls) of the State Constitutional limit. In the Adopted Budget for FY20-21, the City used 79.9% (based upon final assessment rolls) of the State Constitutional limit. In the Adopted Budget for FY21-22, the City used 77.8% (based upon final assessment rolls) of the State Constitutional limit.

The following table indicates the total real property tax rates levied within the City for FY17-18 through FY21-22.

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	FY21-22	FY20-21	FY19-20	FY18-19	FY17-18
Full Valuation[1]	$22,811,468,109	$20,442,740,622	$20,431,866,167	$20,360,954,156	$19,198,364,553
Assessed Valuation-City	458,075,676	459,484,126	463,242,776	469,762,462	471,779,071
Assessed Valuation- Education	458,556,063	459,961,664	463,803,362	470,338,041	472,279,768
Levy for City Purposes	127,544,433	138,189,454	136,749,636	132,825,970	110,516,902
Levy For Education Purposes	263,180,943	253,626,135	248,958,233	245,504,384	245,726,369
Rate per $1,000 Assessed Valuation-City	278.44	300.86	295.20	282.75	234.26
Rate per $1,000 Assessed Valuation-Education	573.93	551.61	536.78	521.97	520.3
Total Tax Rate (Assessed Valuations per $1,000)	852.37	852.47	831.98	804.72	754.56
Total Tax Rate (Full Valuation per $1,000)	$17.13	$19.17	$18.88	$18.58	$18.56

(1) Figures are based upon the State Special Equalization Ratios set by the State Department of Taxation and Finance Office of Real Property Tax Services as such information appeared in the adopted budget for each respective fiscal year. Such State Special Equalization Ratios are subject to change following the adoption of the annual budget

Tax Collection Procedure and History

Ad valorem real estate property taxes become payable upon levy of such taxes by the City Council. Since FY76-77, taxes were payable in three equal installments; the first installment payable thirty days after the mailing of the tax bill (after adoption of the budget and therefore usually due in July) and subsequent installments on October 6 and January 6. Taxes must be paid on or before each installment date to avoid penalties. Penalties are assessed for delinquencies at a rate of 15% per annum.

Real estate for which unpaid taxes are more than one year delinquent is subject to the sale of a tax lien certificate, giving the purchaser of such certificate a superior claim to the property. The owner of the property may redeem the tax lien certificate within two years of sale of such certificate by paying the delinquent taxes. If the certificate is unredeemed after two years, the holder of the certificate can institute foreclosure proceedings against the property. In instances in which there has been no purchaser of such certificate, leaving the City as its holder, the City institutes foreclosure proceedings after the required two year waiting period. Due to the COVID-19 pandemic the City has temporarily suspended its foreclosure and tax lien sales.

The General Fund accounts for the full receipt of the tax levy, including the portion of the levy raised for the Board of Education and that portion of the levy deposited in the Debt Service Fund for the payment of debt service. The total assessed valuation roll for general City tax purposes partially exempts certain properties (owned and occupied by veterans and senior citizens) which are assessed for school purposes. All provisions for uncollected taxes are charged against the general City budget. The Board of Education receives its tax levy for operations in full from the City.

The City also collects the applicable share of real property taxes and sewer district taxes levied by the County. Sixty percent of such County taxes is payable by the City to the County on May 25 of each year and the balance of forty percent of such taxes is payable on October 15 of such year. The City is required to pay to the County the total amount of County taxes, including any amounts that are uncollected. The City bears the burden of enforcement procedures and any subsequent collections are accounted for as City revenues.

In the City's revenue structure, the total ad valorem real property tax levy is considered as revenue realized by the City. Delinquencies in tax collection are treated as an expenditure and an appropriation is made as a reserve for uncollected taxes pursuant to a formula required by the Act which takes into account the actual tax collection performance of prior years, including County taxes, and applies it to the current tax levy. The Act requires that in all future fiscal years the reserve for uncollected taxes must not be less than the percentage required to be appropriated in each year.

The following table sets forth the tax collection record of the City for FY11-12 through FY20-21 and the amount received to date for FY20-21.

TAX COLLECTION RECORD

Fiscal Year Ending June 30:	Total Ad Valorem Real Property Tax Levy [1]	Amount Collected During Year of Levy [2]	Percent Collected During Year of Levy	Total Collected	Percent Collected As of November 30, 2021[3]
2012	$315,524,266	$302,517,073	95.88%	$313,059,019	97.54%
2013	327,820,814	313,694,684	95.69	317,151,902	96.75
2014	330,920,260	322,055,121	97.32	322,904,564	97.58
2015	335,448,551	325,690,077	97.09	326,107,289	97.22
2016	341,091,030	331,756,785	97.26	332,018,495	97.34
2017	355,432,328	345,802,231	97.29	346,648,458	97.48
2018	356,243,271	348,940,284	97.95	351,932,727	98.79
2019	378,330,354	370,419,539	97.91	372,307,477	98.41
2020	385,707,869	377,504,203	97.87	379,947,200	98.36
2021	391,815,589	383,264,638	97.82	386,465,371	98.63

(1) See also "*LITIGATION*" herein.
(2) Adjusted to reflect uncollected taxes only, as tax bills include delinquent water rents and frontage charges.
(3) Includes taxes collected and amounts of tax lien certificates held by the City through November 30, 2021.

The following table sets forth the budget provision for reserve for uncollected real property taxes and actual amount uncollected (including County taxes) in the past ten years and the budgeted amounts for FY21-22.

RESERVE FOR UNCOLLECTED TAXES

Year Ended June 30:	Reserve Appropriation	Actual[1]	Reserve (Deficit)
2012	$16,207,067	$13,191,453	$3,015,614
2013	19,273,897	16,872,471	2,401,426
2014	17,904,000	15,609,501	2,294,499
2015	15,788,422	17,178,187	(1,389,765)
2016	12,651,836	17,415,882	(4,764,496)
2017	15,362,461	19,969,382	(4,606,921)
2018	14,358,884	20,245,619	(5,886,735)
2019	12,892,118	12,328,786	563,332
2020	10,515,654	12,233,284	(1,717,630)
2021	12,073,551	9,379,220	2,694,331
2022	10,882,538	N/A	N/A

(1) Actual uncollected taxes reflect all unpaid items on the tax bills, including delinquent water rents and frontage charges.

Major Taxpayers

The following table of major taxpayers indicates the distribution of taxable properties based on the FY20-21 tax levy.

TWENTY-FIVE LARGEST PAYERS OF CITY PROPERTY TAXES

Fiscal Year beginning July 1, 2021

OWNER	CITY TAXABLE(1)	CITY TAXES LEVIED (2)	PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUE (3)
Con Edison	$ 33,858,961	$28,860,362	7.4%
Clearbrook South LLC	3,254,572	2,774,099	0.7%
City Of New York	2,860,900	2,438,545	0.6%
Morris Builders LP	2,592,200	2,209,513	0.6%
Crestwood Lake	1,708,465	1,456,244	0.4%
SNH Yonkers Properties Trust	1,400,000	1,193,318	0.3%
UE Yonkers II LLC	1,382,675	1,178,550	0.3%
AAC Cross County Mall LLC	1,265,300	1,078,503	0.3%
Central Plaza Associates LLC	1,147,000	977,668	0.3%
Westchester Towers	969,742	826,578	0.2%
Fleetwood Park Corp	874,565	745,452	0.2%
Verizon New York Inc.	865,709	737,904	0.2%
Tuckahoe Owners LLC	809,100	689,652	0.2%
Sadore Lane Gardens	746,269	636,097	0.2%
Midland Ave Owners Corp	745,884	635,769	0.2%
AAM Yonkers B Hotel LLC	700,000	596,659	0.2%
City Of Yonkers	635,440	541,629	0.1%
Valentine Gardens Coop	586,060	499,539	0.1%
Greystone Cooperative	583,170	497,076	0.1%
Boyce Thompson Center LLC	562,850	479,756	0.1%
48 Prentiss LLC	546,500	465,820	0.1%
1 Ridge Hill LLC	545,295	464,793	0.1%
Bmr Owners Corp	515,222	439,159	0.1%
Cresthaven Owners Inc.	506,690	431,887	0.1%
Neighborhood Housing Assoc. LLC	501,800	427,719	0.1%

(1) The 2021 Taxable Assessed Values Used for FY21-22.
(2) This is calculated using the 2020/2021 City/School Tax Rate of $852.37.
(3) The Total 2021 Taxable Assessed Values as of October 21, 2021 for the City is $457,585,806 and $ 458,064,250 for the BOE.

Source: City's Assessment Department

The City has entered into agreements with certain tax exempt entities which provide for payments in lieu of taxes to the City. These payments totaled $19.4 million for FY14-15, $18.9 million for FY15-16, $17.0 million for FY16-17, $22.1 million for FY17-18, $24.3 million for FY18-19, $26.0 million for FY19-20, $26.5 million for FY20-21 and an estimated $ 27.6 million estimated for FY21-22.

Tax Certiorari Proceedings and Proposed Assessment Revaluation

In common with other municipalities, the City continues to be served with numerous real estate tax certiorari petitions contesting the validity of tax assessments upon real property. See "*Cash Flow, Capital and Tax Certiorari Financings of the City*" under "*CITY INDEBTEDNESS*" and "*Tax Certiorari Proceedings*" under "*LITIGATION"* herein for a description of the tax certiorari proceedings pending against the City and the amount of obligations authorized to finance any judgments or settled claims involving the City. The City intends to defend itself vigorously against all such claims and actions.

Expenditures for all such claims (including administrative costs) in each of the fiscal years 2016 to 2021, inclusive, is shown below.

Fiscal Year	Amount
FY16	$ 7,100,000
FY17	13,500,000
FY18	500,000
FY19	16,650,000
FY20	6,500,000
FY21	6,500,000

GAAP requires the City to record the full bond proceeds in the year of closing. Therefore, the City accrues certiorari expense in the General Fund so there is no impact of the bond transaction on the General Fund balance should the bond proceeds not be fully spent by the end of the fiscal year. As of November 30, 2021, the City has remaining on its balance sheet a liability of $5,817,260.61 to satisfy future claims related to prior periods.

The City has previously proposed the undertaking of a complete reassessment/revaluation of the City's properties. The ultimate cost of the revaluation is estimated at $6.0 million. The FY12-13 approved capital budget included $3.0 million for this project. Presently, the City has signed contracts with Tyler Technologies to conduct the reassessment project and Michael Haberman Associates, Inc. to monitor the reassessment project. This project has been postponed indefinitely.

No assurance can be given as to the City's ultimate liability on existing and future refund claims. Furthermore, these amounts do not include litigation relating to real estate taxation other than challenges to assessments.

ECONOMIC AND DEMOGRAPHIC FACTORS

The City is the most populous city in Westchester County and encompasses an area of approximately 18.3 square miles, and is located in the southwestern section of the County. The City is bordered on the south by the Riverdale section of the Bronx, on the east by the Town of Eastchester, the Villages of Bronxville and Tuckahoe, and the City of Mount Vernon, on the north by the Village of Hastings on Hudson and the Town of Greenburgh, and on the west by the Hudson River.

Economy

The City has a well-developed commercial and industrial base and has been able to attract and retain a variety of manufacturing, service, and retail enterprises. The City serves as the headquarters location of American Specialties Inc., Consumer Reports, American Refining Sugar, Inc., Empire City at Yonkers

Raceway, Hudson Scenic Studio, Sterling National Bank, Kimber Manufacturing, Liberty Lines, Peco Pallets and Yonkers Contracting, Inc. In addition, the City is the location of such major corporations as Kawasaki Rail Inc., V Band Corporation, Five Star Premier Residences, Thyssenkrupp Materials NA and a FedEx distribution Center.

Retail enterprises in the City are located within commercial shopping centers with strong regional draw such as the Cross County Shopping Center, the Austin Avenue complex, The Mall at Cross County, and the Ridge Hill Village. In addition to shopping centers, the City has over 20 commercial corridors and neighborhood shopping districts, the largest of which are the Downtown Yonkers/Getty Square central business district, and the Central Park Avenue, McLean Avenue and South Broadway commercial corridors.

For more than a century, the City has been characterized as a "hard working, ethnically diverse urban community." The traditional industrial base of the 19th century has evolved into a multi-faceted modern economy providing approximately 90,000 local employment opportunities. The City has a mix of over 2,200 businesses, primarily in the industrial, services, and retail sectors. These firms employ approximately 20% of Westchester County's employment base.

Employment Sector	**Total Employed**	**Percent of Employment Base**
Management, business, science, and arts occupations	35,126	37.3%
Service occupations	20,028	21.2%
Sales and office occupations	22,821	24.2%
Natural resources, construction, and maintenance occupations	7,482	7.9%
Production, transportation and material moving occupations	8,815	9.4%
Total	94,272	100.0%

Source: U.S. Census Bureau, American FactFinder 2013-2017 American Community Survey 5-Year Estimates.

MAJOR NON GOVERNMENTAL EMPLOYERS IN THE CITY(1)

Name of Employer	**Number of Employees**
Montefiore IT	780
Liberty Lines	676
Stew Leonard's of Yonkers LLC	626
Rising Ground (formerly Leake and Watts Services Inc.)	578
Empire City at Yonkers Raceway	532(2)
Consumers Reports/Union	510
Kawasaki Rail Inc.	455
American Sugar Refining Inc.	328
Macy's	266(3)
Cintas	188(3)

(1) Excludes hospitals, colleges, institutions and utilities.
(2) Due to the ongoing COVID-19 precautions, Empire City is not back up to full capacity. This reduced capacity is reflected as of June 30, 2021.
(3) Yonkers IDA, December 31, 2020 Annual Report.

Source: City Finance Department, June 2021.

Unemployment Rates

The following table sets forth the annual City, County, State and national unemployment rate percentages for each of the last ten calendar years and the City, County, State and national unemployment rate percentages for the annual averages.

Year	City[1]	Westchester County[1]	New York State[1]	United States[2]
2011..........................	8.3	7.1	8.3	9.0
2012..........................	8.6	7.4	8.6	8.1
2013..........................	7.8	6.4	7.8	7.4
2014..........................	6.3	5.2	6.3	6.2
2015..........................	5.2	4.6	5.2	5.3
2016..........................	4.9	4.4	4.9	4.9
2017..........................	4.6	4.5	4.6	4.4
2018..........................	4.1	3.9	4.1	3.9
2019..........................	3.8	3.6	3.8	3.7
2020..........................	10.0	8.4	10.0	8.1
2021[3]…………….	7.1	5.5	7.6	5.7

(1) Data Source: NYS Department of Labor, Labor Statistics, Local Area Unemployment Statistics Program. US Bureau of Labor Statistics.
(2) Not seasonally adjusted.
(3) Average rates through October 2021.

Population Characteristics

The City is the State's third largest city and the largest city in the County. Like many communities adjacent to New York City, the City's population has increased slightly since 1980. According to the records of the United States Department of Commerce, Bureau of the Census, the City's population decreased slightly between 2000 and 2010; however, based upon current estimates, the City's population has experienced growth between 2010 and 2020.

POPULATION

Year	City	Westchester County	New York State	United States
1960	190,634	809,000	16,782,000	179,323,000
1970	204,297	894,000	18,237,000	203,212,000
1980	195,351	866,599	17,558,072	226,545,805
1990	188,082	860,452	17,990,455	248,709,873
2000	196,086	923,459	18,976,457	281,421,906
2010	195,976	949,113	19,378,102	308,745,538
2020	211,569	1,004,457	20,201,249	331,449,281

Source: U.S. Census Bureau.

Personal Income

INCOME
2019

	City	Westchester County	New York State	United States
Median Household Income.............	$64,916	$101,908	$72,108	$65,712
Per Capita Income...........................	$36,017	$60,213	$41,857	$35,672

Source: U.S. Census Bureau, American Community Survey. 2019:ACS 1-Year Estimates Detailed Tables, TableIDS19301 .

MEDIAN HOUSEHOLD INCOME
2019

Year	Under-$24,999	$25,000-49,999	$50,000-99,999	Over $100,000
City..	20.5%	18.2%	29.8%	31.6%
Westchester County..................	13.1	13.2	22.2	51.4
New York State........................	18.8	17.4	27.1	36.7
United States............................	18.1	20.3	30.2	31.4

Source: U.S. Census Bureau, American Community Survey. 2019:ACS 1-Year Estimates Subject Tables, TableIDS1901.

Construction Activity

The table below indicates building permits issued for new construction, alterations and repairs for the last ten years and the number of permits issued through June 30, 2021.

BUILDING PERMITS
Calendar Years 2012 - 2021

Year	Number of Permits	Estimated Value of Construction
2012	1,598	$ 96,490,101
2013	1,630	105,155,055
2014	1,453	92,721,350
2015	1,679	177,492,330
2016	1,663	201,625,142
2017	1,559	263,254,338
2018	1,741	222,439,636
2019	1,956	104,825,976
2020	736	111,738,533
2021[1]	469	252,601,923

(1) Data through June 30, 2021.
Source: FY21 Approved Budget Book Financial Statistics and Department of Housing and Building

Development/Redevelopment Activities

The City continues its Generation Yonkers marketing campaign to drive business and residents to the City. The marketing initiative promotes the natural beauty, cultural diversity, residential and economic development opportunities available in the City through a campaign targeted primarily at millennials and empty-nesters. Originally paid for by the City's Office of Planning and Economic Development the campaign is now sponsored by the Yonkers Industrial Development Agency.

Ludlow. The City is working with developers such as Ginsburg Development Companies ("GDC") to facilitate development and improvement of the Ludlow neighborhood. A City-issued RFP for the purchase and development of 150 Downing Street served as a catalyst for development activity. GDC was the successful respondent to the Downing Street RFP. Thereafter, GDC's plans for development expanded beyond the Downing Street site to other locations within the Ludlow neighborhood In order to increase the size of the Downing Street development's footprint, GDC purchased the immediately adjacent property previously owned by Westchester Metal Works. Because GDC specializes in TOD projects they also purchased 70 Pier Street from the City of Yonkers. All of these properties are within walking distance of the Metro North Hudson Line's Ludlow Train station. In order to facilitate and properly address future development of the Ludlow neighborhood, the City engaged BFJ Planning to draft a master plan for the area. The proposed Ludlow development study area has an anticipated build out of approximately 568 residential units. The Ludlow Community Plan with zoning amendments is anticipated to be complete in 2022. In addition, the City anticipates issuing an RFP for the development of a Ludlow waterfront park early in 2022.

Nepperhan Valley. The Nepperhan Valley is directly to the east of the Choice Neighborhood project area. The City worked with local owners of approximately 1.2 million square feet of former carpet mill buildings to promote artist's studios and other artisan based industrial uses in the former Alexander Smith Carpet Mills to rebrand the district into the "CMAD", the Carpet Mills Arts District. The City has also expanded the zoning for the area to allow for ground floor retail that is complimentary to the artists and artisans and also allows for restaurants in the area.

Downtown Yonkers Waterfront. The City continues the revitalization of its Downtown and adjacent waterfront along the Hudson River. Since 2012, thousands of new residential units have been built or approved. Showing the strength in the downtown area developer RXR is close to occupancy of both towers of Sawyer Place, consisting of 442 units overlooking Daylighting I. National Resources built and leased up Uno consisting of 100 loft apartments.

On January 11, 2022, one of the largest modern-built production campuses in the northeast, Lionsgate Studios Yonkers, opened. This $100-million studio is located in the heart of the 24-acre iPark Hudson campus owned by National Resources and features two sound stages, both 20,000 square feet, and a smaller stage, spanning 10,000 square feet. The campus will also feature 100,000 square feet of office and support space along the City's waterfront, and will be managed by Great Point Studios. According to the Yonkers Industrial Development Agency, the project is anticipated to create between 285 and 420 full-time permanent jobs. It is estimated that the new production facility will create $65 million annually in economic development from additional companies such as caterers and production staff who will relocate to service the studios. The aim of this project to make the City the premier filming destination.

After an RFP issued by the City, the approximately 6 acre parcel improved as a surface parking lot located within the City's downtown known as Chicken Island was sold AMS Acquisitions LLC ("AMS") 2019. Serving as a gateway into the downtown waterfront, the development of Chicken Island is expected to be extremely impactful and an expansion of the waterfront revitalization further into the City. The City is undertaking planning and zoning studies to properly plan for and encourage this development. In addition, the City is in the process of designing a new parking garage, which will be located on the surface parking lot at the Cacace Justice Center. On Alexander Street, Avalon Bay has completed 590 units. The Rose Associates project site at 57 Alexander Street is under construction for 440 units, located directly to the south of Avalon

Bay. Directly to the North of Avalon Bay, Extell has approvals for 1,395 new units and construction has commenced.

Small businesses are responding to the influx of new residents in the downtown. Soyo Nails at 50 Main Street and Dock Street Deli on the corner of Woodworth Avenue and Dock Street. The completion of three phases of Daylighting the Saw Mill River has spurred new investment in the Downtown.

Cross County Shopping Center. The Cross County Shopping Center has completed a major renovation and expansion totaling $350.0 million. Cross County Shopping Center is owned by Brooks Shopping Centers, LLC, who retained Macerich to manage, lease and redevelop this super-regional shopping center. In October 2020, the retail giant Target signed a 40-year lease to occupy the 130,000 space vacated by Sears. Target is expected to open late 2021. In 2021, the BR Zoning District that covers the Cross County Shopping Center, was amended to allow satellite college facilities as a permitted use. Since then, the satellite campus for Westchester Community College was approved to relocate into a larger space within the shopping center above the Target space in the former Sear building.

Ridge Hill Village. Ridge Hill Village is an 80-acre, mixed-use outdoor lifestyle center located on the New York State Thruway (I-87) that opened in the spring of 2011. Current retailers on site include: a National Amusements 12-screen movie theater; Dicks Sporting Goods; the Cheesecake Factory; the Yard House; LL Bean; H & M; L.A. Fitness; and The Apple Store. Several new restaurants, stores and destinations have opened including Texas de Brasil, Havana Central, Starbucks, Whole Foods, Muse Paint Bar, and iFly, an indoor skydiving simulator. Legoland Discovery Center and Rockin' Jump are open for play. A Lowes Home Center opened in 2017. The Lord and Taylor department store closed its doors in 2021 due to the impacts of the COVID-19 pandemic. Site work continues for the construction of the residential apartment buildings as part of the overall development.

Empire City at Yonkers Raceway. In January 2013, Empire City Casino completed a new $50 million expansion designed by Studio V Architecture that added 66,000 square feet to the casino. The expansion featured a porte-cochere sculptural entrance; the largest window in the Northeast, a 300-foot long and 27-foot high depiction of the New York City skyline made entirely of nails; a new gaming floor with nearly 700 slot machines; and two new restaurants. In 2018, Empire City was purchased by MGM for $850 million. The current MGM management team has held community charrettes to determine what the enhanced site should include. The 97-acre site could eventually include a hotel, entertainment venue and an increased gaming floor.

Hospitality Industry. In the past decade, the City has seen a dramatic increase in hotel construction from two to a total of seven. The long existing Ramada Inn and Royal Regency Hotel on Tuckahoe Road that underwent a major renovation, have been joined by the newly constructed Residence Inn by Marriott, Hampton Inn & Suites and most recently the Courtyard by Marriott in the South Westchester Executive Park in NW Yonkers, the Hyatt Place in the Cross County Shopping Center and a second Hampton Inn along Tuckahoe Road. In total there are now more than 1,000 hotel rooms in Yonkers.

Qualified Opportunity Zones. In early 2018, three census tracts in the southwest part of the City were designated qualified opportunity zones pursuant to the Tax Cuts and Jobs Act enacted in 2017. The designation as a qualified opportunity zone allows for certain incentives that are designed to spur investment, job creation and economic develop within these zones.

Grants. The City has awarded grants and loans to local small businesses through its Yonkers Business Assistance Program (YBAP), collaboration between the Yonkers Industrial development Agency (YIDA) and the Community Development Block Grants (CDBG) managed by the City's Planning and Development Department. The YBAP was created to assist Yonkers businesses that have been negatively impacted by the COVID-19 pandemic. The program has supported more than 30 businesses since it launched in July 2020. The Yonkers CDBG program has supported 70 businesses totaling $700,000 since it launched in July of 2020.

SERVICES AVAILABLE TO CITY RESIDENTS

Utilities

The City is serviced by the Consolidated Edison Company of New York for electric and natural gas service. Electric power costs in the City have risen in recent years, reflecting the trend in the entire Consolidated Edison region. The City is party to an agreement with the Power Authority of the State of New York (PASNY) for the purchase of power and energy for all of its municipal purposes and consequently has not experienced recent increases in its utility costs. The County of Westchester Public Utility Service Agency has negotiated an agreement with the PASNY to purchase low cost hydroelectric power which is distributed through Consolidated Edison to residential consumers in an effort to lower the cost of electric power. Businesses certified in the Empire Zone are eligible for five percent reductions of their Con Edison and Verizon charges.

The City purchases its water supply from the New York City water system. All of the City's residents reside in one of five County sewer districts financed by County special assessments levied upon benefited real property. Sewage treatment is provided by the County owned sewage treatment plant. The City is responsible for the maintenance of the public sewers within the City. A small area of the City, primarily in the northwest section, is not serviced by sanitary sewers.

Transportation

The City is served by the New York State Thruway and a system of interconnecting parkways, all of which provide access to the major commercial and industrial areas of the New York metropolitan area. The State has constructed a system of arterial highways for which the State and federal government have committed monies for extension and improvement. The city also is served by two commuter railways: the Metropolitan Transportation Authority (MTA) Hudson and Harlem Lines connect the city to the regions center. Amtrak also serves the City in connecting to the regional and national system. Bus services in the City are operated by Westchester County. During 2018, the City rolled out a pilot bike-sharing program, which continues to be used in large numbers throughout the City.

Educational, Cultural and Recreational Facilities

There are six colleges located in the City: Sarah Lawrence College with a campus extending over 33 acres in the eastern portion of the City; Westchester Community College, which is located in Cross County Shopping Center; the Cochran School of Nursing; St. Joseph's Seminary; the Academy for Jewish Religion and Saint Vladimir's Orthodox Theological Seminary.

There are 39 operating public schools in the City under the administration of the Board of Education. The City is also served by approximately 19 parochial and private schools and one charter school. Facilities of the public, parochial and private schools supplement the City's recreational facilities.

There are three branches of the Yonkers Public Libraries, which obtain a majority of their funding from the City. The Hudson River Museum and Planetarium, located in the City, presents a wide variety of exhibits, programs and courses and is currently funded through private and County sources as well as City funding. The City owns the building and grounds of this facility and leases them to the Museum. The City is currently funding extensive capital improvements to the facility.

The City also maintains over 78 parks, totaling 413 acres of parkland (which includes Untermyer Park and Gardens), 3 parks with outdoor fitness equipment, 54 playgrounds, 48 basketball courts, 57 ball fields, 24 tennis courts, 13 senior citizen centers, 2 greenhouses, 1 indoor pool, a half mile track, a skating rink, a skateboard park, a rifle and pistol range, an animal shelter, and five community centers. In addition, the JFK

Marina now allows entry access to small crafts and there are docking stations at the City Pier but is undergoing some upgrades. Lastly, the County of Westchester maintains two golf courses and three parks within the City

Medical Facilities and Social Services

There are two hospitals located in the City: St. John's Riverside and St. Joseph's Medical Center. (The City does not own or operate any hospitals.) Since 1971, other health facilities, including clinics and nursing services, and food and restaurant inspection services in the City have been administered by the County's Department of Health at no cost to the City. In addition to providing health care services, the County is responsible for funding and administering social service programs in the City. These are generally categorized by the State as "Economic Assistance and Opportunity" programs and include Medicaid, Aid to Families with Dependent Children, and home relief programs. The City contracts with a private emergency ambulance service that is staffed by certified medical technicians.

Financial Institutions

Thirteen banking institutions and two savings and loan associations with over 45 bank offices are located in the city. Sterling National Bank and SUMA Federal Credit Union are headquartered in the City. Other banks with offices in the city include: JP Morgan Chase, HSBC, Bank of America, New York Commercial Bank, Wells Fargo Bank, Citibank, Citizen's Bank, Webster Bank and The Westchester Bank. The savings and loan associations include: First Federal Savings and Loan and Ridgewood Savings Bank.

Communications

The City is served by New York metropolitan newspapers, radio and television stations. In addition, the City has a daily newspaper, The Journal News, and a weekly newspaper, Yonkers Rising. There are several radio stations in the County which serve the City. Cablevision of Westchester, a private corporation, provides cable television service for the City, including a local access channel which provides a daily half hour news program. Verizon also offers cable television service.

LITIGATION

The City, the Board of Education and their respective officers and employees are defendants in several hundred lawsuits and other legal proceedings arising out of alleged constitutional violations, torts, breaches of contract and other violations of law. The Law Department of the City, headed by the Corporation Counsel, has reviewed the status of pending litigation and reports that other than as set forth below, while the ultimate outcome of certain of the proceedings and claims is not currently predictable, there is no reason to believe at this time that adverse determination in any or all of them would have a material effect on the City's financial condition.

On March 16, 2020, the Governor issued an Executive Order that closed all schools in the State due to the COVID-19 pandemic. As a result of this Order, the BOE provided remote instruction to its students for the balance of the academic school year. While schools were closed, the BOE ceased utilizing the services of its transportation providers. To date, the BOE and City have not been served with any summons and/or complaints regarding school shutdown due to the Covid-19 pandemic. However, the BOE has been served with a Notice of Claim filed by one of its bus transportation vendors seeking payment for invoices totaling approximately $6.4 million, submitted during the school shutdown. In the view of the City's Corporation Counsel. The claim is severely lacking in legal merit because of contract language favorable to the City and BOE. As a result, the City does not believe that the claim will have any adverse material impact upon the City or BOE.

Tax Certiorari Proceedings

In common with other municipalities, the City continues to be served with numerous real estate tax certiorari petitions contesting the validity of tax assessments upon real property. The number of tax assessment protests filed for FY16-17 was 2,900, 2,769 for FY17-18, 2,444 for FY18-19, 2,701 for FY19-20 and 2,944 for FY 20-21. The protest period for FY 21-22 commences on November 1, 2020. The City Council has adopted a bond ordinance authorizing the issuance of bonds by the City in an amount not to exceed $15.0 million for FY 21-22 to finance refunds on tax certiorari claims.

In most cases, the due date for payment of tax refunds without interest is 60 days from the date of service upon the City of the court order confirming the settlement. The estimate provided above is similar to amounts paid in recent fiscal years and is made despite continued success by the City during the course of litigation to exclude interest on the payment of the settled refunds that would result in a substantial savings to the City.

The City estimates a requirement of approximately $500,000 for FY 21-22 to cover the anticipated cost of independent appraisal analyses and outside counsel services required for the defense of the tax challenges. The City expects to continue to fund settlements and certiorari related expenses through the issuance of bonds and bond anticipation notes in the foreseeable future or until a city-wide revaluation is undertaken.

Bronx River Watershed Administrative Consent Order

On January 12, 2007, a Consent Judgment was filed against the City to address Inflow/Infiltration in the Bronx River Watershed (the "Consent Judgment"). The Consent Judgment has terminated. Following this and pending transition to solely the MS4 program, the City and DEC entered into an Administrative Consent Order (the "Order") on June 22, 2017. The Order, among other things, required the City to report its progress quarterly to DEC. On June 18, 2021 the City requested formal recognition from DEC that the Order has been completely satisfied and is deemed terminated. Following termination of the Order, the City will remain subject to the General Permit requirement, as well as all relevant federal and state laws and regulations, including the Clean Water Act and ECL Article 17.

END OF APPENDIX A

APPENDIX B

A LINK TO COMBINED FINANCIAL STATEMENTS AND FINANCIAL STATEMENTS FOR SELECTED INDIVIDUAL FUNDS

CAN BE ACCESSED ON THE ELECTRONIC MUNICIPAL MARKET ACCESS ("EMMA") WEBSITE

OF THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB") AT THE FOLLOWING LINK:

https://emma.msrb.org/P21596067.pdf

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

APPENDIX C

SUMMARY OF SALE ORDINANCE

The Sale Ordinance contains various covenants and security provisions related to the Bonds, certain of which are summarized herein. Reference should be made to the Sale Ordinance for a full and complete statement of its provisions, including the definition of certain words and terms not defined herein.

Definitions (Section 101)

Act means the Act of the Legislature of the State of New York known and cited as “The Special Local Finance and Budget Act of the City of Yonkers”, constituting chapter 488 of the State Laws of 1976 and the acts amendatory thereof or supplemental thereto heretofore adopted.

Added Debt Service Percentage means, with respect to a fiscal year, the percentage obtained by dividing the total amount of interest payable during such fiscal year on revenue anticipation notes, budget notes and urban renewal notes of the City issued during such fiscal year by the balance obtained by subtracting the amount of the appropriation for such year for a reserve for uncollected taxes from the total amount of City Taxes levied and assessed for such year and then remaining uncollected.

Bonds mean any of the $29,000,000 General Obligation Refunding Serial Bonds-2022A (Forward Delivery) and $12,045,000 General Obligation Refunding Serial Bonds-2022B (Forward Delivery).

City Taxes means all taxes on real property levied and assessed by the City based on the valuation thereof, but not any rent, rate, fee, special assessment or other charge based on benefit or use.

Comptroller’s Certificate means a certificate signed by the Commissioner of Finance & Management Services.

Debt Service Fund means the special debt service fund described by Section 407 of the Sale Ordinance.

Debt Service Percentage means, with respect to a fiscal year, the percentage obtained by dividing the total appropriation in the budget for such year for Special Debt Service by the balance obtained by subtracting the amount of the appropriation for such year for a reserve for uncollected taxes from the total amount of City Taxes levied and assessed for such year.

Depositary means any bank, trust company or national banking association having the qualifications of a Paying Agent under Section 701 of the Sale Ordinance and maintaining an office in the City selected by the Fiscal Agent as a depositary of moneys or securities held under the provisions of the Sale Ordinance.

Fiduciary means the Fiscal Agent or a Paying Agent.

Fiscal Agent means the State Comptroller or any bank, trust company or national banking association appointed pursuant to Section 709 of the Sale Ordinance.

Investment Obligation means any of the following securities legal for the investments of City funds at the time of purchase thereof: (A) direct obligations of or obligations guaranteed by the United States of America; (B) any bond, debenture, note, participation or other similar obligation issued by any of the following agencies: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers’ Home Administration, Export Import Bank and Federal Financing Bank; (C) any bond, debenture, note, participation or other similar obligation issued by the Federal National Mortgage

Association to the extent such obligations are guaranteed by the Government National Mortgage Association or issued by a federal Agency backed by the full faith and credit of the United States of America other than as provided in (A) hereof; (D) any other obligation of the United States of America or any federal Agency which may then be purchased with funds belonging to the State or which are legal investments for savings banks in the State; (E) Public Housing Bonds issued by Public Housing Authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract or Contracts with the United States of America; or Project Notes issued by Public Housing Authorities or Project Notes issued by Local Public Agencies, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America; and (F) deposits in interest bearing time deposits or certificates of deposit fully secured by obligations described in (A), (B), (C), (D), or (E) hereof.

Obligations means bonds, bond anticipation notes, tax anticipation notes, revenue anticipation notes, capital notes, budget notes, urban renewal notes and all other securities of the City now outstanding or hereafter issued.

Registration Agent means the City Comptroller or any Paying Agent designated by the City in accordance with the provisions of Section 701 of the Sale Ordinance as an agent for the registration and conversion of Bonds.

Sales Tax means the additional one percent sales and use tax authorized to be imposed by the City pursuant to Section 1210 of the Tax Law of the State of New York or the initial one percent of any sales and use tax authorized to be imposed by the City.

Special Debt Service means, with respect to a fiscal year, the amount required for the punctual payment of (a) all principal due to be coming due and payable in said year with respect to any serial bonds (including the Bonds), tax anticipation notes, revenue anticipation notes, capital notes or budget notes of the City, and all principal amortization for said year required by law with respect to bond anticipation notes or urban renewal notes or other securities of the City and (b) all interest due or becoming due and payable in said year with respect to any Obligations of the City.

Application of Proceeds and Investment (Sections 301, 302, 303 and 304)

The proceeds of sale of the Bonds are required to be deposited with the Fiscal Agent in special and separate bank accounts. No monies may be withdrawn therefrom unless there is filed with the Fiscal Agent a written requisition therefor. Pending such withdrawals, moneys in such accounts are to be invested in Investment Obligations on behalf of the City by the Fiscal Agent in the manner provided by the Local Finance Law. Any moneys remaining in any such account following completion of the various purposes for which the Bonds are issued will be applied in accordance with applicable provisions of the Local Finance Law.

Covenants by the City (Sections 401, 402, 403 and 404)

The City covenants with the Fiscal Agent and with the holders of the Bonds that it will comply in all respects with the provisions of the Act and the Sale Ordinance, that it will duly and punctually pay the principal of every Bond and the interest thereon, and that it will follow certain budgetary procedures mandated by the Act. (See Appendix D – "*Summary of Act*".)

Restrictions on Issuance of Certain Obligations (Section 405)

The City is prohibited from further issuance of certain tax receivable notes, and is also prohibited from the issuance of any revenue anticipation note or any other form of indebtedness in anticipation of the receipt of the Sales Tax proceeds, unless all proceeds of sale of such notes are to be paid into the Debt Service Fund.

Certification of Debt Service Percentage and Added Debt Service Percentage (Section 406)

Within ten days following the adoption of the budget of the City for any fiscal year commencing after the issuance of the Bonds, but in no event later than the first day of such fiscal year, the City is required to file with the Fiscal Agent a Comptroller's Certificate setting forth the Debt Service Percentage and the amounts used in the calculation thereof. Prior to the issuance of any revenue anticipation notes, urban renewal notes or budget notes, the City is required to file with the Fiscal Agent a Comptroller's Certificate stating the Added Debt Service Percentage and related amounts used in the computation thereof as of the time immediately following the issuance of such revenue anticipation notes, urban renewal notes or budget notes.

Debt Service Fund (Sections 407 and 408)

The City covenants to continue and maintain with the Fiscal Agent the special fund which is known as the "Debt Service Fund", established in 1976, and which operates in the following manner:

Deposit of Taxes--Immediately upon receipt of any payment of or on account of any City Taxes levied and assessed for any fiscal year commencing after the issuance of the Bonds, the City is required to remit such payment to the Fiscal Agent or to its Depositary. Of each payment so received, the Fiscal Agent is required to deposit into the Debt Service Fund the portion thereof equal to the sum of (i) the Debt Service Percentage of the total payment remitted, (ii) the Added Debt Service Percentage of the total payment remitted, and (iii) the total amount of principal and interest due or to become due on any tax anticipation notes of the City then outstanding. Any remainder is paid over to the City Comptroller.

Deposit of Proceeds of Tax Anticipation Notes--The proceeds of any tax anticipation notes issued by the City during any fiscal year commencing after the issuance of the Bonds are also required to be paid to the Fiscal Agent or to its Depositary. Of such proceeds, the Fiscal Agent is required to deposit into the Debt Service Fund the portion thereof equal to the Debt Service Percentage of the total proceeds, and pay over the remainder to the City Comptroller.

Deposit of Sales Tax Revenues--All revenues derived from the imposition of the Sales Tax are to be deposited directly into the Debt Service Fund by the State Comptroller.

Deposit of Other Revenue--All revenues in anticipation of which the City has issued revenue anticipation notes are required to be paid to the Fiscal Agent, or to its Depositary, for deposit into the Debt Service Fund.

Application and Investment of Debt Service Fund (Sections 409 and 410)

Moneys in the Debt Service Fund are to be held in trust for the benefit of the holders of all outstanding Obligations of the City, including the Bonds. The Fiscal Agent is directed to withdraw from the Debt Service Fund all amounts required for payment of Special Debt Service during each fiscal year, including principal of and interest on tax anticipation notes and interest on revenue anticipation notes, urban renewal notes and budget notes of the City issued during such fiscal year, and cause the amounts withdrawn to be made available to meet such payments as and when due. The Fiscal Agent, however, may not, during any fiscal year, withdraw moneys from the Debt Service Fund for the payment of (a) the principal of any revenue anticipation note, urban renewal note or budget note issued during such fiscal year or (b) the principal of, or interest on, any bond, bond anticipation note or capital note issued during such fiscal year unless either (i) such note is a revenue anticipation note, all the proceeds of which were paid into the Debt Service Fund upon the issuance thereof, or (ii) moneys for such payment are deposited in the Debt Service Fund in addition to amounts required by and after satisfying the requirements described above under the subheadings Deposit of Taxes and Deposit of Sales Tax Revenues.

The City may not, during any fiscal year, issue any Obligations (other than tax anticipation notes and revenue anticipation notes, or other indebtedness, in anticipation of the receipt of the Sales Tax) having a maturity of principal or interest due and payable in such fiscal year unless such Obligations provide by their terms that no such principal or interest shall be payable from the Debt Service Fund unless either (a) provision for payment in full of such principal or interest is included in the calculation of Special Debt Service, or (b) the City deposits in the Debt Service Fund moneys sufficient to provide for the payment of such principal or interest. If seven days prior to the due date of any Special Debt Service the amounts held in the Debt Service Fund are not sufficient to pay all of said Debt Service, the Fiscal Agent is required to give notice to the City Comptroller of the amount of such insufficiency.

Pending the withdrawals described above, moneys in the Debt Service Fund are to be invested in Investment Obligations in the manner provided by the Local Finance Law.

Excess Amounts Paid Over to City (Section 411)

If at any time during a fiscal year commencing after the issuance of the Bonds, the moneys in the Debt Service Fund exceed the total of (a) the unpaid amount of all Special Debt Service due or to become due at or prior to the first day of July next ensuing, including interest on revenue anticipation notes, urban renewal notes and budget notes of the City issued during such fiscal year, and (b) the unpaid amount of all principal and interest payable with respect to all tax anticipation notes then outstanding, the Fiscal Agent is required to pay over to the City Comptroller the amount of such excess.

Filing, Review and Approval of Documents (Section 412)

The City is required to file with the Fiscal Agent its proposed budget, adopted budget, the Justification Documents and all other documents required to be so filed by the Act or the Sale Ordinance (each in this Section called a "Document"). Any Document must be filed at least five business days (or such shorter period as may be satisfactory to the Fiscal Agent) prior to the effectiveness or implementation thereof or of any matter justified thereby. The Fiscal Agent is required to review all Documents and to approve or disapprove each Document. Such action is evidenced by the filing with the City Clerk of either a copy of such Document with the Fiscal Agent's approval endorsed thereon or a certificate stating the reasons for its disapproval. The Fiscal Agent may not approve any Document unless such Document complies with the Act and the Sale Ordinance, and, in the case of any Justification Document, sets forth facts and actions forming the basis for the matters sought to be justified. The City cannot take any action with respect to which a Document is required to be filed unless and until it is approved by the Fiscal Agent.

Negative Pledge (Section 413)

The City will not issue any bonds or any other evidence of indebtedness or execute other contracts secured by a pledge of the revenues, moneys and securities in or payable to the Debt Service Fund. Further, the City will not create or cause to be created any lien or charge upon the revenues, moneys and securities in or payable to the Debt Service Fund.

Accounts, Reports and Certificates (Section 414)

The City will keep, or cause to be kept, proper records and accounts in which complete and accurate entries shall be made of all its transactions relating to all Funds and Accounts of the City. The books and accounts of the City will be audited annually by a certified public accountant, and such audit will be filed by the City with the Fiscal Agent. The accountant is required to report any default by the City in the fulfillment of any terms, covenants or provisions of the Sale Ordinance.

Tax Covenant (Section 415)

The City covenants with the holders of the Bonds that it will (a) comply with the provisions and procedures contained in the Arbitrage and Use of Proceeds Certificate delivered concurrently with the delivery of the Bonds which, if complied with, will meet the requirements with respect to the exclusion of interest paid on the Bonds from gross income under the Internal Revenue Code of 1986, as amended, and (b) do and perform all acts and things necessary or desirable to assure that interest paid on the Bonds is excludable from gross income under such code.

Authentication by Fiscal Agent (Sections 501 and 502)

No Obligations other than bonds, bond anticipation notes and capital notes may be issued by the City until they are authenticated by the Fiscal Agent, and such obligations may be authenticated only upon receipt by the Fiscal Agent of (a) a copy of each Supplemental Sale Ordinance, if any, amending the Sale Ordinance; (b) a copy of each ordinance or resolution of the City authorizing the issuance of such Obligations and fixing and determining the date, maturity dates, rate or rates of interest thereon, the place or places of payment thereof, the terms and manner of redemption thereof, and all other matters necessary with respect thereto; (c) the written order of the City as to the authentication and delivery of such Obligations, stating the amount of the proceeds of sale thereof and directing the application of such proceeds; (d) a certificate of the City Comptroller stating the Added Debt Service Percentage for the fiscal year in which such Obligations are issued computed as of the time immediately following the issuance of such Obligations; (e) if such Obligations are tax anticipation notes, a certificate of the City Comptroller stating the total amount of City Taxes levied and assessed for the fiscal year in which such tax anticipation notes are issued less the amount or amounts set forth in the budget for such fiscal year as a reserve for uncollected taxes; (f) if such Obligations are revenue anticipation notes, a Comptroller's Certificate stating the particular revenues in anticipation of which such revenue anticipation notes are to be issued; (g) if such Obligations are budget notes, a certified copy of the budget of the City and a Justification Document setting forth the facts and circumstances necessitating the issuance of such budget notes, the purpose for which the proceeds thereof are to be used, and that there are no funds otherwise available to pay for such purpose; and (h) if such Obligations are tax anticipation notes or notes issued in anticipation of Sales Tax revenues, the total proceeds thereof.

Restrictions on Issuance of Tax Anticipation Notes and Budget Notes (Section 503)

No tax anticipation notes shall be issued by the City in anticipation of the collection of taxes levied for such fiscal year in any amount which exceeds the total amount of City Taxes levied and assessed for such year less the amount or amounts set forth in the budget for such year as a reserve for uncollected taxes. No budget notes shall be issued by the City for the purpose of paying any wage and salary increases or increases in pension payments that take effect during such fiscal year pursuant to collective bargaining agreements executed after the adoption of any budget of the City for such fiscal year. Further, the City may not issue budget notes during any fiscal year for any purpose if the amount of such notes, aggregated with the amount of all other budget notes issued by the City during such fiscal year, exceed in principal amount five per centum (5%) of the amount of the budget of the City for such fiscal year.

Certification of Debt Service (Section 504)

Upon or prior to the issuance of any Obligations, the City shall file with the Fiscal Agent a Comptroller's Certificate stating with respect to said Obligations (a) the principal amount and date or dates of maturity thereof, (b) the rate or rates of interest thereon, (c) the place or places where such Obligations are payable, and (d) if such Obligations are subject to redemption, the terms and conditions of such redemption. Upon calling any Obligations for redemption prior to maturity, the City shall notify the Fiscal Agent of the Obligations to be so redeemed and the date of such redemption.

Application and Investment of Proceeds of Sale of Certain Obligations (Sections 505, 506 and 507)

The proceeds of all bonds, bond anticipation notes and capital notes issued by the City are required to be deposited with the Fiscal Agent or with its Depositary in a special and separate bank account and held in trust and expended only for the purpose for which such bonds, bond anticipation notes or capital notes were issued. No moneys shall be withdrawn from such account unless there is filed with the Fiscal Agent a written requisition. Pending such withdrawals, moneys in any such account are to be invested in Investment Obligations in the manner provided by the Local Finance Law. Any moneys or Investment Obligations attributable to proceeds of bonds remaining in any such account five years after the issuance of such bonds are required to be deposited by the Fiscal Agent into the Debt Service Fund.

The Fiscal Agent is required to deposit and pay into the Debt Service Fund the portion of the proceeds of any tax anticipation notes equal to the sum of (i) the Debt Service Percentage and (ii) the Added Debt Service Percentage, and to pay over the remainder to the City Comptroller.

All proceeds of sale of any revenue anticipation notes, or any other form of indebtedness issued in anticipation of the receipt of the Sales Tax, shall be remitted to the Fiscal Agent, or its Depositary, for deposit into the Debt Service Fund.

Remedies and Abrogation of Right to Appoint Trustee (Section 601)

The provisions of Section 16 of the Act (see Appendix D – "*Summary of Act*") are fully applicable to the Bonds and the holders thereof, with the following exceptions: (i) the right or privilege of the holders of the Bonds to appoint a trustee in the manner provided in Section 16 is abrogated by the Sale Ordinance, and all of the rights, powers and duties of such trustee are vested in the Fiscal Agent; and (ii) the right of the Fiscal Agent to declare all Bonds due and payable pursuant to subdivision (B) of Section 16 of the Act is abrogated.

Events of Default (Section 602)

Each of the following constitutes an Event of Default under the Sale Ordinance: (1) Failure of the City to make payment of principal of or interest on the Bonds or any issue of Obligations, whether at maturity or upon call for redemption, which continues for a period of thirty days; or (2) failure or refusal by the City to comply with the provisions of the Act or the Sale Ordinance, or default by the City in the performance of any contract or covenant made with the holders of the Bonds or any issue of Obligations which continues for 45 days after written notice of such default to the City by the Fiscal Agent or the holders of five per cent of the principal amount of the bonds; or (3) filing by the City of a petition seeking a composition of indebtedness under any applicable law or statute of the United States of America or of the State of New York or the filing by the City of a petition pursuant to the bankruptcy provisions of federal law.

Enforcement by Fiscal Agent (Section 603)

Upon the happening and continuance of any Event of Default the Fiscal Agent may, and upon written request of the holders of twenty five percent in principal amount of the Bonds or such Obligations then outstanding shall, exercise all or any of the powers of any such holders set forth below and in addition (a) bring suit for any principal or interest then due with respect to the Bonds or such Obligations; (b) by mandamus or other suit, action or proceeding at law or in equity enforce all rights of the holders of the Bonds or such Obligations, including any right to require the City to assess, levy and collect taxes adequate to carry out the provisions of any agreement with the holders of the Bonds or such Obligations and to perform its duties under the Act; (c) bring suit upon the Bonds or such Obligations; (d) by action or suit in equity, require the City to account as if it were the trustee of an express trust for the holders of the Bonds or such Obligations; and (e) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds or such Obligations.

Covenant as to Rights of Holders of Certain Obligations (Section 604)

The City covenants with the Fiscal Agent and with the holders of the Bonds that it will not authorize any Obligations under ordinances or resolutions of the City (a) which do not provide for the abrogation of the right of the holders of such Obligations to appoint a trustee pursuant to the provisions of Section 16 of the Act, or (b) which provide for or confer upon the Fiscal Agent, the holders of such Obligations or any trustee, as referred to in Section 16 of the Act, the right to declare all such Obligations due and payable pursuant to subdivision (B) of Section 16 of the Act.

Enforcement by Holders (Section 605)

Any holder of Bonds, whether or not then due and payable or reduced to judgments, either on his own behalf or on behalf of all persons similarly situated, may (a) by original or ancillary mandamus, mandatory or other injunction, any other order, process or decree, or any other suit, action or proceeding at law or in equity, enforce all contractual or other rights of such holder or holders, including any right to require the City to assess, levy, collect and apply taxes to carry out the provisions of any agreement with such holder or holders, and perform, its duties under the Act or the Sale Ordinance; (b) by any action, suit or other proceeding, require the City to account as if it were the trustee of an express trust for such holder or holders; and (c) by action, suit or other proceeding, enjoin any acts or things which may be unlawful or in violation of the rights of such holder or holders.

Restriction on Action by Holders (Section 606)

No holder of any Bond has the right to institute any suit, action or proceeding for the enforcement of any provision of the Sale Ordinance unless either (a) such holder previously shall have given to the City and the Fiscal Agent written notice of the Event of Default on which such suit, action or proceeding is to be instituted requesting the Fiscal Agent to institute such suit, action or proceeding, and further, that the Fiscal Agent shall have refused or neglected to comply with such request within a reasonable time, or (b) such holder previously shall have obtained the written consent of the Fiscal Agent to the institution of such suit, action or proceeding, and such suit, action or proceeding is brought for the ratable benefit of all holders of all Bonds and coupons.

Limitation on Powers of Fiscal Agent (Section 607)

Nothing contained in the Sale Ordinance shall be deemed to give the Fiscal Agent the power to vote the claims of Bondholders in any bankruptcy proceeding or to accept or consent to any plan or reorganization, readjustment, arrangement or composition or other like plan, or by other action of any character to waive or change any right of any such holder or to give consent on behalf of any such holder to any modification or amendment of the Sale Ordinance.

Right to Enforce Payment of Bonds Unimpaired (Section 608)

Nothing contained in the Sale Ordinance shall affect or impair the right of the holder of any Bond to enforce the payment of the principal of and interest on his Bond or the obligation of the City to pay the principal of and interest on each Bond to the holder thereof at the time and place stated in said Bond.

Resignation and Removal of Fiscal Agent (Sections 707 to 709)

The State Comptroller may not resign as Fiscal Agent until the City Council shall have appointed a successor and such successor Fiscal Agent shall have accepted such appointment. Any successor Fiscal Agent may at any time resign and be discharged of its duties by giving not less than sixty days' written notice to the City and the State Comptroller. Except for the State Comptroller, any Fiscal Agent may be removed at any time by an ordinance of the City Council adopted by a two thirds vote and approved in writing by the State

Comptroller. Upon such resignation or removal, the City is required to appoint as Fiscal Agent a bank or trust company or a national banking association doing business and having its principal office in the Borough of Manhattan, City and State of New York, having a combined capital and surplus aggregating not less than $100,000,000, and having trust powers, provided, however that a willing and able entity meeting the requirements can be found. Any appointment of a new Fiscal Agent is subject to the written approval of the State Comptroller.

Powers of Amendment (Sections 802 and 803)

Any modification or amendment of the Sale Ordinance and of the rights and obligations of the City and of the holders of the Bonds may be made with the written consent of the Control Board and of the holders of at least two thirds in principal amount of the Bonds outstanding at the time such consent is given; provided, however, that no such modification or amendment shall permit a change in the terms of maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the rate of interest thereon or the requirements for the discharge and satisfaction of the obligations of the City without the consent of the holder of such Bond, or without the consent of all the holders, shall reduce the percentage or otherwise affect the description of the Bonds, or shall change or modify any of the rights or obligations of any fiduciary without the filing with the Fiscal Agent of its written assent thereto.

Amendments Not Requiring Bondholders' Consent (Section 806)

The Sale Ordinance may be amended for any of the following purposes without Bondholders' consent: (1) to add covenants or agreements to be observed by the City; (2) to add limitations or restrictions to be observed by the City; (3) to surrender any right, power or privilege reserved to or conferred upon the City by the Sale Ordinance; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Sale Ordinance; and (5) to insert such provisions clarifying matters or questions arising under the Sale Ordinance as are necessary or desirable and are not contrary to or inconsistent with the Sale Ordinance.

Defeasance (Section 901)

The covenants, agreements and other obligations of the City to the Bondholders shall be discharged and shall be of no further force and effect if at any time: (A) there is on deposit in a separate trust account with the Fiscal Agent sufficient moneys or direct obligations of the United States of America or the State, the principal of and interest on which will provide moneys to pay punctually when due at maturity in accordance with their terms, the principal and interest due or to become due on the Bonds on the maturity date thereof, (B) irrevocable instructions from the City to the Fiscal Agent for such payment of such principal and interest with such moneys have been given, and (C) notice to the holders of the Bonds of the provisions for payment made herein shall have been given and the Fiscal Agent shall have received irrevocable instructions to pay the Bonds on the maturity.

Regulations Regarding Investment of Funds (Section 905)

Investment Obligations purchased as an investment of moneys in any fund established under the Sale Ordinance shall be deemed at all times to be part of such Fund, and the interest thereon and any profit arising on the sale thereof shall be credited to such Fund, and any loss resulting on the sale thereof shall be charged to such Fund. In computing the amount in any such Fund for any purpose hereunder, such Investment Obligations shall be valued at the lower of cost or market price thereof, exclusive of accrued interest.

APPENDIX D

SUMMARY OF ACT

The Act contains various covenants and security provisions, certain of which are summarized herein. Reference should be made to the Act for a full and complete statement of its provisions, including the definition of certain words and terms not defined herein.

The Act authorized the City to issue the Series 1976 Bonds generally to pay the costs of uncompleted capital projects, to fund outstanding short term debt, and to fund accumulated deficits of the City. The provisions of the Act shown below are those which are applicable to the City with respect to the issuance of each series of bonds. Each series of bonds are in parity with all other outstanding debt obligations of the City. In addition, the special provisions relative to each series of bonds will remain in force and effect notwithstanding the redemption of the Series 1976 Bonds, or redemption or maturity of any other bonds issued by the City.

Definitions (Section 2)

Base Year means, with respect to a budget, the fiscal year next preceding the fiscal year in which the budget is required to be prepared and adopted.

Current Year means, when used in reference to a budget, estimate, or computation, the fiscal year in which the budget is required to be prepared and adopted, being the fiscal year next preceding the budget year.

Fiscal Agent means the State Comptroller, or with the approval of the State Comptroller, any bank or trust company having the powers of a trust company in the State.

Justification Document means a written certificate setting forth facts determined and actions completed forming an existing basis for a reasonable expectation that amounts of receipts will actually be collected or realized or amounts of appropriations will be sufficient for expenditures therefor.

Special Debt Service means, with respect to a fiscal year, the amounts required for the punctual payment of (a) all principal due or becoming due and payable in said year with respect to any bonds, tax anticipation notes, revenue anticipation notes, capital notes or budget notes of the City, and all principal amortization for said year required by law with respect to bond anticipation notes or urban renewal notes or other securities of the City, and not specifically mentioned in clause (b) of this subdivision, and (b) all interest due or becoming due and payable in said year with respect to any bonds, bond anticipation notes, tax anticipation notes, revenue anticipation notes, capital notes, budget notes or urban renewal notes or other securities of the City not specifically mentioned herein.

Bond Proceeds (Section 5)

The proceeds from the sale of each series of bonds must be deposited with the Fiscal Agent in special and separate bank accounts. The proceeds are to be held in trust and expended only for the objects and purposes for which such bonds were issued. No moneys may be withdrawn from such an account unless there is filed with the Fiscal Agent a written requisition of the City Council or the City's Chief Fiscal Officer or his authorized deputy setting forth (a) the item number of the requisition; (b) the account to be charged; (c) the name of the person (including the holder of a note payable to bearer, of the amount due by deposit with the paying agent designated on such note) to whom payment is due; (d) the amount to be paid; and (e) a statement to the effect that the obligation in the stated amount has been incurred by the City and is a proper charge against such account. Pending such withdrawals, the moneys are to be invested for and on behalf of the City by the Fiscal Agent upon instructions from the City's Chief Fiscal Officer or his authorized deputy pursuant to the State Local Finance Law.

Budget Appropriations (Section 6)

In each budget year, appropriations are required for: (a) amounts to fund expenditures required by law; (b) amounts to pay special debt service outstanding at the beginning of the budget year; (c) amounts for payment of judgments or settled claims unpaid at the beginning of the budget year and amounts properly attributable as a reserve therefor; (d) amounts estimated for payment of interest on tax anticipation notes and revenue anticipation notes to be issued and to mature during the budget year; (e) amounts for all other expenditures for the general support and current expense of the government of the City; (f) a required reserve for uncollected taxes; and (g) the liquidation of prior deficits of the City.

If the exact amount for appropriations is not known, the City is required to use the amount of appropriation in the Base Year or the Current Year, whichever is less, unless a Justification Document is filed with the Fiscal Agent. Uncollected taxes must be reserved in an amount not less than the amount uncollected in the Base Year divided by the amount collected and then multiplied by the total tax levy payable during such year. Appropriations for deficits are required to be in the aggregate amount of fund deficits during the Base Year. A schedule of cash expenditures and receipts on a monthly basis for the budget year is required to be attached and made a part of each budget.

For each budget year subsequent to the first budget year, a certificate of the Chief Fiscal Officer of the City is required to be attached setting forth actual cash expenditures and receipts for the Base Year. A Justification Document is required to be filed with the Fiscal Agent for any substantial variation between such certificate and schedule.

Budget Receipts (Section 7)

In computing the amount of ad valorem real property taxes to be levied, the City cannot deduct from appropriations or estimate the receipt of moneys in any amount for which the City Council by resolution does not declare will be received or collected prior to the end of the budget year. The City may make such deductions or estimates for moneys other than or in excess of: (a) operating surpluses of prior years not in excess of the aggregate of fund balances, (b) state or federal aid under any program not exceeding the amount received during the Base Year or any larger amount certified thereto, (c) collection of real property taxes unpaid and remaining payable not in excess of the amount of delinquent taxes collected on account of the Base Year divided by the amount delinquent on the first day of the Base Year and then multiplied by the total amount of delinquent taxes payable on the fifteenth day of the Base Year, and (d) revenues other than revenues realized by the levy of ad valorem real property taxes not in excess of such revenues collected in the Base Year or properly attributable to the Current Year, whichever is greater, or certain such revenues for which Justification Documents have been filed with the Fiscal Agent.

For each budget year, an accountant's certificate is required to be attached to the budget stating that the inclusion of budget receipts is properly attributable to the budget year. With respect to each budget year, the City Council is required to levy the amount of ad valorem real property taxes required by the budget including provisions for uncollected taxes and deficits in excess of the difference between the aggregate amount of appropriations and aggregate estimated receipts for the budget year in accordance with any limitations of the Act.

Transfer of Appropriations (Section 8)

No transfer of any appropriation is to be allowed for amounts to fund and pay expenditures required by law, special debt service, judgments or settled claims, interest on tax anticipation notes and revenue anticipation notes and reserves for uncollected taxes, unless a Justification Document and a resolution of the City Council is filed with the Fiscal Agent stating a finding that the unencumbered balance of the appropriation equals or exceeds the budgeted expenditure for such appropriation after such transfer. After any amount of appropriation is transferred, the amount of the appropriation to which the transfer is made shall be deemed to be increased by the amount of the transfer. No transfer of any appropriation is to be allowed for any appropriation for expenditures with respect to capital projects unless the bond ordinance authorizing the financing of the capital project is increased by the amount of the transfer and provision made to finance the appropriation with the use of general operating funds.

Emergency, Supplemental or Other Appropriations (Section 9)

No emergency, supplemental or increased appropriations are to be made in any budget year except if by transfer of appropriation (see "*Transfer of Appropriations*" above) or if for the payment of expenditures for which there are unanticipated revenues or receipts from the State or United States certified thereto by the source thereof.

Other Financial Needs (Section 10)

Nothing in the Act limits the power of the City to authorize the expenditure of the proceeds of serial bonds, bond anticipation notes or budget notes.

However, the City is not permitted to issue any budget notes unless a Justification Document is filed with the Fiscal Agent setting forth the facts and circumstances necessitating the issuance of such notes, and that there are no other funds available to pay for the purpose for which such notes are issued. Budget notes are not permitted to be issued to pay any wage increase or increase in pension payments resulting from a collective bargaining agreement executed in a fiscal year after the adoption of the budget for such year. Budget notes issued in a fiscal year are required to be limited to not more than five percent of the budget for such year.

Special Debt Service Fund and Fiscal Agent (Section 11)

Upon the issuance of the Series 1976 Bonds, a special debt service fund was established and is maintained with the Fiscal Agent. In each fiscal year, the City Comptroller is required to certify to the Fiscal Agent a percentage obtained by dividing the balance obtained by subtracting the amount of the appropriation for a reserve for uncollected taxes from the total amount of ad valorem real property taxes levied into the total appropriation for Special Debt Service. Payments of ad valorem real property taxes are remitted to the Fiscal Agent who is required to retain and deposit into the Debt Service Fund the Debt Service Percentage of the total amount so remitted. After the required amount of taxes is deposited in the Debt Service Fund, the Fiscal Agent is required to remit the remainder to the City. Amounts in excess of the debt service due prior to the next fiscal year are to be remitted to the City.

Revenues derived from the imposition of the additional one percent sales tax are deposited into the special debt service fund.

No tax anticipation notes are to be issued unless such notes are countersigned and authenticated by the Fiscal Agent. The proceeds of tax anticipation notes are to be paid to the Fiscal Agent simultaneously with such authentication. The Fiscal Agent is required to deposit into the special debt service fund a percentage of the proceeds equal to the Debt Service Percentage and the remainder of the proceeds are to be remitted to the City. The Fiscal Agent is required to deposit into the Debt Service Fund, amounts of real property taxes remitted to the Fiscal Agent until such amounts equal the principal and interest on the notes. No tax anticipation notes are to be issued in any amount which exceeds the amount of taxes levied less the amount budgeted as the reserve for uncollected taxes.

No revenue notes, urban renewal notes or budget notes are to be issued unless such notes are countersigned and authenticated by the Fiscal Agent. The City Comptroller is required to certify to the Fiscal Agent a percentage obtained by dividing the balance obtained by subtracting the amount of the appropriation for a reserve for uncollected taxes from the total amount of real property taxes remaining uncollected by the total amount of interest payable on such notes for the fiscal year (the "Added Debt Service Percentage"). The

Fiscal Agent is required to deposit into the Debt Service Fund the Added Debt Service Percentage of real estate property taxes remitted to the Fiscal Agent.

The Fiscal Agent is required to withdraw from the Debt Service Fund from time to time the amounts required to pay all special debt service as it becomes due, the principal and interest on tax anticipation notes and the interest on revenue anticipation notes and budget notes. (See Appendix C – "*Summary of Sale Ordinance – Application and Investment of Debt Service Fund*".) The special debt service fund is maintained for the benefit of the holders of City obligations and is not permitted to be used for any other purpose and is not to be subject to any order, judgment, lien, execution, attachment, setoff or counterclaim by any other creditor of the City.

Miscellaneous Provisions (Section 14)

No indebtedness evidenced by bonds or notes authorized pursuant to the Act is to be contracted by the City unless in addition to providing for the payment of principal thereof and interest thereon, the faith and credit of the City shall be pledged. The provisions of Title 6 A of Article II of the Local Finance Law and the provisions of Section 3 A of the General Municipal Law do not apply to the City or any bonds or notes issued by it. (See "*SPECIAL RIGHTS AND REMEDIES*" herein). Notwithstanding any provision of the City Charter or any other law, funds not immediately required for the purpose for which such funds were accumulated are not permitted to be diverted or used for the purpose for which obligations have been authorized.

Special Covenants to Secure Bonds and Performance of the Act (Section 15)

In the discretion of the City, any bonds, bond anticipation notes, tax anticipation notes, revenue anticipation notes, urban renewal notes or budget notes are permitted to be authorized under ordinances and resolutions which provide for certain covenants to protect and safeguard the security and rights of holders of such obligations. Such ordinances or resolutions may contain covenants as to: (a) the establishment and maintenance of the special debt service fund; (b) the powers and duties of the Fiscal Agent; (c) the execution of any credit agreement with the Fiscal Agent for the benefit of the holders of such obligations; (d) requirements for the filing, review and correction of budgets, Justification Documents and other matters; (e) compliance with the provisions of the Act including further restrictions on the powers, rights and duties of the City to assure prompt payment of its debt and operating obligations; and (f) conditions which would give use to an event of default permitting the Fiscal Agent to assert actions and remedies on behalf of holders of such obligations. (See Appendix C – "*Summary of Sale Ordinance – Enforcement by Fiscal Agent*".)

Rights and Remedies of the Holders of City Obligations (Section 16)

Holders of any bonds, bond anticipation notes, tax anticipation notes, revenue anticipation notes, urban renewal notes or budget notes are required to have certain rights and remedies in addition to any right and remedies under law, subject to the ordinance authorizing such obligations. (See "*SPECIAL RIGHTS AND REMEDIES*" herein.)

State Pledge and Agreement (Section 17)

The State pledges to and agrees with the holders of obligations of the City issued pursuant to the Local Finance Law and the Act the performance of certain acts. (See "*State Pledge and Agreement*" under "*SPECIAL RIGHTS AND REMEDIES*".) The City is authorized and directed to include this pledge in any ordinance authorizing the issuance of obligations.

APPENDIX E

FORM OF OPINION OF BOND COUNSEL FOR THE BONDS

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

The City Council of the
City of Yonkers, in the
County of Westchester, New York

[June 8, 2022][July 21, 2022]

Dear Ladies and Gentlemen:

We have served as Bond Counsel to the City of Yonkers (the "City"), in the County of Westchester, a municipal corporation of the State of New York (the "State"), and have examined a record of proceedings relating to the authorization, sale and issuance of [$29,000,000 General Obligation Refunding Serial Bonds-2022A (Forward Delivery)][$12,045,000 General Obligation Refunding Serial Bonds-2022B (Forward Delivery)] (the "Bonds") of the City. The Bonds are issued pursuant to the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York, the refunding bond ordinance adopted by the City Council on May 11, 2021 and subsequently approved by the Mayor authorizing the issuance of refunding bonds of the City to refund certain outstanding bonds of the City, in accordance with the provisions of the Special Local Finance and Budget Act of the City of Yonkers, constituting Chapter 488 of the New York Laws of 1976, as amended (the "Act"), and an ordinance of the City adopted by the City Council on the date referred to therein, entitled: "Ordinance of the City of Yonkers, New York, adopted January 25, 2021, determining the terms, form and details of issuance of $29,000,000 General Obligation Refunding Serial Bonds-2022A (Forward Delivery) $12,045,000 General Obligation Refunding Serial Bonds-2022B (Forward Delivery) of the City, directing their private sale, and providing for the rights of the holders of said bonds and other obligations of the City" (the "Sale Ordinance"), and are entitled to the benefits of the Act and the Sale Ordinance. Reference to the Act and the Sale Ordinance, and any and all modifications thereto is made for a description of the nature and extent of such benefits, and the rights and remedies of the holders of said bonds.

The Bonds are dated, mature, are payable, bear interest and are subject to redemption as provided in the Sale Ordinance.

The City [is issuing][issued] its [$12,045,000 General Obligation Refunding Serial Bonds-2022B (Forward Delivery)] [$29,000,000 General Obligation Refunding Serial Bonds-2022A (Forward Delivery)] [(the ["Series B Bonds"]["Series A Bonds"]) on [July 21, 2022][June 8, 2022]. The Bonds, together with the [Series B Bonds][Series A Bonds], are treated as a single issue for federal tax purposes. We have served as Bond Counsel with respect to the issuance of the [Series B Bonds][Series A Bonds] and on [July 21, 2022 expect to render] [on June 8, 2022 rendered] our opinion with respect to the exclusion of interest on the [Series B Bonds][Series A Bonds] from gross income for federal income tax purposes in substantially the form of paragraph 10 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on the Bonds and the [Series B Bonds][Series A Bonds] to become subject to federal income taxation retroactive to their respective dates of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

The Act provides, among other things, for the establishment by the City of a special debt service fund (the "Debt Service Fund"), for the deposit in the Debt Service Fund of (a) certain percentages of the tax on real property levied and assessed by the City based upon valuation (the "Ad Valorem Real Property Tax") upon receipt of such tax by the City (such percentages to be determined in accordance with the Act and the Sale Ordinance) and (b) the one percent sales and use tax imposed pursuant to Section 1210 of the Tax Law, constituting Chapter 60 of said Consolidated Laws, and collected on behalf of the City by the State, upon receipt by the Comptroller of the State (the "State Comptroller") after deduction therefrom of the reasonable costs of the State in the collection, administration and distribution thereof (such tax after such deduction being herein called the "Sales Tax"), for procedures with respect to budgetary appropriations and receipts and certain other matters related to the financial management of the City, for the State Comptroller to be the fiscal agent (the "Fiscal Agent") to maintain the Debt Service Fund (and other capital accounts of the City into which proceeds of bonds, including the Bonds, or notes in anticipation thereof, are deposited) and to have the powers and duties set forth in the Sale Ordinance, for the rights and remedies of holders of the Bonds as established in the Sale Ordinance and for the inclusion of the foregoing matters set forth in the Act as covenants of the City in the Sale Ordinance. In addition, the Act authorizes and directs the inclusion in the Sale Ordinance of a pledge and agreement of the State (the "State Pledge and Agreement") with respect to the Act, the Sale Ordinance and the State Pledge and Agreement, as more particularly set forth in the Act (including, among other things, that the State will not repeal, reduce or suspend (a) the power or duty of the City to perform its responsibilities under the Act pursuant to the Sale Ordinance or (b) the rights and remedies of the registered owners of the Bonds to enforce the Sale Ordinance or to enforce the State Pledge and Agreement, consent to suit and defenses of sovereign immunity and power having been given and waived, respectively, by the State, and will not otherwise exercise sovereign power contrary to or inconsistent with the Sale Ordinance).

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

1. The City validly exists as a municipal corporation of the State constituting a political subdivision thereof with the good, right and lawful authority and power to adopt the Sale Ordinance, issue the Bonds thereunder, and to perform the obligations and covenants contained in the Sale Ordinance and the Bonds.

2. The Act is valid with respect to all provisions thereof material to the subject matters of this opinion letter. The adoption and performance of, and compliance with, all of the terms and conditions of the Sale Ordinance and the Bonds, and the execution and delivery of the Bonds, will not result in a violation of or be in conflict with any term or provision of any existing law.

3. The Sale Ordinance has been duly and lawfully adopted, is in full force and effect, is valid and binding upon the City and is enforceable in accordance with its terms, and any other authorizations, approvals or certificates required with respect to the Sale Ordinance have been obtained by the City. The Sale Ordinance validly includes the covenant by the City to maintain the Debt Service Fund with the State Comptroller, as Fiscal Agent, or with a successor Fiscal Agent, upon the approval by the State Comptroller. The City has validly covenanted and may be required, upon collection of the Ad Valorem Real Property Tax and the Sales Tax, to deposit or cause to be deposited in the Debt Service Fund the proceeds of the Sales Tax and the percentages required by, and determined pursuant to the Act and the Sale Ordinance, of the Ad Valorem Real Property Tax collected. All monies on deposit in the Debt Service Fund may be applied only to the purposes and on the terms and conditions permitted by the Sale Ordinance, including payment of the principal of and interest on bonds heretofore issued by the City, the Bonds and certain other obligations hereafter issued by the City.

4. The Bonds have been duly and validly authorized and issued by the City pursuant to the laws of the State, including the State Constitution, the Act, the Local Finance Law, and the Sale Ordinance. The Bonds are valid and legally binding general obligations of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City 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 "Tax Levy Limit Law").

5. The Bonds are entitled to the equal benefit, protection and security of the provisions, covenants and obligations of the Sale Ordinance and of the Act.

6. Pursuant to the Act and the Sale Ordinance, the City has validly covenanted to comply with the Act, and the State Comptroller has been validly appointed the Fiscal Agent for the purposes and with the rights, powers and duties set forth in the Act and the Sale Ordinance.

7. The City has validly included the State Pledge and Agreement in the Sale Ordinance. The State Pledge and Agreement is a valid and legally binding pledge and agreement of the State enforceable against the State in accordance with its terms.

8. Pursuant to the State Constitution, the State is without authority to restrict the power of the City to levy taxes on real estate for the payment of interest on or principal of the Bonds; however, the Tax Levy Limit Law imposes a statutory limitation on the City's power to increase its annual tax levy. Neither the Act nor the State Constitution or other laws specifically restrict or preclude the State or the City from repealing, suspending or reducing the Sales Tax.

9. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

10. 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 imposed under the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that 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 their 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 City will execute a Tax Certificate relating to the Bonds (the "Tax Certificate") containing provisions and procedures pursuant to which such requirements can be satisfied. Pursuant to the Act and the Sale Ordinance and by executing the Tax Certificate, the City covenants that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 10, we have relied upon and assumed (i) the material accuracy of the City's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the City with the procedures and representations set forth in the Tax Certificate as to such tax matters.

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

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 10 and 11 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 City, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

Section 1. Definitions

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

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

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

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

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

"Issuer" shall mean the City of Yonkers, in the County of Westchester, a municipality 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.

"Underwriter" shall mean FHN Financial Capital Markets, as Representative of the Underwriters.

"Rule" means 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 [$29,000,000 General Obligation Refunding Serial Bonds-2022A (Forward Delivery)][$12,045,000 General Obligation Refunding Serial Bonds-2022B (Forward Delivery)], as further described in the Sale Ordinance adopted by the City Council on January 26, 2022.

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 to the EMMA System:

(i) no later than 240 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2021, 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 then available, unaudited financial statements shall be provided with the Annual Information, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; 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 material events affecting the tax status of the Securities;

(7) modifications to rights of Securities holders, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

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

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a Financial Obligation, of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and

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

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

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

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

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities in Appendix A under the headings: "*DISCUSSION OF FINANCIAL OPERATIONS*," "*CITY INDEBTEDNESS*," "*PROPERTY TAXES*," and "*LITIGATION*"; and in Appendix B.

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

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

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

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

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

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

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

(f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of the ______ day of ___________, 2022.

CITY OF YONKERS

By ____

Commissioner of Finance and Management Services
and Chief Fiscal Officer

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APPENDIX G

FOUR YEAR FINANCIAL PLAN FOR THE FY2021-2022 THROUGH FY2024-2025

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Mayor Mike Spano

City of Yonkers

Four Year Financial Plan

Fiscal Year 2022 - Fiscal Year 2025

Prepared by the
Office of Management and Budget
July 2021

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City of Yonkers Financial Plan FY22 - FY25
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Overview

For all ten budget years of the current administration, a balanced budget has been passed with certification from the State Comptroller's Office and review by the State Department of Education, thus providing the most safeguards for a municipal budget in New York State. The FY22 Budget was adopted on May 28th, 2021, ahead of the June 1st Charter Deadline with a 7 – 0 vote by the City Council.

Economically speaking, during FY21, the Yonkers' employment diversity and continued population growth through development enabled the city to continue its upward trajectory while tackling the challenges of the COVID-19 pandemic. The city's ability to quickly open its economy while complying with health and safety guidelines allowed the hard working committed business owners to continue offering their products and services helping to stimulate local economic activity. In addition, ongoing development projects and pending future ones were not slowed by the pandemic in Yonkers. To illustrate the continued economic growth of the city and how successfully it has fared through the pandemic, the table below represents a historical look of a few of the largest economically sensitive revenues from FY13 through FY21 Projected.

Revenues ($ mil)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 Budget	FY21 (Proj)
Sales & Use Tax	68.3	70.4	72.8	73	75.1	78.4	80.9	77.6	80.1	89.4
Real Estate Transfer Tax	8.2	8.4	9.9	10.1	12.9	14	23.8	12.3	12.2	14.4
Personal Income Tax	39.9	41.3	47.7	50.8	50.0	53	57.9	56.7	54.4	60.3
Mortgage Recording Tax	5.2	4.9	5.9	8.5	7.1	8.2	8.9	8.5	8.9	11.2
Total	121.6	125	136.3	142.4	145.1	153.6	171.5	155.1	155.6	175.3

As illustrated, FY21 projects that the larger economically sensitive revenues will outperform budget by a combined $19.7m or 12.7%. Sales and Use Tax for city purposes which was buoyed by residential capital improvements, online shopping and federal stimulus spending, is projected to be at the highest annual level in history and $9.3 million or 11.6% above budget. Personal Income Tax is projected to be $5.9m or 10.8% above budget. Although available inventory levels remain low, real estate activity levels remain high with Real Estate Transfer and Mortgage Taxes projected to be $2.2m or 18.0% and $2.3m or 25.8% above budget, respectively.

Along with the recent positive economic performance comes the challenge of balancing future projected revenues with increasing recurring expenditures. The FY22 - FY25 Financial Plan uses the FY22 Adopted Budget as the basis for the FY23 through FY25 fiscal year projections. The FY22 Adopted budget relies on actions not necessarily recommended as best practice, including bonding for tax certioraris, participating in the State's pension smoothing plan, and exhausting the City's unassigned fund balance of $27.5m for the general fund. The FY22 Budget includes an expenditure contingency of $0.7m for unforeseen costs. The FY22 Adopted Budget increased the Maintenance of Effort (MOE) to the School District by $6.7m which includes $0.7m from Sales Tax for Education and a $6.0m increase in the base contribution. In addition the FY22 adopted budget increased the transfer to the School District for debt service costs by $4.2m which included a $3.3m installment payment appropriation towards the joint school construction board's project to build a new school at the former St. Denis site. In total, the transfer from the City to the School District increased by $10.9m to $280.5m.

The ultimate goal is to return fiscal stability to the City. This can be accomplished by increasing recurring revenues to meet recurring expenditure appropriations under the budgeting conservativeness of the Special Local Finance and Budget Act of 1976; maintaining a sound fund balance policy; budgeting annual contingency reserves; and exiting short term balancing techniques, such as, bonding for tax certioraris and other items with short periods of probable usefulness. Across-the-board expenditure cuts, and the potential loss of programs and services, are not a long-term solution to structural deficits. Economic development and the increased revenues it can bring, as well as improved cost-efficiency of operations, must be the focus of governance, as it is under the current administration, in order to help eliminate the annual structural imbalance plaguing the City.

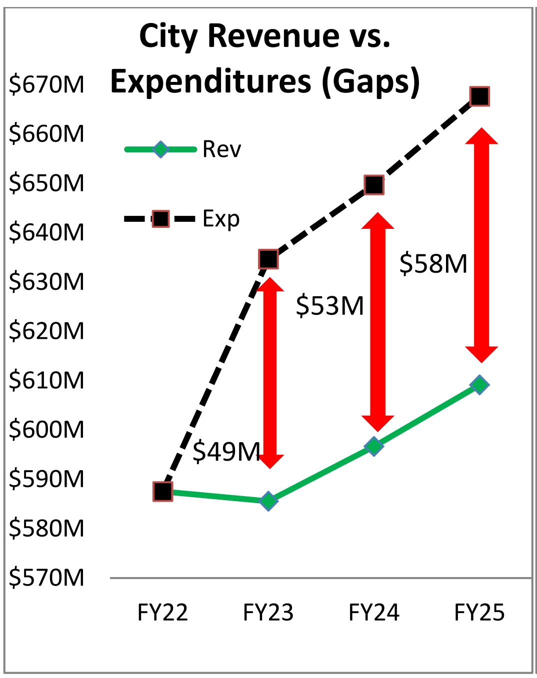
Investors should note that the City's bondholders are afforded the unusual protection of having a significant portion of the City revenues intercepted by the State Comptroller who controls the City's bond proceeds to ensure payment of annual debt service liabilities.

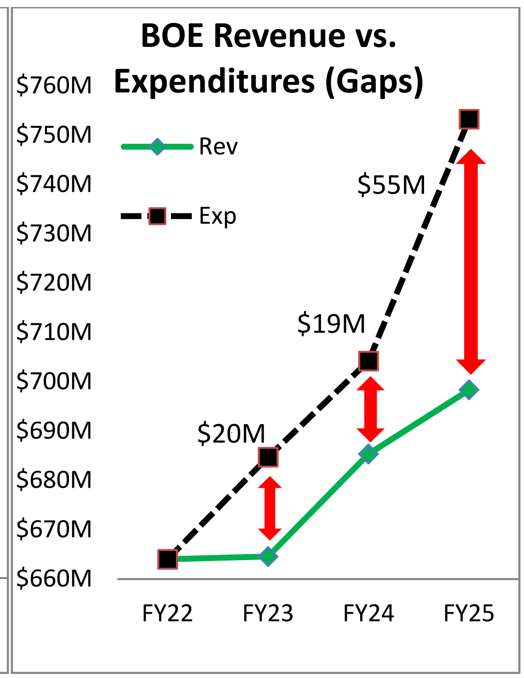
Below is a discussion of overall revenues and expenditures, along with the assumptions used in formulating projections. The subsequent Section B provides projection details, including a summary of revenues and expenditures and other backup.

Financial Plan Summary

Budget Gaps

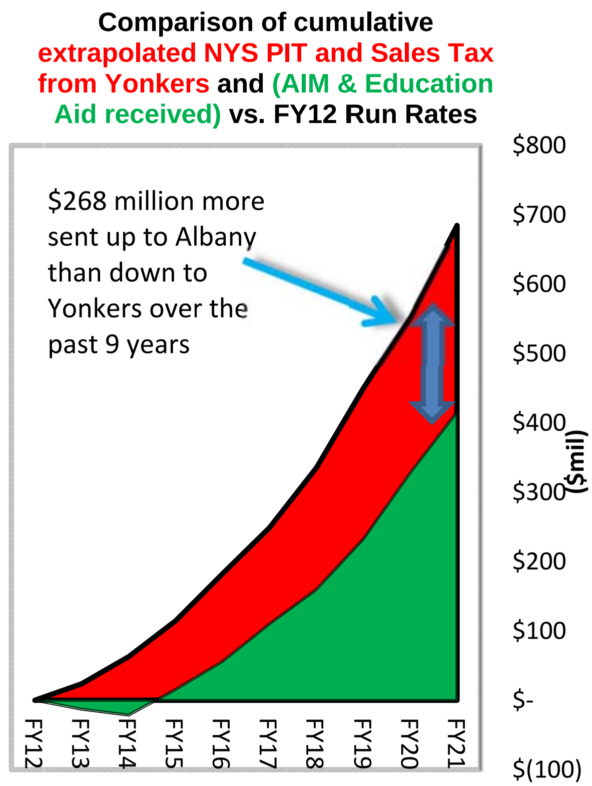
Schedule B-1 lays out the budget gaps, before gap closing measures, facing the City and the School District. **The City projects outyear FY23 - FY25 budget gaps of $49.1 million, $53.0 million, and $58.1 million, while the School District budget gaps over the same period are projected at $20.2 million, $18.8 million, and $55.3 million, respectively.** Budget gaps will be closed with the use of fund balance, enhanced revenue programs, cost containment actions, and other gap closing measures, some of which are detailed later in the Plan. The FY23 - FY25 projections assume no use of fund balance because future availability is uncertain. However, the use of available fund balance, to the extent that it is produced, will be part of future budget-balancing solutions if necessary.





Revenues

In the $1.251 billion FY22 Adopted Budget, the major sources of revenue for combined City and School District operations are State and Federal Aid ($481.7 million or 38.49%) and Property Taxes ($390.7 million or 31.22%). City-anticipated State and Federal Aid is $108.7 million (8.69% of total revenue) for FY22. The City's Aid and Incentives to Municipalities (AIM) funding from New York State has remained flat at approximately $108 million since FY12, and less than the advanced amount of $132 million received in FY11. While the improved Yonkers economy generates additional sales and income tax revenue for the State, the flow of funds back to the City, through both AIM and education funding for the school district, has not been commensurate. For example, the chart below is a comparison of extrapolated New York State portion of Yonkers Personal Income Tax and Sales Tax versus AIM and NYS education funding over the last eight years. The red area represents the cumulative fund flow loss to Yonkers.



School District State and Federal Aid for FY22 is $373.0 million (29.8% of total revenue). This is an increase of $16.0 million above FY21 Adopted. An increase in Foundation Aid of $21.9 million was offset by a net decline in other aids primarily Transportation ($3.9m) and Career Education Aid ($2.5m).

Beyond the above 69.7% of revenue from State and Federal Aid and Property Taxes, the remaining 30.3% of revenues are comprised mainly of Sales Tax (8.32%), Income Tax Surcharge (4.54%), Water and Sewer revenues (4.10%), Departmental Revenues (3.62%), and Appropriated Fund Balance (3.40%).

Increased development and the resulting population growth require that additional municipal and school district services are provided. Unfortunately, these additional services come at increased costs. Since the State has benefited greatly by the increased economic base of the city without commensurate reciprocity, as referenced above, the city has become more dependent on economically sensitive revenues, such as housing-related taxes, income tax, and sales tax, and the use of Appropriated Fund Balance. The factors driving economic revenues also drive up expenditure costs, such as, health insurance, wage inflation, and contractual costs. The issue with becoming more reliant on these types of revenues is that for the most part only the revenues suffer during an economic slowdown while the expenditures stay elevated. Also, the use of Appropriated Fund Balance can only continue if the City and School District are able to return what was appropriated to balance the annual budgets, so it is available for future years. Therefore, in the long-term, recurring revenues and cost efficiencies must be implemented to replace the use of fund balance. Major revenue projections and assumptions are as follows:

Property Tax Levy

The Property Tax Cap Law defines the allowable tax levy growth factor as the lesser of (a) one plus an inflation factor calculated by the New York State Comptroller, or (b) one and two-one-hundredths. In FY22, Yonkers adopted a budget which had a Property Tax Levy that was $4.5 million below the maximum that could be levied under the annual NYS Property Tax Cap calculation.

For FY23, the Financial Plan assumes an allowable tax levy growth of 2.0% plus the $4.5 million available carryover from FY22: outer years FY24 and FY25 assume 2.0% growth, respectively. The projected increase is based on the trend of allowable tax levy growth factors issued by the State Comptroller, as well as keeping the City within its Constitutional Tax Limit (CTL). In the Plan, Property Tax revenues increase by $11.89 million in FY23, $7.48 million in FY24, and $7.61 million in FY25. Property tax collections in the Financial Plan will continue to reflect the offset of increased Payments in Lieu of Taxes (PILOTs), as prescribed by the Property Tax Cap Law.

Sales and Use Tax

Currently an 8.875% sales and use tax is imposed on all retail sales in the City. Revenues from that tax are apportioned 4.0% to the State, 2.5% to the City, 0.5% to the Yonkers School District (subject to approval of the Yonkers City Council), 1.5% to the County, and 0.375% to the Metropolitan Transportation Authority.

Both the City's 2.5% portion of the Sales and Use Tax, and the education portion of 0.5%, are projected to reach all time high levels in FY21 at a combined $107.2 million ($89.4m COY, $17.8 BOE). Under the assumption that FY21 had some "local sales tax tailwinds," such as, federal stimulus, work from home, online shopping, travel restrictions, and New York City venue closings, the FY22 Budget was conservatively adopted at an amount now $3.0 million below the most recent $107.2m FY21 Projection, at $104.2 million. The Financial Plan continues this conservatism by keeping FY23 flat, and increasing both FY24 and FY25 by a growth rate of 1.5% each. City Sales Tax and Education Sales Tax revenue increase in FY23- FY25, by an average $0.9 million and $175k per year, respectively. The Plan's average 1.0% growth is less than the New York State FY2022 Enacted Budget Financial Plan's average growth rate of 3.5% for FY23 through FY25 reflecting conservatism.[1] The Plan assumes that the full amount of the 0.5% sales tax for education will be allocated to the School District's operating budget, with a commensurate increase to the City's Maintenance of Effort (MOE) when applicable.

Utilities Gross Receipts Tax

A 3.0% Utilities Gross Receipts Tax is charged to Yonkers customers of Con Edison and telephone utilities, and remitted to the City by those entities. Utilities Gross Receipts revenue is affected positively by increases in Con Edison power production/delivery rates, and negatively by energy efficiency efforts, as well as the trend of reduced landline telephone customers. The Financial Plan maintains the FY22 Adopted amount of $8.06 million with no growth in the outer years.

Real Estate Transfer Tax

A 1.5% Real Estate Transfer Tax is collected by the City of Yonkers upon the sale or transfer of real property. Actual transfer tax collections have been fueled by a strong residential housing resale market and housing/commercial development increasing steadily over the last several years, from $5.9 million in FY12 to the projected $14.4 million in FY21, with an average annual growth of 15.0% over the period. The FY22 transfer tax is budgeted at $12.6 million reflecting the continuation of recent activity but tempered by the current low levels of available inventory. The Financial Plan is conservative with no additional growth in the outer years.

[1] https://www.budget.ny.gov/pubs/archive/fy22/en/fy22en-fp.pdf, page 90

Mortgage Recording Tax

A mortgage recording tax at the rate $0.50 per $100 of mortgages is collected for the City by the County under New York State Tax Law §253. The City also enacted in the FY1994 Budget a City of Yonkers mortgage recording tax at an additional rate of $0.50 per $100 of mortgages, so the combined tax rate is 1.0%.
Mortgage recording tax receipts were steady at approximately $5 million annually and then jumped to $5.9 million in FY15 and $8.5 million in FY16, a result of both a strong housing resale market and low mortgage interest rates. Revenue leveled off in FY17 to $7.1 million but picked back up in FY18 at $8.2 million and in FY19 at $8.9 million. Revenue dipped a bit to $8.5 million for FY20, primarily due to the fiscal impact of Covid-19 but is projected to rebound strongly to $11.3 million in FY21. The FY22 Adopted Budget is $10.3 million. The Financial Plan maintains conservativeness by projecting no additional growth in the outer years FY23 to FY25.

Hotel Room and Occupancy Tax

Since August 2015, the City has collected a tax of 3% for occupancy of a room in a hotel or motel in the City. Currently eight locations contribute to the tax revenue. Hotel tax revenue was $1.1 and $1.0 million in FY18 and FY19, respectively. Due to travel restrictions and tax exempt occupants caused by Covid-19, revenue dropped to $848k in FY20 and is projected to be only $700k in FY21. However, recent signs of renewed activity combined with the lifting of travel restrictions are encouraging. The FY22 Adopted budgeted amount was $802k. The Plan conservatively assumes that this amount will remain flat in the outer years.

Personal Income Tax Surcharge

New York State collects for and remits to Yonkers a personal income tax (PIT) surcharge of (a) 16.75% of a Yonkers resident's New York State tax payment or (b) 0.5% of a non-resident's gross income.

From FY11 through projected FY21, the City's income tax surcharge receipts grew from $29.6 million to $60.3 million, a total increase of 103.5% and an average annual increase of 7.58%. During this period, the PIT surcharge percent collected on residents increased from 10% to the current 16.75% of their New York State tax amount. Although the City has experienced tremendous growth in the PIT over the past 9 years, there are factors at play which can create variances in actual receipts, such as, changes in New York State tax rates and/or brackets, year over year changes in estimated payments and withholding amounts, capital gains tax rates, wage inflation, unemployment, lottery winnings, and overall economic growth of Yonkers and the surrounding areas. Recently, we can add pandemics to the list of factors that can affect actual receipts. The FY22 Adopted Budget amount for the City's income tax surcharge represented consertiveness consistent with the New York State Comptroller's analysis dated July 1, 2021 which speaks to the short term benefits that both federal stimulus and transfer payments have had on the FY21 personal income tax totals. [2] While the FY21 Projection is $60.3 million, the FY22 Adopted amount is only $56.8 million, a projected decline of $3.5 million. Outer years reflect a bit more optimism with income tax surcharge growing to $59.5 million in FY23, $60.3 million in FY24, and $61.0 million in FY25.

Payments in Lieu of Taxes (PILOTs)

Payments in Lieu of Taxes increase by 4% annually in the Plan. The Financial Plan assumes the growth in PILOTs will continue to be used in the tax levy cap calculation to decrease the allowable tax levy amount.

City Departmental Revenue

City Departments generate revenue from permits, fees, fines, and reimbursement of services. The Parking Violation Bureau (PVB) generates the highest revenue; the FY22 Budget is $19.0 million for parking, red light camera, and code violation fines. The Department of Housing and Buildings (DHB) who a few years ago had legislative

[2] https://www.osc.state.ny.us/reports/new-yorks-economy-and-finances-covid-19-era-july-1-2021

increases to various permits, fees and fines, is projected to generate $9.0 million in FY22. Both Parking Violations and Housing and Building Permits revenue has been affected by the virus. The FY22 Adopted amounts for these revenues were greatly reduced from pre-virus FY20 projections and over time there is potential for these revenues to return to pre-virus levels. The Police Department’s FY22 Adopted revenue of $4.7 million is comprised primarily of reimbursable police services, such as compensation by utility companies when work requires police presence. Recent development in the downtown area has helped buoy Housing and Building permits fees and the need for Police reimbursable services.

The FY22 Adopted Budget for Total Department Revenues is $44.8 million. Financial plan projects City Departments to basically remain flat with changes only to the Civil Service Department revenues representing the timing of major examinations and an increase in Court Fines representing courts being fully opened. The Plan assumes that City Departmental revenue will drop by $220k in FY23, stay flat in FY24, and then increase by $250k in FY25.

Metered Water Sales and Sewer Rents

In the Financial Plan, metered Water Sales and Sewer Rents increase annually in amounts that offset corresponding forecasted increases in the price of water charged by the NYC Water Board, and operating cost increases (supplies, payroll, etc.) associated with operating the Water and Sewer Bureaus, as well as changes in debt service from the City’s Capital Improvement Plan assumptions.

School Aid

School District Basic State Funding is projected to increase in the outer years primarily for two reasons. First, as per the New York State Adopted FY22 Budget, Foundation Aid gaps between the Formula amount and the actual Foundation Aid Paid are to be fully phased in by FY24; 50% in FY23 and the remaining 100% in FY24. The Plan projects FY23 Foundation Aid to increase by $12.2 million, FY24 by $17.4 million, and FY25 (which includes a projected 2% overall increase by the State) by $10.6 million. Altogether, Foundation Aid Paid is projected to increase by an annual amount of $40.3 million in FY25 as compared to FY22 Adopted.

Second, Transportation Aid which is a reimbursable type aid has been lowered over the past two years because of a lowered spend due to school closings reducing the need for transportation. However, with FY22 expected to be a full in person learning environment, Transportation Aid which is paid on a one year lag is expected to increase by a projected $7.1 million in FY23. The remaining two outer years, FY24 and FY25, project modest increases of $0.4 million each.

Other School District State Funding amounts which are based on expenditure reimbursements have been adjusted according to projected eligible expenditure growth.

Certain State Aid is projected to remain flat through the Plan, such as State Funding from Video Lottery Terminals (VLTs) at $19.6 million, Supplemental Educational Improvement Plan (SEIP) funding at $17.5 million, and Categorical State Funding (for Universal Pre-K and Health Services) at $13.3 million.

Overall, School District State Funding is projected to increase by $0.5 million (0.08%) in FY23, increase by $20.8 million (3.13%) in FY24, and increase by $12.6 million (1.8%) in FY25. Please note that in FY22 Adopted Budget, the District is set to receive $12.0 million in State “Bullet Aid.” The Financial Plan assumes no “Bullet Aid” in outer years FY23-FY25.

One type of reimbursable State Aid that has the ability to outperform the plan is Building Aid. The plan conservatively assumes flat growth throughout the plan at $14.7 million (excluding Joint School Construction amounts) due to the unpredictability of final cost report acceptances. However, considering that bonding for school construction has increased over the past several years and the current project pipeline is strong, there is potential for Building Aid to be higher than projected in the plan.

Federal Stimulus – Coronavirus State and Local Fiscal Recovery Funds

As an award recipient, the city is under the terms set by the U.S. Treasury's Interim Final Rule which generally describes eligible expenditure uses and the basic requirements for documenting and vouchering to receive U.S. Treasury (the "grantor") approval and finalized disbursement. Any recipient expending more than $750k, will be subject to an audit, under the Single Audit Act. So, any improper use or insufficient expenditure documentation backup may result in a denial of payment by the U.S. Treasury. Since a portion of the award funds have already been dispersed to the recipients, this grant comes with a "claw back" provision which allows for the U.S. Treasury to recoup previously dispersed funds if documentation or use type is not sufficient under the grant. Recipients of Federal financial assistance from the Treasury are required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. The User Guide, which will provide final guidance, requirements, and fine details on how to proceed in order to successfully claim the award, has not yet been provided to recipients.

Below are the Eligible Uses as defined by the available Interim Final Rule:[3]

A. Public Health and Economic Impacts

"Respond to the public health emergency with respect to COVID-19 or its negative economic impacts."

Note: Funds awarded, distributed, or planned to be distributed in the near future to the community under the Cares Act and the American Rescue Plan Act through the "CDBG," "ESG," "HOME," and "USDOT" grants which include amounts for rental assistance and small business grants totaling approximately $23.7 million are separately funded and not considered part of the Coronavirus State and Local Fiscal Recovery Funds.

B. Premium Pay

From Interim Final Rule, Page 12 : "Fiscal Recovery Funds payments may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID–19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work. These are workers who have been and continue to be relied on to maintain continuity of operations of essential critical infrastructure sectors, including those who are critical to protecting the health and wellbeing of their communities."

"Furthermore, many essential workers are people of color or low-wage workers. These workers, in particular, have borne a disproportionate share of the health and economic impacts of the pandemic. Such workers include: • Staff at nursing homes, hospitals, and home care settings; • Workers at farms, food production facilities, grocery stores, and restaurants; • Janitors and sanitation workers; • Truck drivers, transit staff, and warehouse workers; • Public health and safety staff; • Childcare workers, educators, and other school staff; and • Social service and human services staff."

"Many of these workers earn lower wages on average and live in socioeconomically vulnerable communities as compared to the general population." "The low pay of many essential workers makes them less able to cope with the financial consequences of the pandemic or their work-related health risks, including working hours lost due to sickness or disruptions to childcare and other daily routines, or the likelihood of COVID–19 spread in their households or communities." "As such, providing premium pay to eligible workers responds to such workers by helping address the disparity between the critical services and risks taken by essential workers and the relatively low compensation they tend to receive in exchange. If premium pay would increase a worker's total pay above 150 percent of their residing state's average annual wage for all occupations, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, or their residing county's average annual wage, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, whichever is higher, on an annual basis, the State, local, or Tribal government must provide Treasury and make publicly available, whether

[3] https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf

for themselves or on behalf of a grantee, a written justification of how the premium pay or grant is responsive to workers performing essential worker during the public health emergency." "These enhanced reporting requirements help to ensure grants are directed to essential workers in critical infrastructure sectors and responsive to the impacts of the pandemic observed among essential workers, namely the mis-alignment between health risks and compensation."

C. Revenue Loss

"Recipients may use payments from the Fiscal Recovery Funds for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency."

D. Investments in Infrastructure

"To assist in meeting the critical need for investments and improvements to existing infrastructure in water, sewer and broadband, the Fiscal Recovery Funds provides funds to State, local, and Tribal governments to make necessary investments in these sectors."

The Office of the State Comptroller has provided both budgeting and accounting guidance on the Coronavirus State and Local Fiscal Recovery Funds.

In the July 2, 2021 FY22 Yonkers Budget Review Letter, the State Comptroller's Office states that "The funds may only be used for the purposes set forth in the Act. City officials should be mindful of these purposes and plan for the use of these funds. Furthermore, because this is not recurring revenue, it should not be used to fund recurring expenditures."[4]

In the June 2021 "Accounting Notice regarding Federal Aid Received by NYS Local Governments and School Districts under the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act", the State Comptroller provides specific journal entry guidance that requires that a liability account "Other Liabilities" be increased to the offset the increase in the asset account "Cash" or "Due from Federal Government" to prevent initial cash payments or award amounts from being included as revenue without properly recognizing the eligible expenditure in the general ledger. In other words, the accounting should reflect that any cash received or amounts awarded must be earned in a fashion consistent with the requirements of the Federal Stimulus Acts prior to being considered revenue. [5]

Under the American Rescue Plan ("ARP"), the City of Yonkers has been awarded an amount up to $87.5 million as part of the Coronavirus State and Local Fiscal Recovery Fund Grant. Fifty percent of the award was pre-funded in cash in May, 2021. The City awaits the User Guide to fully understand the eligible uses and will comply with accounting guidance from the Office of the State Comptroller. The Financial Plan does not include ARP revenue due to the lack of transparency and recommended accounting guidance.

Expenditures

The major uses of the combined $1.251 billion operating funds in the FY22 Adopted Budget are the Board of Education (53.1% of total expenditures or $664.0 million when debt service for education is included), City Departmental Expenses (27.1% or $339.3 million), and Fringe Benefits for City employees (13.7% or $171.4 million). Including the cost of Fringe Benefits for city employees and City Departmental Expenses, the total cost for the City's departmental operations is 40.8% of total expenditures. The remainder of the expenditures is split over Debt Service (4.00% excluding the education component) and Special Items (2.1%).
Personnel costs - hourly/salary wages, overtime, special pay, and employee fringe benefits - comprise the majority of operating budget expense. In the FY22 Adopted Budget, Municipal payroll ($269.1 million) plus employee fringe benefits ($171.4 million) combine for $440.6 million or 75.0% of the City's $587.5 million operating budget. School

[4] https://www.osc.state.ny.us/files/local-government/audits/2021/pdf/yonkers-budget-review-b-21-6-8.pdf

[5] https://www.osc.state.ny.us/files/local-government/publications/pdf/american-rescue-plan-and-crrsa-guidance.pdf

District payroll ($323.2 million) plus employee fringe benefits ($165.4 million) combine for $488.6 million or 73.59% of the School District's $664.0 million operating budget. Combined, personnel costs comprise 74.2% of the $1.251 billion City operating budget.

City Departmental

In the Financial Plan, City Departmental expenses are expected to increase by an average of $8.2 million over the outer years; $13.9 million in FY23, $5.4 million in FY24, and $5.2 million in FY25. In the City Departmental section, only settled labor contract wage amounts are reflected: The City Departmental section of the FY22 Adopted Budget Book does not include a cost escalation provision for any of the eight unions. For department other-than-personal-services expenses, outyear increases are applied to materials/supplies and contractual services accounts, and specific projections are factored for commodity accounts like energy, water, and gasoline/diesel purchases. Driving outer year costs in city departmental operating expenses for FY23, FY24, and FY25, is an appropriation of $10 million for special projects split between the Water Fund ($8m) and Sewer Fund ($2m) representing additional project needs above amounts in the capital improvement borrowing plan.

City Employee Fringe Benefits

Employee fringe benefit costs are expected to rise by an average of 4.5% or $8.1 million annually for FY23 through FY25. Driving the increased projections are underlying assumptions for categories of fringe benefits, such as: pension obligations, health insurance costs, Social Security taxes, and workers compensation. Pension Obligations: For the NY State Police and Fire Retirement System (PFRS), the Financial Plan assumes that the City will remain in the Alternate Contribution Stabilization Plan, pay amortized rates equal to the FY22 rates plus 0.5% for FY23 through FY25, and make all projected annual debt installment payments due under the plan. Considering both Tier 6 pension limitations and the potential for of a decrease in pension rates due to the recently advertised New York State Pension Plan asset performance, the plan projects decreases to the weighted normal rate for PFRS of 3.46% in FY23, and 0.3% for FY24 and FY25.[6] For the Employee Retirement System (ERS), the plan assumes that the city will exit the Alternate Contribution Stabilization Plan (entered into in FY22) for FY23 through FY25 reflecting the projection that the weighted normal rates will be lower than the available amortized rates. For Life, Health, and Dental Costs, the plan assumes an average annual increase of 7.9%, or $6.2 million for FY23 through FY25. Social Security Taxes: Based on expected eligible wages for FY23 through FY25, a 6.7% estimated tax rate is projected. Workers Compensation: A projected 5.0% annual increase in Workers Compensation for FY23 through FY25 was applied to recognize continually increasing claim costs and activity.

Debt Service and Capital Improvement/Bond Issuance Plan

Capital Improvement & Bond Issuance Plan ($mil)	FY22	FY23	FY24	FY25
City Capital Improvement	40.0	40.0	30.0	30.0
Tax Certioraris	15.0	-	-	-
Library Capital Improvement	0.4	-	-	-
Museum Capital Improvement	0.1	0.1	0.1	0.1
Water Capital Improvement	4.0	5.0	5.0	5.0
Sewer Capital Improvement	2.0	2.0	2.0	2.0
Total City	61.5	47.1	37.1	37.1
BOE Capital Improvement	25.0	25.0	25.0	25.0
BOE Equipment /Textbooks	-	-	-	-
Total BOE	25.0	25.0	25.0	25.0
Total Bond Issuance Plan	86.5	72.1	62.1	62.1

[6] https://www.osc.state.ny.us/press/releases/2021/05/dinapoli-33-point-55-percent-annual-investment-return-new-york-state-pension-fund-largest-its-history

The Financial Plan projection assumes that Yonkers will cease its practice of bonding for Tax Certiorari Payments, and Library books in FY23 ($0.4 million was budgeted in the operating in FY22). Besides debt service for capital expenses, the City also records debt service costs for various energy savings agreements and other notes/loans payable, including bond and revenue anticipation notes. The FY22 Adopted Budget included an appropriation of $3.3 million to begin funding projected installment liabilities under the Joint Schools Construction Board. Based on the Yonkers Industrial Development Agency's scheduled borrowing plan submitted for the one school at the former St. Denis site and assuming that a portion of interest will be capitalized as planned, remaining debt service amounts owed above the original FY22 $3.3 million appropriation and netted against anticipated building aid to be received, are due outside the timeframe of the financial plan.

The FY22 Adopted Debt Service budget is $80.6 million. Inclusive of (a) projected debt service needs under the current portfolio of outstanding bonds, (b) projected bond issuance as shown above, and (c) other expenses recorded under debt service which includes amounts mentioned previously. The Financial Plan projects debt service budgets in FY23 - FY25 of $87.2 million, $93.3 million, and $95.8 million, respectively. Although outside the scope of the financial plan, the FY26 Debt Service budget is projected to be $11.5 million lower than FY25, at $84.3 million partly due to the fact that amounts borrowed under School District Deficit Financing Act are projected to be completely paid off in FY25 thus eliminating the annual $5.0 million in Deficit Financing debt service costs.

City Special Items

The Special Items budget consists of expenditure items not specific to a City Department function, or items that historically have been shown as unique budget lines. The largest item, Reserve for Uncollected Taxes, is budgeted in accordance with a formula outlined in the Special Local Finance and Budget Act of 1976. Special Items also include budget lines for: City and County property taxes and water/sewer charges on taxable City property; tax certioraris; judgment and claims; outside counsel; and termination pay of unused leave time.

The following Plan assumptions were used for Special Items:

- Reserve for Uncollected Taxes, Taxes on City Property: Increased in accordance with the Plan's assumption of annual property tax growth.
- Termination Payments: An 11% increase in FY23 and flat thereafter reflecting a conservative projection on a normal retirement environment
- Contingent Reserve: A factor, as described below.
- Assessment Revaluation: The financial plan assumes that a citywide revaluation would begin in FY23 at a cost of $6 million. The goal of a citywide revaluation is a more accurate and fair assessment roll thus reducing Tax Certiorari judgments going forward. The plan also includes a FY25 cost of $3 million for a potential appropriation to help phase-in any negative externality on property tax payers caused by the revaluation.

- Tax Certioraris: An annual amount of $10.0 million in the General Fund for years FY23 through FY24 which is $9.5 million above FY22 indicating that the city plans to exit the practice of bonding for Tax Certiorari judgments. The FY25 projection is reduced by $6 million down to $4 million reflecting the potential benefit of a citywide revaluation on judgments. The specific timing of both the cost of the assessment revaluation phase-in and the reduction in tax certiorari judgments is not specifically known but is included in FY25 to illustrate the financial savings that may occur under a citywide revaluation.
- Litigation Expense, and most other Special Items: Held flat through the Plan.

The FY22 Special Items Adopted Budget is $26.8 million. In FY23, Special Items are projected to increase by $18.5 million to $45.3 million primarily because of the following assumptions (a) a $9.5 million increases in tax certioraris to the General Fund since the Financial Plan assumes that the City will cease bonding for annual tax certioraris to help arrive at structural balance, (b) a contingency of $2.8 million appropriation ($2.1 greater than FY22) to fund settle contracts under the default scenario listed under "Unsettled Labor Contracts" in the Areas of Concern Section and (c) an Assessment Revaluation cost of $6.0 million. Special Items are projected to decline $2.2 million in FY24 but increase by $1.0 million in FY25.

Board of Education (BOE) Basic Operating Expenditures

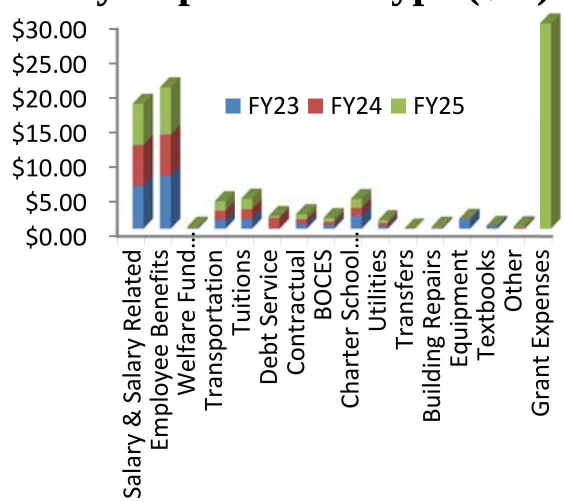
The BOE FY22 Adopted Budget for basic operating expenditures is $633.5 million. In the Plan, BOE basic operating expenditures increase by an average of $29.39 million (4.46%); $21.5 million (3.39%) in FY23, $17.93 million (2.74%) in FY24, and $48.75 million (7.25%) in FY25 which includes expenditures currently paid for by Federal Grants. Projections for reimbursement via State Aid for those expenses are included in the BOE Revenue Section.

The BOE negotiates with four employee labor organizations: the Yonkers Federation of Teachers (YFT), the Yonkers Council of Administrators (YCA), the Civil Service Employees Association (CSEA), and Teamsters Local 456 (White Collar). At the time of writing, two bargaining units, YCA and YFT have extended the term of their contracts to the end of FY22 while CSEA and White Collar units are currently off contract since their contractual periods ended at the close of FY21.

Year-over-year increases in BOE expenditures over the Plan are summarized below.

BOE Plan Increases over Prior Year (mil)	FY23	FY24	FY25
Salary & Salary Related	$6.23	$5.86	$6.01
Employee Benefits	7.56	6.05	6.88
Welfare Fund Contribution	0.15	0.07	0.07
Transportation	1.29	1.33	1.37
Tuitions	1.39	1.45	1.53
Debt Service	(0.78)	1.55	0.28
Contractual	0.68	0.70	0.73
BOCES	0.50	0.52	0.54
Charter School Tuitions	1.82	1.21	1.27
Utilities	0.39	0.41	0.43
Transfers	(0.28)	0.00	0.00
Building Repairs	0.09	0.10	0.10
Equipment	1.42	0.00	0.00
Textbooks	0.41	0.00	0.00
Other	(0.16)	0.22	0.14
Grant Expenses	0.00	0.00	29.70
Total	**$20.70**	**$19.48**	**$49.03**

3 Year Cumulative Increase by Expenditure Type ($m)



Salary and Salary-related increases are based on the terms of settled labor contracts, projected step increases, a proprietary amount for unsettled contracts, and an estimate of retirement savings for all outer years. Fringe Benefit increases are projected to be 4.57% in FY23, 3.5% in FY24, and 3.8% in FY25 reflecting expectations that the Teachers' Retirement System rate increases will remain flat from FY22 and a 7.0% increase in projected employee health insurance expense under NYSHIP for FY23, followed by 5% increases for FY24 & FY25. The cost to provide out of district Special Education type services, such as, Public/Private Tuitions and BOCES Tuitions are projected to increase based on recent expenditure trends and anticipated enrollment growth by 4.8% and 4%, respectively, in the outer years. With the continuing increase in the number of Charter School Students attending both in-city and out-of-city charters schools and an expected increase in tuition costs, Charter School Tuition Costs are projected to increase by 11.3% for FY23, 6.8% for FY24, and 6.6% for FY25. The Plan only assumes approved Charter Schools. Pending applications, if approved, will come at an increased cost above those listed in the plan. The plan also projects annual inflationary growth in transportation, utilities, and contractual costs. Additionally, in FY25, due to the expiration and projected exhaustion of the American Rescue Plan funding, the plan assumes that approximately $29.7 million in grant expenses will be absorbed into the general fund.

Areas of Concern

The Cost of Labor

State Laws with regard to labor negotiations with public employees contribute to salary growth rates - and commensurate increases in salary-related costs like pension contribution, social security, and the metropolitan commuter transportation mobility tax (aka MTA Tax) - that local governments find increasingly difficult to offset without raising unpopular revenues or reducing programs and services. Costs for health care, for both active and retired employees, and persistent costs stemming from the State's workers compensation and job injury leave policies and practices, also continue to climb at unsustainable levels.

Unsettled Labor Contracts

Labor contracts with all eight municipal unions expired either in FY19 or FY20. The default plan (below) is included in the Financial Plan Expenditures Summary (Schedule B, Page B-8), under "Contingency." Although pattern bargaining is not the goal, the below illustrates the approximate costs for settling all outstanding union contracts at different scenarios with a July 1, 2022 start date with retroactive amounts paid in FY23.

Wage Scenario	FY20	FY21	FY22	FY23	FY24	FY25	Total
Default (Contingency - In Plan)	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	
$(millions) Cost above Current FY				***2.8***	***6.3***	***10.0***	***19.1***
1% Each Contract Year	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
$(millions) Cost above Current FY				***29.4***	***20.3***	***21.3***	**71.0**
1.5% Each Contract Year	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
$(millions) Cost above Current FY				***44.1***	***30.7***	***32.4***	**107.2**
2.0% Each Contract Year	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
$(millions) Cost above Current FY				***59.1***	***41.3***	***43.7***	***144.1***
2.5% Each Contract Year	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
$(millions) Cost above Current FY				***74.2***	***52.0***	***55.2***	***181.4***
3.0% Each Contract Year	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
$(millions) Cost above Current FY				***89.4***	***62.9***	***67.1***	***219.4***
3.5% Each Contract Year	3.5%	3.5%	3.5%	3.50%	3.50%	3.50%	
$(millions) Cost above Current FY				***104.7***	***74.0***	***79.2***	***257.9***
4.0% Each Contract Year	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
$(millions) Cost above Current FY				***120.4***	***85.4***	***91.6***	***297.4***

Health Insurance

The combined FY22 Adopted Health Insurance appropriations for the City and BOE total approximately $168 million. The NYSHIP Empire Plan family plan has averaged an approximate 5% increase over the past 10 years which equates to an estimated combined $8.4 million annual increase in Health Insurance Costs for both entities. To put this into perspective, a 2% increase in real estate property taxes produces approximately $7.6 million in additional revenue. Although NYSHIP Empire Plan increases have been subdued over the past two fiscal years partly due to limitations on doctor and hospital visits because of COVID-19, a potential snap back for delayed procedures could cause increases above the 5% average.

Economically Sensitive Revenues

Over the last ten years, the city's tax base has grown through development and population growth producing greater economically sensitive revenues primarily through the collection of sales tax and personal income tax. City operations are supported by these taxes that can fluctuate with known and unknown economic conditions and that can be subject to exogenous shocks, such as, COVID-19 which greatly altered the upward vector of revenue collections in February 2020. That said, an overreliance on these fluctuating revenues can be an area of concern. From FY12 to FY19 (the last full FY prior to COVID-19), the amount of Special Taxes (the group of revenues that contains most of the economically sensitive revenues), as a percentage of total revenue (City and BOE), has increased from 12.78% to 16.51%.In addition to supporting budgeted city appropriations in the current fiscal year, revenue collections above budget have been the main source of unassigned fund balance which has been used to balance subsequent fiscal years. Therefore, the City must be cautious in projecting revenue subject to broader economic conditions which can be out of city control.

Education State Aid

Education State Aid levels for Foundation Aid and/or other reimbursable aids, are primarily determined by using "wealth ratios" which are determined by the relative weighting of resident income and property values, per district student or student units, across school district areas throughout New York State. All things being equal, the greater the comparative wealth, the lessor the Education State Aid reimbursement rate will be. Yonkers increased development, population growth, and employment levels, in comparison to other areas in New York State, could decrease reimbursement rates for Education School Aid going forward at a time when increased expenditures are needed by the city to support resident population growth. Although annual changes are usually subtle, over time, they could provide a slight headwind as the expected local share increases.

Another concern for Educational Aid is the failure for aid ratios to capture regional inflation costs that pertain to professional staffing costs. For example, the Regional Cost Index ("RCI"), a key component of Foundation Aid, is meant to adjust for geographic variations in the cost of educational resources. Being inside Westchester County which has the highest median house prices of any county in the state and being contiguous with relatively wealthy school districts, such as, Bronxville and Scarsdale, competing for, and retaining professional talent, can be financially challenging. The current RCI Index that is used to formulate Foundation Aid has been frozen since it was calculated in 2006. For Yonkers, which is in the Hudson Valley Region, the 2006 RCI, still in use in Foundation Aid, was 1.314. For the New York City / Long Island Region, the 2006 level was 1.425, or 0.11 higher than the Hudson Valley Region. However, a 2012 New York State Education Department ("NYSED") study produced an amount of 1.407 for the Hudson Valley Region which narrowed the gap between the Hudson Valley Region and the New York City / Long Island Region down to 0.081 indicating that Hudson Valley costs for educational resources had come closer to matching those of New York City / Long Island. Unfortunately, only the 2006 RCI is used for Foundation Aid.

Furthermore, although it is not meant to calculate the cost of hiring educational resources, regional cost factors for building aid, which take into consideration costs for carpenters, electricians and plumbers, do provide some additional information as to general wage inflation in counties. For building aid, these factors are updated annually and aid ratios are adjusted accordingly. Below is a chart of the changes in building aid regional cost factors for New York City, Long Island (Suffolk and Nassau), and Westchester County.

Building Aid Regional Cost Index - Relative Weighting of Westchester County versus NYC and Long Island Counties last 15 Years

	2006	2021	% Variance
Nassau	90%	102%	13.6%
Suffolk	93%	102%	10.2%
New York City	82%	83%	1.4%
Westchester	100%	100%	0%

The above chart (previous page) indicates that relative to each other, costs for building professionals in Westchester County have clearly increased in costs relative to those in New York City, Nassau and Suffolk Counties over the past fifteen years. For example, in 2006, Westchester County's building aid regional cost index was only 90% of Nassau County's index (Nassau was 11% higher than Westchester). However, in the more recent 2021 study by NYSED, Westchester County's index had grown by 13% in direct comparison and was 2% higher than Nassau County's index. [7]

Gap Closing Measures

Exactly how the City addresses looming structural deficits will be decided by the administration in conjunction with the various stakeholders in the City of Yonkers and those concerned with its fiscal stability. This includes federal and state elected officials, the NYS Comptroller, the State Education Department, the public and their representatives in the City Council, City and School District employees and their union representatives, local businesses, developers, bondholders and property owners. The following gap closing measures are provided as examples to qualify, and quantify, possible means to a solution.

The fiscal problems facing the City are not unique to Yonkers and cannot be solved by citywide percentage cut targets. A review of the categories of expenditures - Departmental Expenditures and Fringe Benefits, Special Items, the School District, and Debt Service - and their associated costs reveals that many significant expenses are mandated or beyond the control of the City. For instance, the City cannot decrease its contribution to the School District under the MOE. The City cannot easily decrease its Debt Service expense, as the expense is based on prior years' bonding, and repair and maintenance of critical infrastructure is a priority. The largest expense of the Special Items, the Reserve for Uncollected Taxes, must be calculated based on a formula specified by the Special Local Finance and Budget Act of 1976 and cannot be reduced as a budget item. Cost centers largely outside of the City's control, like Employee Health Insurance and Workers Compensation, may continue to increase at rates in excess of the both the City's economically-sensitive revenue growth and the 2% property tax cap.

Some financial and management options available to the City are listed below as gap closing measures. Employing any or all of these tools must be done judiciously to ensure that the City's financial obligations are met while limiting the fiscal stress on taxpayers and maintaining a robust City government. The following list is only an illustration of the tools which may be utilized to address deficits:

Increase Income Tax Surcharge

The City's income tax for residents is based on an individual's state income tax and was introduced by the New York State Financial Control Board. The resident rate is 16.75% of the net State tax, after being increased from 15% starting January 1, 2014. Under current state law this tax could be increased up to 19.25%, which could approximately generate an additional $7.0 million in annual revenue with an additional first fiscal year amount if made retroactive to January 1.

Increase Real Estate Transfer Tax

The City's Real Estate Transfer Tax is currently 1.5%, and could be increased to up to 3% of the conveyance amount. An increase to 3.0% could generate an additional $12 million annually, providing that real estate sales trends continue and the increase doesn't affect purchaser or seller behavior. (An increase to 3% was presented in the FY17 Proposed Executive Budget but was ultimately rejected by the City Council in favor of an increase in the property tax levy above the allowable tax levy growth factor.)

[7] http:/www.p12.nysed.gov/facplan/Reports/RegCost.html

Exceed Property Tax Cap Limit

With a supermajority vote of the City Council (five of the seven council members), the property tax cap can be exceeded. Each 1% increase in the Property Tax garners an additional $3.8 million in annual revenue.

Savings from Merging School District and City Functions

The merger of the School District and City financial and administrative functions resulted in stronger financial and administrative departments and cost savings from efficiencies and improved operations. The main goal of the merger was to provide fiscal oversight to ensure mistakes like the one that resulted in an overstatement of expected state aid by $55 million will not occur again, but also to implement operational, functional, and fiscal review - using this strengthened combined team of professionals - that will consider for analysis combined School District and City operations. Other merged responsibilities could also generate expense savings.

Self-Insured Health Benefits Plan or Lower Cost Carrier

Many cities and counties e.g. the City of Syracuse and Westchester County have better controlled increases in health insurance costs by becoming self-insured. While savings would only be minimal in the short run because of the need for costly stop loss insurance for a newly established self-insured plan without a claims history of catastrophic cases to evaluate, eventually, this option could provide significant savings; especially, if stop loss insurance is discontinued. Alternately, the City should investigate health insurance carriers that offer commensurate services to the current provider (NYSHIP) at a lower cost. For example, a pilot program using the provider Aetna was recently introduced for a select number of retirees at rates lower than previously paid under NYSHIP. The City will continue to evaluate the success of this program going forward.

Property Revaluation

A full revaluation project, along with the continued improvement in market values, could reduce the need to pay the annual cost of successful certiorari challenges, save the City approximately 60% or $6 million annually and also help provide greater equitable treatment of property owners. The financial plan includes a $6 million appropriation for a full citywide revaluation in FY23. Although the timing of completion for the revaluation may take longer than two years, to illustrate the potential savings, the annual cost of tax certiorari judgments (the plan assumes that bonding for tax certioraris ceases in FY23) declines by $6 million annually from an annual cost of $10 million in FY24 to $4 million in FY25. For further transparency of the cost of potential revaluation adoption, there is a $3 million appropriation to fund assessment revaluation relief to property owners who may see their tax liabilities increase as a result of the revaluation project.

Additional Revenue Enhancement

- **Create** a new Refuse District Fund, with its own dedicated fee structure, to ensure that all users, including tax-exempt entities, pay their fair share for refuse collection and disposal.

- **Increase** personal income tax, currently 0.5% of gross income, for non-residents who are employed by Yonkers entities. (Would require State legislation.)

- **Extend** the Real Estate Transfer Tax and Mortgage Recording Tax to cooperative apartments. (Would require State legislation.)

- **Lobby** State to increase AIM Aid. As stated earlier in the Revenue section, Yonkers is and has been sending an increasing amount of Sales Tax and Income Tax to the State while Yonkers AIM Aid has remained flat. Investments in new infrastructure, improvements to Parks, strong Public Safety, and other improved services are creating the attractive backdrop where people want to live and shop that is fostering growth in the shared revenues. However, Yonkers is not receiving its share of the increased revenues.

- **Lobby** State to increase Host Community Portion of Video Lottery Terminal Revenue from Empire City Casino. Since FY08, full year net win for the casino has increased by $174.3 million from $431.7 million in NYS FY08 to $606.0 million in NYS FY19 while State Aid for VLT's has remained flat at $19.6 million.

- Over the past 18 years (FY04-FY22), the City's annual transfer to Education has more than doubled from $135 million to $280 million with the school district now representing approximately 53% of the combined budget. **Lobby** State to utilize a more updated Regional Cost Index for the calculation of Foundation Aid which better reflects the current levels of educational costs of the Hudson Valley Region, Westchester County, or specifically for the Yonkers Public School District, which shares a similar market for professional staffing as New York City. If the Regional Cost Index for Yonkers was increased to match the NYC / Long Island Regions, Foundation Aid would increase by approximately $22 million in FY23-24 when Foundation Aid is expected to be fully phased in.

- **Lobby** State for Block Grant to pay for the Local Cost Share of the "Rebuild Yonkers Schools" Initiative.

- Continue to **seek out and apply** for Federal and State Grant opportunities, such as, the SAFER Grant which has helped the city pay for the cost of hiring 35 Firefighters over a three year period.

- **Lobby** State for Full Gaming Licenses for Downstate Casinos

Shared Services

- Form "districts" with neighboring communities to consolidate operations, eliminate overhead, and share capital equipment.

Operations

- Update procurement policy to reduce volume of low-dollar purchase orders with significant processing costs.
- Continue to bolster revenue collections function to maximize receipt of fees, permits, taxes, grants, etc.

Public Safety (Police and Fire)

- Collaborate with uniformed collective bargaining agencies to ensure that (a) personnel deployment and (b) overtime allocation are done in the most cost efficient manner and without a diminishment of services.

Real Estate

- Analyze City properties and vacant/underutilized private properties to identify and develop candidate areas for commercial/housing development and resultant increase of Yonkers tax base.

Parking Violations Bureau

- Increase Red Light Camera surcharges

Supporting Schedules

Section B

City of Yonkers Financial Plan FY22 - FY25
Supporting Schedules (Section B)

City of Yonkers
Financial Plan Summary

	FY 2022 Adopted	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection
City Budget	$ 587,534,813	$ 634,643,447	$ 649,696,912	$ 667,659,492
School District Budget	$ 663,977,376	$ 684,679,675	$ 704,158,933	$ 753,193,109
Total Budget	**$ 1,251,512,189**	**$ 1,319,323,122**	**$ 1,353,855,845**	**$ 1,420,852,601**
Budget Surplus/(Gap) (before Gap Closing measures)	**$ -**	**$ (69,237,407)**	**$ (71,872,282)**	**$ (113,397,874)**

City Budget Details	FY 2022 Adopted	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection
City Expenditures	$ 587,534,813	$ 634,643,447	$ 649,696,912	$ 667,659,492
City Revenues	$ 604,896,933	$ 602,923,194	$ 614,281,215	$ 627,436,534
Less Sales Tax for Education	$ 17,362,120	$ 17,362,120	$ 17,622,552	$ 17,886,890
City Budget Gap (before Gap Closing measures)	**$ -**	**$ (49,082,373)**	**$ (53,038,249)**	**$ (58,109,848)**

School District Budget Details	FY 2022 Adopted	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection
School District Expenditures	$ 663,977,376	$ 684,679,675	$ 704,158,933	$ 753,193,109
School District Revenues	$ 383,434,313	$ 384,363,381	$ 403,349,465	$ 415,384,073
City Contribution to Education	$ 263,180,943	$ 262,799,140	$ 264,352,882	$ 264,634,120
Plus Sales Tax for Education	$ 17,362,120	$ 17,362,120	$ 17,622,552	$ 17,886,890
School District Budget Gap (before Gap Closing measures)	**$ -**	**$ (20,155,034)**	**$ (18,834,033)**	**$ (55,288,026)**

The City projects outyear FY23 - FY25 budget gaps of $49.1 million, $53.0 million, and $58.1 million, while the School District budget gaps over the same period are estimated at $20.2 million, $18.8 million, and $55.3 million. These budget gaps will be closed with the use of fund balance, enhanced revenue programs, cost containment actions, and other gap closing measures detailed in the Plan. As noted earlier, the FY23 - FY25 projections assume no use of operational fund balance because future availability is uncertain. However, the use of available fund balance, to the extent that it is produced, will be part of future budget-balancing solutions.

City of Yonkers
Revenue and Expenditure Summary

	FY 2022 Adopted	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection
Revenues				
Property Taxes	$ 390,725,376	$ 402,611,403	$ 410,091,878	$ 417,699,038
Special Taxes	193,727,596	196,632,714	198,969,598	201,340,125
State & Federal Funding	108,703,272	108,703,272	108,703,272	108,703,272
City Departments	44,761,427	44,541,427	44,541,427	44,791,427
Other Revenues	45,791,595	45,839,458	46,939,237	48,107,541
Appr. Fund Balance (General)	27,547,662	-	-	-
Total Revenues - General Fund	**$ 811,256,928**	**$ 798,328,274**	**$ 809,245,412**	**$ 820,641,403**
Library Fund	727,149	67,000	67,000	67,000
Water Fund	45,644,478	54,524,249	56,228,634	57,973,595
Sewer Fund	10,449,321	12,802,810	13,093,051	13,388,656
Total City Revenue	**$ 868,077,876**	**$ 865,722,334**	**$ 878,634,097**	**$ 892,070,654**
Board of Education	383,434,313	384,363,381	403,349,465	415,384,073
Total Revenues - All Funds	**$ 1,251,512,189**	**$ 1,250,085,715**	**$ 1,281,983,562**	**$ 1,307,454,727**
Expenditures				
City Departments	$ 339,250,928	$ 353,184,053	$ 358,568,726	$ 363,741,612
Fringe Benefits	171,373,475	178,681,382	186,050,581	195,597,123
Special Items	26,810,512	45,296,797	43,070,412	44,049,457
Board of Education	633,504,258	654,987,981	672,913,497	721,666,435
Subtotal	**$ 1,170,939,173**	**$ 1,232,150,213**	**$ 1,260,603,215**	**$ 1,325,054,627**
Debt Service	$ 80,573,016	87,172,909	93,252,630	95,797,974
Total Expenditures	**$ 1,251,512,189**	**$ 1,319,323,122**	**$ 1,353,855,845**	**$ 1,420,852,601**
Revenues vs. Expenditures	**$ -**	**$ (69,237,407)**	**$ (71,872,282)**	**$ (113,397,874)**

City of Yonkers
Revenue Summary

		FY 2022 Adopted		FY 2023 Projection		FY 2024 Projection		FY 2025 Projection
Property Taxes	**$**	**390,725,376**	**$**	**402,611,403**	**$**	**410,091,878**	**$**	**417,699,038**
Special Taxes								
Sale and Use Tax		86,812,594		86,812,594		88,114,783		89,436,505
Sale and Use Tax - Education		17,362,120		17,362,120		17,622,552		17,886,890
Utilities Gross Receipts		8,059,000		8,059,000		8,059,000		8,059,000
Supplemental Real Estate Tax		400,000		400,000		400,000		400,000
Real Estate Transfer Tax		12,663,000		12,663,000		12,663,000		12,663,000
O.T.B. Surcharge		38,500		38,500		38,500		38,500
Multiple Unit Dwelling Tax		145,000		145,000		145,000		145,000
E.T.P.A. Adm. Charge		340,000		340,000		340,000		340,000
City & State Mortgage Tax		10,275,000		10,275,000		10,275,000		10,275,000
Hotel Room & Occupancy Tax		802,000		1,002,500		1,032,575		1,063,552
Income Tax Surcharge		56,830,382		59,535,000		60,279,188		61,032,678
Total - Special Taxes	**$**	**193,727,596**	**$**	**196,632,714**	**$**	**198,969,598**	**$**	**201,340,125**
State & Federal Funding								
AIM Funding		108,215,479		108,215,479		108,215,479		108,215,479
Veterans Services		12,793		12,793		12,793		12,793
Court Facilities		275,000		275,000		275,000		275,000
County of West. - CMHB		200,000		200,000		200,000		200,000
Total - State and Federal Funding	**$**	**108,703,272**	**$**	**108,703,272**	**$**	**108,703,272**	**$**	**108,703,272**
City Departments								
Executive		196,300		196,300		196,300		196,300
City Clerk		242,000		242,000		242,000		242,000
Corporation Counsel		34,000		34,000		34,000		34,000
Finance and Mgt. Services		97,015		97,015		97,015		97,015
Parking Violations Bureau		19,000,000		19,000,000		19,000,000		19,000,000
Consumer Protection		1,274,520		1,274,520		1,274,520		1,274,520
Civil Service		670,000		150,000		150,000		400,000
Planning and Development		68,000		68,000		68,000		68,000
Police		4,716,559		4,716,559		4,716,559		4,716,559
Fire		3,445,000		3,445,000		3,445,000		3,445,000
Public Works		2,139,550		2,139,550		2,139,550		2,139,550
Engineering		686,483		686,483		686,483		686,483
Parks		2,702,000		2,702,000		2,702,000		2,702,000
Housing and Buildings		8,990,000		8,990,000		8,990,000		8,990,000
Courts Fines		500,000		800,000		800,000		800,000
Total - City Departments	**$**	**44,761,427**	**$**	**44,541,427**	**$**	**44,541,427**	**$**	**44,791,427**

City of Yonkers
Revenue Summary

	FY 2022 Adopted	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection
Other Revenues				
Prior Year Tax Payments	6,390,673	6,721,724	6,930,071	7,141,947
Interest on Investment	140,073	140,073	148,073	157,673
Interest on Taxes	3,700,000	3,200,000	3,200,000	3,200,000
Cable Television Fees	2,970,000	2,732,400	2,513,808	2,312,703
Rent on City Property	115,000	115,000	115,000	115,000
Maintenance of State/Co. Roads	493,628	493,628	493,628	493,628
Payments in Lieu of Taxes	27,651,141	28,754,607	29,902,211	31,095,723
Yonkers Raceway Impact Fees	1,500,000	2,000,000	2,000,000	2,000,000
County Prisoner Processing	51,340	51,340	51,340	51,340
Sale of Property	300,000	300,000	300,000	300,000
Miscellaneous	1,080,000	1,080,000	1,080,000	1,080,000
QSCB Interest	253,101	250,686	205,106	159,527
Appropriated Fund Balance (Debt Svc)	1,146,639	-	-	-
Subtotal	**$ 45,791,595**	**$ 45,839,458**	**$ 46,939,237**	**$ 48,107,541**
Appropriated Fund Balance (General)	27,547,662	-	-	-
Total - Other Revenues	**$ 73,339,257**	**$ 45,839,458**	**$ 46,939,237**	**$ 48,107,541**
Library Fund				
Rental of Real Property	4,500	4,500	4,500	4,500
Fees and Fines	8,000	8,000	8,000	8,000
Miscellaneous Library	2,500	2,500	2,500	2,500
State Funding	52,000	52,000	52,000	52,000
Subtotal	**$ 67,000**	**$ 67,000**	**$ 67,000**	**$ 67,000**
Appropriated Fund Balance (Library)	660,149	-	-	-
Total - Library Fund	**$ 727,149**	**$ 67,000**	**$ 67,000**	**$ 67,000**
Water Fund				
Water Frontage Tax	3,753,997	3,753,997	3,753,997	3,753,997
Metered Water Sales	37,147,170	49,726,652	51,431,037	53,175,998
Sundries and Interest	1,043,600	1,043,600	1,043,600	1,043,600
Subtotal	**$ 41,944,767**	**$ 54,524,249**	**$ 56,228,634**	**$ 57,973,595**
Appropriated Fund Balance (Water)	3,699,711			
Total - Water Fund	**$ 45,644,478**	**$ 54,524,249**	**$ 56,228,634**	**$ 57,973,595**
Sewer Fund				
Sewer Rents	9,167,503	12,607,810	12,898,051	13,193,656
Other	195,000	195,000	195,000	195,000
Subtotal	**$ 9,362,503**	**$ 12,802,810**	**$ 13,093,051**	**$ 13,388,656**
Appropriated Fund Balance (Sewer)	1,086,818	-	-	-
Total - Sewer Fund	**$ 10,449,321**	**$ 12,802,810**	**$ 13,093,051**	**$ 13,388,656**

City of Yonkers
Revenue Summary

	FY 2022 Adopted	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection
Board of Education				
State Funding - Basic	327,412,599	348,863,434	367,849,518	379,884,126
State Funding - Categorical	13,277,347	13,277,347	13,277,347	13,277,347
State Funding for VLTs	19,600,000	19,600,000	19,600,000	19,600,000
State Funding - Additional Aid	12,000,000	-	-	-
State Funding - Prior Year Adj	-	-	-	-
State Funding - Bullet Aid	-	-	-	-
Federal Aid	620,000	870,000	870,000	870,000
Department	531,000	531,000	531,000	531,000
Interfund Rev./Indirect Cost	300,000	300,000	300,000	300,000
Misc. Departmental	921,600	921,600	921,600	921,600
Approp. Fund Balance (Debt Svc Restr)	-	-	-	-
Approp. Fund Balance (Edu Debt Svc)	399,621	-	-	-
Subtotal	**$ 375,062,167**	**$ 384,363,381**	**$ 403,349,465**	**$ 415,384,073**
Appr. Fund Balance - G./F.	8,372,146	-	-	-
Total - Board of Education	**$ 383,434,313**	**$ 384,363,381**	**$ 403,349,465**	**$ 415,384,073**
Total Revenues	**$ 1,251,512,189**	**$ 1,250,085,715**	**$ 1,281,983,562**	**$ 1,307,454,727**

Yonkers Public Schools
Consolidated Revenue by Account

Fund	Acct	Descriptions	FY21.22 Adopted	FY22.23 Projection	FY23.24 Projection	FY24.25 Projection
450	B3005	Academic Enhancement Aid	17,500,000	17,500,000	17,500,000	17,500,000
450	B3006	Video Lottery Terminal Rev. Sharing	19,600,000	19,600,000	19,600,000	19,600,000
450	B3007	Basic Form Excess Cost (Pub & Pvt)	46,444,054	48,232,491	49,478,588	50,975,551
450	B3008	Basic Formula Aid	215,865,413	236,038,489	253,898,266	264,968,128
450	B3102	Lottery Aid	41,512,960	41,512,960	41,512,960	41,512,960
450	B3240	Computer Hardware Aid	406,485	406,485	406,485	406,485
450	B3251	Computer Software Aid	414,527	414,527	414,527	414,527
450	B3260	Textbook Aid	1,736,724	1,736,724	1,736,724	1,736,724
450	B3263	Library Materials Aid	172,950	172,950	172,950	172,950
450	B3303	Bullet Aid	12,000,000	-	-	-
450	B3313	Charter School Supplemental Basic	431,494	567,838	626,238	661,278
450	B3008	Charter School Transitional Aid	2,927,992	2,280,970	2,102,781	1,535,523
450	B4001	Impact Aid	20,000	20,000	20,000	20,000
450	B4701	Federal Medicaid Assistance	600,000	850,000	850,000	850,000
450	B6001	City of Yonkers	252,121,613	252,140,559	252,277,614	251,787,933
450	B6261	Other Charges/Services	1,000	1,000	1,000	1,000
450	B6281	Tuition-Foster Other Districts	350,000	350,000	350,000	350,000
450	B6320	Health Services-Other Districts	180,000	180,000	180,000	180,000
450	B6362	Rental of Buildings - Pool	20,000	20,000	20,000	20,000
450	B6380	Rental of Buildings - Individual	40,000	40,000	40,000	40,000
450	B6660	Insurance Recoveries	1,600	1,600	1,600	1,600
450	B6741	Refund Pr Yr Exp-Misc	850,000	850,000	850,000	850,000
450	B6840	Other Misc Revenue	10,000	10,000	10,000	10,000
450	B6940	490 Interfund Rev-Indr Cost	300,000	300,000	300,000	300,000
450	B6941	451 Interfund Rev-Indr Cost	106,344	106,344	106,344	106,344
450	B5037	Appropriated General Fund Balance	8,372,146	-	-	-
		Total General Fund	**621,985,302**	**623,332,937**	**642,456,076**	**654,001,003**
451	B3303	Universal Pre-K	12,111,980	12,111,980	12,111,980	12,111,980
451	B3303	Health Services	1,165,367	1,165,367	1,165,367	1,165,367
451	B6941	451 Interfund Rev-Indr Cost	(106,344)	(106,344)	(106,344)	(106,344)
460	B5033	Transfer from General Fund 450	-	-	-	-
460	B6001	City of Yonkers	28,421,450	28,020,701	29,697,820	30,733,077
460	B5037	Debt Svc Fund Balance	399,621	-	-	-
		Total Consolidated Fund Revenue	**663,977,376**	**664,524,641**	**685,324,900**	**697,905,083**

City of Yonkers
Expenditure Summary

	FY 2022 Adopted	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection
City Departments				
Executive	$ 2,459,529	$ 2,484,088	$ 2,509,128	$ 2,534,663
Legislative	3,554,890	3,605,560	3,657,467	3,710,647
Corporation Counsel	2,695,971	2,715,454	2,735,212	2,755,252
Finance and Mgt. Services	16,899,708	17,070,305	17,244,327	17,421,870
Human Resources	4,728,779	4,253,314	4,271,362	4,815,804
Information Technology	8,032,240	8,163,905	8,298,959	8,437,500
Planning and Development	1,547,099	1,558,269	1,569,598	1,581,089
Police	110,139,106	110,823,038	111,514,179	112,212,675
Fire	71,612,701	72,029,403	74,149,841	75,447,692
Public Works	81,141,499	93,691,920	95,473,803	97,316,682
Engineering	3,291,826	3,312,285	3,332,944	3,353,809
Parks	13,997,472	14,118,126	14,240,826	14,365,624
Housing and Buildings	5,655,855	5,697,797	5,740,349	5,783,526
Constituent Services	1,172,283	1,190,848	1,209,886	1,229,410
Inspector General	729,200	739,168	749,375	759,828
Veterans Services	473,532	479,080	484,750	490,545
Human Rights	115,000	117,550	120,172	122,868
Library	10,729,238	10,858,945	10,991,548	11,127,129
Museum	275,000	275,000	275,000	275,000
Total - Departmental Expenditures	**$ 339,250,928**	**$ 353,184,053**	**$ 358,568,726**	**$ 363,741,612**
Fringe Benefits				
Employee Retirement	$ 16,751,329	$ 16,643,580	$ 16,388,916	$ 16,720,694
Police & Fire Retirement	46,217,032	46,966,048	47,431,720	48,958,912
Social Security	18,262,162	18,614,843	18,974,514	19,341,316
Workers' Compensation	9,253,981	9,716,680	10,202,514	10,712,640
Life/Health/Dental Ins.	72,021,903	77,719,971	83,871,802	90,513,552
Trust & Welfare Payments	5,370,208	5,370,208	5,370,208	5,370,208
Local Pension Plan	33,000	33,000	33,000	33,000
Unemployment Insurance	400,000	400,000	400,000	400,000
Fire 207A Supple. Pension	3,063,860	3,217,053	3,377,906	3,546,801
Total - Fringe Benefits	**$ 171,373,475**	**$ 178,681,382**	**$ 186,050,581**	**$ 195,597,123**
Special Items				
Taxes on City Property	$ 1,976,652	$ 2,087,574	$ 2,148,183	$ 2,210,670
Tax Remission	900,000	900,000	900,000	900,000
Senior Citizens Tax Exempt	510,000	510,000	510,000	510,000
Res. for Uncollected Taxes	10,882,538	11,213,589	11,421,936	11,633,812
YMCA-SNUG Grant	200,000	200,000	200,000	200,000
Tax Advertising	65,000	65,000	65,000	65,000
Paying Agent Expense	100,000	100,000	100,000	100,000
Municipal Dues	32,000	32,000	32,000	32,000
Tenant Act Expense	340,000	340,000	340,000	340,000
Judgments and Claims	1,000,000	1,000,000	1,000,000	1,000,000
Tax Certiorari Payments	500,000	10,000,000	10,000,000	4,000,000
Contractual Settlements	-	-	-	-
Termination Payments	4,040,324	4,500,000	4,500,000	4,500,000
Fiscal Agent Bank Fee	25,000	25,000	25,000	25,000
Grant Cash Match	150,000	150,000	150,000	150,000
Litigation Expenses	2,500,000	2,500,000	2,500,000	2,500,000
Administrative Income Tax	370,000	370,000	370,000	370,000

City of Yonkers
Expenditure Summary

	FY 2022 Adopted	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection
Yonkers Historical Society	10,000	10,000	10,000	10,000
MTA Payroll Tax	942,820	947,456	952,115	956,797
Affordable Housing Subsidies	25,000	25,000	25,000	25,000
Buena Vista Parking Garage	278,478	278,478	278,478	278,478
Annual City Audit	497,700	497,700	497,700	497,700
Nepperhan Community Center	100,000	100,000	100,000	100,000
Police Athletic League	100,000	100,000	100,000	100,000
Natal Care	180,000	180,000	180,000	180,000
YMCA Swim Program	100,000	100,000	100,000	100,000
MHA Supplement	100,000	100,000	100,000	100,000
Relief Disaster Fund	100,000	100,000	100,000	100,000
Health Task Force	65,000	65,000	65,000	65,000
Assessment Revaluation	-	6,000,000	-	3,000,000
Contingent Reserve	720,000	2,800,000	6,300,000	10,000,000
Total - Special Items	**$ 26,810,512**	**$ 45,296,797**	**$ 43,070,412**	**$ 44,049,457**
Board of Education				
Basic Operating Expend.	$ 633,504,258	$ 654,987,981	$ 672,913,497	$ 721,666,435
Debt Service				
Debt Service - General Fund	$ 40,318,698	$ 46,928,870	$ 50,839,748	$ 52,503,934
Debt Service - Education Fund	30,473,118	29,691,694	31,245,436	31,526,674
Debt Service - Library Fund	969,941	1,043,248	1,043,036	1,042,278
Debt Service - Museum Fund	2,182,716	2,202,012	2,207,883	2,215,445
Debt Service - Water Fund	3,723,619	4,161,020	4,598,004	5,019,092
Debt Service - Sewer Fund	2,904,924	3,146,066	3,318,523	3,490,552
Total - Debt Service	**$ 80,573,016**	**$ 87,172,909**	**$ 93,252,630**	**$ 95,797,974**
Total Expenditures	**$ 1,251,512,189**	**$ 1,319,323,122**	**$ 1,353,855,845**	**$ 1,420,852,601**

City of Yonkers
Department Operating Expenditures

Department	Account Class		FY 2022 Adopted		FY 2023 Projection		FY 2024 Projection		FY 2025 Projection
Executive	100's	$	1,944,974	$	1,954,699	$	1,964,472	$	1,974,295
	200's		-		-		-		-
	300's		60,286		61,492		62,722		63,976
	400's		454,269		467,897		481,934		496,392
	Total	**$**	**2,459,529**	**$**	**2,484,088**	**$**	**2,509,128**	**$**	**2,534,663**
Legislative	100's	$	2,231,281	$	2,242,437	$	2,253,650	$	2,264,918
	200's		20,000		20,600		21,218		21,855
	300's		19,500		19,890		20,288		20,694
	400's		1,284,109		1,322,632		1,362,311		1,403,181
	Total	**$**	**3,554,890**	**$**	**3,605,560**	**$**	**3,657,467**	**$**	**3,710,647**
Corporation Counsel	100's	$	2,449,532	$	2,461,780	$	2,474,089	$	2,486,459
	200's		-		-		-		-
	300's		15,800		16,116		16,438		16,767
	400's		230,639		237,558		244,685		252,025
	Total	**$**	**2,695,971**	**$**	**2,715,454**	**$**	**2,735,212**	**$**	**2,755,252**
Finance and Mgt. Services	100's	$	13,428,766	$	13,495,910	$	13,563,389	$	13,631,206
	200's		6,500		6,695		6,896		7,103
	300's		67,540		68,891		70,269		71,674
	400's		3,396,902		3,498,809		3,603,773		3,711,887
	Total	**$**	**16,899,708**	**$**	**17,070,305**	**$**	**17,244,327**	**$**	**17,421,870**
Human Resources	100's	$	3,768,472	$	3,557,753	$	3,575,542	$	3,793,420
	200's		-		-		-		-
	300's		12,700		12,954		13,213		13,477
	400's		947,607		682,607		682,607		1,008,907
	Total	**$**	**4,728,779**	**$**	**4,253,314**	**$**	**4,271,362**	**$**	**4,815,804**
Information Technology	100's	$	4,334,182	$	4,355,853	$	4,377,632	$	4,399,520
	200's		-		-		-		-
	300's		94,800		96,696		98,630		100,603
	400's		3,603,258		3,711,356		3,822,696		3,937,377
	Total	**$**	**8,032,240**	**$**	**8,163,905**	**$**	**8,298,959**	**$**	**8,437,500**
Planning and Development	100's	$	1,408,099	$	1,415,139	$	1,422,215	$	1,429,326
	200's		-		-		-		-
	300's		4,000		4,080		4,162		4,245
	400's		135,000		139,050		143,222		147,518
	Total	**$**	**1,547,099**	**$**	**1,558,269**	**$**	**1,569,598**	**$**	**1,581,089**

City of Yonkers
Department Operating Expenditures

Department	Account Class		FY 2022 Adopted		FY 2023 Projection		FY 2024 Projection		FY 2025 Projection
Police	100's	$	104,257,179	$	104,778,465	$	105,302,357	$	105,828,869
	200's		-		-		-		-
	300's		1,381,205		1,408,829		1,437,006		1,465,746
	400's		4,500,722		4,635,744		4,774,816		4,918,060
	Total	**$**	**110,139,106**	**$**	**110,823,038**	**$**	**111,514,179**	**$**	**112,212,675**
Fire	100's	$	68,984,371	$	69,329,293	$	71,375,939	$	72,597,929
	200's		23,500		24,205		24,931		25,679
	300's		707,000		721,140		735,563		750,274
	400's		1,897,830		1,954,765		2,013,408		2,073,810
	Total	**$**	**71,612,701**	**$**	**72,029,403**	**$**	**74,149,841**	**$**	**75,447,692**
Public Works	100's	$	37,371,691	$	37,558,549	$	37,746,342	$	37,935,074
	200's		130,000		133,900		137,917		142,055
	300's		9,313,150		9,499,413		9,689,401		9,883,189
	400's		34,326,658		46,500,058		47,900,143		49,356,365
	Total	**$**	**81,141,499**	**$**	**93,691,920**	**$**	**95,473,803**	**$**	**97,316,682**
Engineering	100's	$	3,074,861	$	3,090,235	$	3,105,686	$	3,121,215
	200's		-		-		-		-
	300's		142,450		145,299		148,205		151,169
	400's		74,515		76,750		79,053		81,425
	Total	**$**	**3,291,826**	**$**	**3,312,285**	**$**	**3,332,944**	**$**	**3,353,809**
Parks	100's	$	11,764,222	$	11,823,043	$	11,882,158	$	11,941,569
	200's		14,000		14,420		14,853		15,298
	300's		516,450		526,779		537,315		548,061
	400's		1,702,800		1,753,884		1,806,501		1,860,696
	Total	**$**	**13,997,472**	**$**	**14,118,126**	**$**	**14,240,826**	**$**	**14,365,624**
Housing and Buildings	100's	$	5,082,695	$	5,108,108	$	5,133,649	$	5,159,317
	200's		5,000		5,150		5,305		5,464
	300's		66,600		67,932		69,291		70,676
	400's		501,560		516,607		532,105		548,068
	Total	**$**	**5,655,855**	**$**	**5,697,797**	**$**	**5,740,349**	**$**	**5,783,526**
Constituent Services	100's	$	661,625	$	664,933	$	668,258	$	671,599
	200's		-		-		-		-
	300's		6,300		6,426		6,555		6,686
	400's		504,358		519,489		535,073		551,126
	Total	**$**	**1,172,283**	**$**	**1,190,848**	**$**	**1,209,886**	**$**	**1,229,410**

City of Yonkers
Department Operating Expenditures

Department	Account Class	FY 2022 Adopted	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection
Inspector General	100's	$ 475,431	$ 477,808	$ 480,197	$ 482,598
	200's	-	-	-	-
	300's	2,239	2,284	2,329	2,376
	400's	251,530	259,076	266,848	274,854
	Total	**$ 729,200**	**$ 739,168**	**$ 749,375**	**$ 759,828**
Veterans Services	100's	$ 343,282	$ 344,998	$ 346,723	$ 348,457
	200's	-	-	-	-
	300's	7,600	7,752	7,907	8,065
	400's	122,650	126,330	130,119	134,023
	Total	**$ 473,532**	**$ 479,080**	**$ 484,750**	**$ 490,545**
Human Rights	100's	$ 36,000	$ 36,180	$ 36,361	$ 36,543
	200's	-	-	-	-
	300's	-	-	-	-
	400's	79,000	81,370	83,811	86,325
	Total	**$ 115,000**	**$ 117,550**	**$ 120,172**	**$ 122,868**
Library	100's	$ 7,597,021	$ 7,635,006	$ 7,673,181	$ 7,711,547
	200's	633,000	651,990	671,550	691,696
	300's	224,506	228,996	233,576	238,248
	400's	2,274,711	2,342,952	2,413,241	2,485,638
	Total	**$ 10,729,238**	**$ 10,858,945**	**$ 10,991,548**	**$ 11,127,129**
Museum	100's	$ -	$ -	$ -	$ -
	200's	-	-	-	-
	300's	-	-	-	-
	400's	275,000	275,000	275,000	275,000
	Total	**$ 275,000**	**$ 275,000**	**$ 275,000**	**$ 275,000**
Total	100's	$ 269,213,684	$ 270,330,191	$ 273,381,842	$ 275,813,862
	200's	832,000	856,960	882,669	909,149
	300's	12,642,126	12,894,969	13,152,868	13,415,925
	400's	56,563,118	69,101,933	71,151,347	73,602,676
	Total	**$ 339,250,928**	**$ 353,184,053**	**$ 358,568,726**	**$ 363,741,612**

Yonkers Board of Education
Expenditures by Type

Expenditure		FY2021-22 Adopted	FY2022.23 Projection	FY2023.24 Projection	FY2024-25 Projection
Salary	$	323,237,415	$ 329,463,401	$ 335,324,832	$ 341,331,766
Employee Benefits		165,357,354	172,914,729	178,967,068	185,846,495
Administration - 403b		3,500	3,500	3,500	3,500
Civil Service Retirement		11,803,166	11,530,052	11,328,915	11,667,961
Dental, Life & Vision		43,052	43,864	44,697	45,550
Health Insurance		95,992,882	102,712,384	107,848,003	113,240,403
Social Security		23,905,585	24,366,039	24,799,531	25,243,784
Teachers' Retirement		24,311,218	24,722,986	25,145,030	25,577,606
Unemployment Insurance		350,000	250,000	250,000	250,000
Welfare Fund Contribution		4,247,951	4,397,904	4,463,872	4,530,830
Worker's Compensation		4,700,000	4,888,000	5,083,520	5,286,861
Transportation		43,054,192	44,345,818	45,676,192	47,046,478
Tuitions		28,882,267	30,268,604	31,722,651	33,247,755
Debt Service		30,473,118	29,691,694	31,245,436	31,526,674
Contractual		22,793,626	23,477,435	24,181,758	24,907,211
BOCES		12,343,979	12,839,647	13,355,294	13,891,728
Charter School Tuitions		16,078,600	17,899,233	19,114,118	20,384,987
Utilities		7,867,871	8,261,264	8,674,329	9,108,046
Materials & Supplies		4,052,474	4,163,128	4,362,004	4,479,066
Building Repairs		3,075,897	3,168,174	3,263,219	3,361,116
Transfers		2,079,724	1,795,200	1,795,200	1,795,200
Insurance		1,378,251	1,447,164	1,519,522	1,595,498
Postage		250,000	262,500	275,625	289,406
Travel		81,684	81,684	81,684	81,684
Equipment		294,924	1,714,000	1,714,000	1,714,000
Textbooks		1,700,000	2,110,000	2,110,000	2,110,000
Library Books		206,000	206,000	206,000	206,000
Computer Software		770,000	570,000	570,000	570,000
Grant Expenses					29,700,000
Total Expenditures	**$**	**663,977,376**	**$ 684,679,675**	**$ 704,158,933**	**$ 753,193,109**

City of Yonkers
Combined Property Tax Levy Components

		FY 2022 Adopted		FY 2023 Projection		FY 2024 Projection		FY 2025 Projection
2% Constitutional Limit	**$**	**427,596,398**	**$**	**441,419,358**	**$**	**450,149,785**	**$**	**454,296,434**
Property Tax Levy for CTL:								
Property Tax Levy	$	390,725,376	$	402,611,403	$	410,091,878	$	417,699,038
B.I.D. Levy		1,001,993		1,001,993		1,001,993		1,001,993
Total Property Tax Levy for CTL	**$**	**391,727,369**	**$**	**403,613,396**	**$**	**411,093,871**	**$**	**418,701,031**
Less Exclusions:								
Debt Service Exclusion	$	75,366,350	$	83,526,843	$	88,934,107	$	91,307,423
City Operating Capital		130,000		136,500		143,325		150,491
Tax Certiorari Payments		500,000		10,000,000		10,000,000		4,000,000
Judgment & Claims		1,000,000		1,000,000		1,000,000		1,000,000
Total Exclusions	**$**	**76,996,350**	**$**	**94,663,343**	**$**	**100,077,432**	**$**	**96,457,914**
Property Tax Levy Subject to 2% Limit	**$**	**314,731,019**	**$**	**308,950,053**	**$**	**311,016,439**	**$**	**322,243,117**
Constit. Tax Margin	**$**	**112,865,379**	**$**	**132,469,305**	**$**	**139,133,346**	**$**	**132,053,317**
% of CTL Exhausted		**73.60%**		**69.99%**		**69.09%**		**70.93%**

City of Yonkers
2% Constitutional Tax Limit Calculation

Fiscal Year	Property	Franchise	City Taxable A.V.	Vet Exempt.	School Taxable A.V.	Special Ratio %	Full Value
FY 2018	$ 442,589,486	$ 29,189,585	$ 471,779,071	$ 500,697	$ 472,279,768	2.44%	$ 19,355,728,197
FY 2019	$ 442,751,554	$ 27,010,908	$ 469,762,462	$ 575,579	$ 470,338,041	2.28%	$ 20,628,861,447
FY 2020	$ 438,773,399	$ 24,469,377	$ 463,242,776	$ 560,586	$ 463,803,362	2.13%	$ 21,774,805,728
FY 2021	$ 435,554,674	$ 23,929,452	$ 459,484,126	$ 477,538	$ 459,961,664	2.06%	$ 22,328,236,117
FY 2022	$ 434,193,797	$ 23,830,648	$ 458,024,265	$ 486,244	$ 458,510,509	2.01%	$ 22,811,468,109
FY 2023	$ 431,671,257	$ 23,830,648	$ 455,501,905	$ 486,244	$ 455,988,149	2.00%	$ 22,811,468,109
FY 2024	$ 429,117,723	$ 23,830,648	$ 452,948,371	$ 486,244	$ 453,434,615	1.99%	$ 22,811,468,109
FY 2025	$ 426,578,490	$ 23,830,648	$ 450,409,138	$ 486,244	$ 450,895,382	1.98%	$ 22,811,468,109
						FY 2022 2% of Five Year Rolling Average	$ 427,596,398
						FY 2023 2% of Five Year Rolling Average	$ 441,419,358
						FY 2024 2% of Five Year Rolling Average	$ 450,149,785
						FY 2025 2% of Five Year Rolling Average	$ 454,296,434

A.V. = Assessed Value

APPENDIX H

FORWARD DELIVERY CONTRACT

January 26, 2022

FHN Financial Capital Markets,
as the Underwriter
444 Madison Avenue, 9th Floor
New York, NY 10022

Re: City of Yonkers, New York
General Obligation Refunding Serial Bonds -2022 A (Forward Delivery)
(“Series A Bonds”)
General Obligation Refunding Serial Bonds -2022 B (Forward Delivery)
(Series B Bonds”) (together “the Bonds”)

Ladies and Gentlemen:

The undersigned (the “Purchaser”) hereby agrees to purchase from FHN Financial Capital Markets, a division of First Horizon Bank (the “Underwriter”), as representative of the underwriters, the portion of the Bonds listed below (the “Purchased Bonds"), when, as and if issued and delivered to the Underwriter by the City of Yonkers, New York (the “Issuer”).

Series A Bonds

Par Amount	Maturity Date	Interest Rate	CUSIP Number	Yield	Price

Series B Bonds

Par Amount	Maturity Date	Interest Rate	CUSIP Number	Yield	Price

The Bonds are being offered by the Issuer pursuant to the Preliminary Official Statement, dated January 14, 2022 (the “Preliminary Official Statement"), and the Official Statement, dated January 26, 2022 (the "Official Statement") at purchase prices, interest rates and maturity dates, and in the principal amounts as shown on the inside cover of the Official Statement and on the further terms and conditions set forth in the Bond Purchase Agreement (the “Purchase Agreement") between the Issuer and the Underwriter. The Purchased Bonds are subject to the further terms and conditions set forth in this Forward Delivery Contract.

The Purchaser hereby confirms that it has reviewed the Preliminary Official Statement (including, without limitation, the section entitled "CERTAIN FORWARD DELIVERY CONSIDERATIONS OF THE BONDS”), and will review the Official Statement when delivered by the Underwriter, has considered the risks associated with purchasing the Purchased Bonds and is duly authorized to purchase the Purchased Bonds. The Purchaser acknowledges and agrees that the Purchased Bonds are being sold on a "delayed delivery " basis, and the Purchaser hereby purchases and agrees to accept delivery of the Purchased Bonds from the Underwriter on or about June 8, 2022 and/or July 21, 2022 (the “Closing Date”) as the Bonds may be issued and delivered in accordance with the Purchase Agreement.

Payment for the Purchased Bonds, which the Purchaser has agreed to purchase on the Closing Date, shall be made to the Underwriter or upon its order by wire transfer to a bank account specified by the Underwriter on the Closing Date upon delivery to the Purchaser of the Bonds through the book-entry system of The Depository Trust Company.

Upon issuance by the Issuer of the Bonds and purchase thereof by the Underwriter, the obligation of the Purchaser to take delivery of the Purchased Bonds hereunder shall be unconditional except to the extent that between the date of this Forward Delivery Contract and the Closing Date any of the following shall have occurred: (a) there has been a Change in Law (as defined below); (b) legislation is enacted, or a decision by a court of the United States is rendered, or any action is taken by, or on behalf of, the Securities and Exchange Commission which has the effect of requiring the Bonds to be registered under, or the sale thereof to be in violation of, the Securities Act of 1933, as amended or, in each case, any law analogous thereto relating to governmental bodies; (c) as a result of any legislation, regulation, ruling, order, release, court decision or judgment or action by the U.S. Department of Treasury, the Internal Revenue Service, or any agency of the State of New York either enacted, issued, effectuated, adopted or proposed, or for any other reason Bond Counsel cannot issue an opinion to the effect that (i) the interest on the Bonds is not subject to federal income tax under Section 103 of the Code (or comparable provisions of any successor federal tax laws) and (ii) the interest on the Bonds is exempt from the personal income taxation of the State of New York and its political subdivisions; (d) the Preliminary Official Statement and Official Statement, as supplemented or amended, if applicable contained any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein not misleading; (e) the declaration of a general banking moratorium by federal, New York authorities, or the general suspension of trading on any national securities exchange; (f) the evidence of an underlying investment grade rating from Moody's and S & P on the Bonds to be delivered by the Closing Date is not delivered; (g) the United States of America shall have become engaged in hostilities which shall have resulted in a declaration of war or a national emergency, or other national or international calamity or other event shall have occurred or accelerated to such an extent as to have a materially adverse effect on the marketability of the Bonds; or (h) there shall have occurred a suspension of trading on the New York Stock Exchange continuing for more than one full daily session.

A "Change in Law" means (i) any change in or addition to applicable federal or state law, whether statutory or as interjected by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Closing Date), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Closing Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would (A) prohibit the Underwriter from completing the underwriting of the Bonds or selling the Bonds or beneficial ownership interests therein to the public, or (B) make the completion of the issuance, sale or delivery of any of the Bonds illegal.

If the Change of Law involves the enactment of legislation which only diminishes the value of, as opposed to eliminating the exclusion from gross income for federal income tax purposes of interest payable on "state or local bonds," the Issuer may, nonetheless, be able to satisfy the requirements for the delivery of the Bonds. In such event, the Underwriter would be obligated to purchase the Bonds from the Issuer and the Purchaser would be required to accept delivery of the Purchased Bonds from the Underwriter.

The Purchaser acknowledges and agrees that the Bonds are being sold on a "forward" or "delayed delivery" basis for delivery on the Closing Date and that, except as described above, the Purchaser is obligated to take up and pay for the Purchased Bonds on the Closing Date unless the Underwriter terminates the Bond Purchase Agreement between the Issuer and Underwriter with respect to any of the Bonds for any of the reasons described in the Preliminary Official Statement in the section titled "CERTAIN FORWARD DELIVERY CONDITIONS OF THE BONDS". The Purchaser acknowledges that it will not be able to withdraw its order except as permitted for the reasons set forth above, and will not otherwise be excused from performance of its obligations to take up and pay for the Purchased Bonds on the Closing Date because of market or credit changes, including specifically, but not limited to (a) changes in the ratings assigned to the Bonds between the date hereof and the Closing Date except as set forth in clause (f) above or changes in the credit associated with the Bonds generally, and (b) changes in the financial condition, operations, performance, properties or prospects of the Issuer from the date hereof to the Closing Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Purchased Bonds in accordance with the terms hereof, even if the Purchaser decides to sell Purchased Bonds following the date hereof, unless the Purchaser sells Purchased Bonds to another institution with the prior written consent of the Underwriter and such institution provides a written acknowledgement of confirmation of purchase order and a delayed delivery contract in the same respective forms as that executed by the Purchaser.

The Purchaser represents and warrants that, as of the date of this Forward Delivery Contract, the Purchaser is not prohibited from purchasing the Purchased Bonds hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject. Each of the undersigned parties represents and warrants that it has the power and authority to enter into this Forward Delivery Contract and to perform its obligations hereunder.

This Forward Delivery Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party without the written consent of the other.

The Purchaser acknowledges that the Underwriter is entering into the Purchase Agreement with the Issuer to purchase the Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

This Forward Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

It is understood that the acceptance by the Underwriter of any Forward Delivery Contract (including this one) is in the Underwriter's sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Forward Delivery Contract is acceptable to the Underwriter it is requested that the Underwriter sign the form of acceptance below and mail, email or otherwise deliver one of the counterparts hereto to the Purchaser at its address set forth below. This will become a binding contract between the Underwriter and the Purchaser when such counterpart is so mailed, e-mailed or otherwise delivered by the Underwriter. This Forward Delivery Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

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This Forward Delivery Contract shall be construed and administered under the laws of the State of New York.

[PURCHASER]

By: ______________________________________
Name:
Title:

Notice Address:

Attention:
Telephone:
Facsimile
E-mail:

Accepted:

FHN Financial Capital Markets,
a division of First Horizon Bank

By: ________________________________
Name:
Title:

APPENDIX I

INFORMATION CONCERNING THE BOND INSURER AND SPECIMEN POLICY BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Insured Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Insured Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Insured Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Insured Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2021 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $504.3 million, $181.5 million and $322.8 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre- sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Insured Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise.

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $_________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)