**NEW ISSUES SERIAL BONDS** **Ratings: See "Ratings" herein**

*In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law and (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, however, interest on the Bonds is included in the calculation of a corporations adjusted current earnings for purposes of, and thus may be subject to, the corporate alternative minimum tax (applicable only to taxable years beginning before January 1, 2018) and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code and (ii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "Tax Matters" herein.*

# VILLAGE OF ELMSFORD
# WESTCHESTER COUNTY, NEW YORK

## $8,660,000
## PUBLIC IMPROVEMENT SERIAL BONDS, SERIES 2018 A

**(the "Bonds")**

**Date of Issue: August 9, 2018** **Maturity Dates: August 1, 2019 – 2033**

The Bonds are general obligations of the Village of Elmsford, Westchester County, New York (the "Village"), and will contain a pledge of the faith and credit of the Village 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 Village, subject to the applicable provisions of Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law"). **See "Nature of Obligation" and "Tax Levy Limit Law," herein.**

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 ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal of and interest on the Bonds will be paid in Federal Funds by the Village to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. (See "Book-Entry-Only System" herein).

The Bonds will be dated their Date of Delivery, will bear interest from such date payable on August 1, 2019 and semiannually thereafter on each February 1 and August 1 until maturity and will mature on February 1 in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity. (See "Optional Redemption" herein).

The Bonds are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective final approving opinions of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds and Notes will be available for delivery in Jersey City, New Jersey or as otherwise agreed with the purchaser(s) on or about August 9, 2018.

THIS OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE VILLAGE FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE VILLAGE'S AGREEMENT TO PROVIDE NOTICE OF EVENTS AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING FOR THE BONDS" AND "DISCLOSURE UNDERTAKING FOR THE NOTES" HEREIN.

Dated: July 23, 2018

The Bonds mature on August 1 in each year as set forth below.

| Date | Amount | Interest Rate | Yield | CUSIP Number |
|---|---|---|---|---|
| 2019 | $345,000 | | | 289893 |
| 2020 | 485,000 | | | 289893 |
| 2021 | 500,000 | | | 289893 |
| 2022 | 515,000 | | | 289893 |
| 2023 | 530,000 | | | 289893 |
| 2024 | 545,000 | | | 289893 |
| 2025 | 565,000 | | | 289893 |
| 2026 | 580,000 | | | 289893 |
| 2027 | 595,000 | | | 289893 |
| 2028 | 615,000 | | | 289893 |
| 2029 | 635,000 | | | 289893 |
| 2030 | 655,000 | | | 289893 |
| 2031 | 675,000 | | | 289893 |
| 2032 | 700,000 | | | 289893 |
| 2033 | 720,000 | | | 289893 |

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**BOND COUNSEL**

**Squire Patton Boggs (US) LLP**
**New York, New York**

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## FINANCIAL ADVISOR

**CAPITAL MARKETS ADVISORS, LLC**
**Hudson Valley * Long Island * Southern Tier * Western New York**
**(845) 227-8678**

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No dealer, broker, salesman or other person has been authorized by the Village of Bronxville to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the Village of Bronxville. 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 Village of Bronxville 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 Village of Bronxville since the date hereof.

**Table of Contents**

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**OFFICIAL STATEMENT**
**RELATING TO THE ISSUANCE OF**

**VILLAGE OF ELMSFORD**
**WESTCHESTER COUNTY, NEW YORK**

**$8,660,000**
**PUBLIC IMPROVEMENT SERIAL BONDS, SERIES 2018 A**

This Official Statement, which includes the cover page and appendices attached hereto, presents certain information relating to the Village of Elmsford, Westchester County, in the State of New York (the "Village," "County," and "State," respectively). It has been prepared by the Village in connection with the sale and delivery of its $8,660,000 Public Improvement Serial Bonds, Series 2018 A (the "Bonds").

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

All financial and other information presented herein has been provided by the Village from its records, except for information expressly attributed to other sources. The presentation of such information is intended to show recent historic data and is not intended to indicate future or continuing trends in the financial position or other affairs of the Village. No representation is made that past experience will necessarily continue or be repeated in the future.

## THE BONDS

### *Description of the Bonds*

The Bonds will be dated their Date of Delivery, will bear interest from such date payable on August 1, 2019 and semiannually thereafter on each February 1 and August 1 until maturity and will mature on August 1 in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity. (See "Optional Redemption" herein).

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 ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 and integral multiples thereof, except for one necessary odd denomination. Purchasers will not receive certificates representing their ownership interest in the Bonds.

The record date for payment of principal of and interest on the Bonds will be the last business day of the month preceding each interest payment.

### *Authorization and Purpose of the Bonds*

**Authorization.** The Bonds are issued pursuant to the State Constitution and statutes of the State, including among others, the Village Law and the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State, and bond resolutions adopted by the Board of Trustees of the Village on various dates as detailed below.

**Purpose**. The proceeds of the Bonds, and $380,000 of funds on hand, will be used to redeem at maturity $3,364,000 Bond Anticipation Note, Series 2017A maturing August 10, 2018; $1,730,000 Bond Anticipation Notes, Series 2017B maturing on August 31, 2018; $1,001,000 Bond Anticipation Notes, Series 2017C maturing on September 7, 2018 and provide $2,945,000 of new money.

| Date of Authorization | Original Issue Date | Purpose | Amount Outstanding | Principal Paydown | New Money | Amount of the Bonds |
|---|---|---|---|---|---|---|
| 06-18-12 | 08-16-13 | Tax Certiorari | $ 346,000 | $ 15,000 | $ 0 | $331,000 |
| 06-18-12 | 08-16-13 | Streets | 469,000 | 35,000 | | 434,000 |
| 07-19-12 | 08-16-13 | Streets | 157,000 | 12,000 | | 145,000 |
| 06-17-13 | 09-06-13 | Vehicles | 70,000 | 70,000 | | 0 |
| 06-17-13 | 09-06-13 | Vehicles Highway & Fire Dept | 278,500 | 19,000 | | 259,500 |
| 06-17-13 | 09-06-13 | Park Improvements | 25,000 | 2,000 | | 23,000 |
| 06-17-13 | 09-06-13 | Highway Improvements | 168,500 | 11,000 | | 157,500 |
| 08/31/15 | 6/15/2015 | Vehicles | 55,000 | 18,500 | 0 | 36,500 |
| 08/31/15 | 6/15/2015 | Tax Certiorari | 210,000 | 24,200 | 0 | 185,800 |
| 08/31/15 | 6/15/2015 | Village Hall HVAC | 36,500 | 3,500 | 0 | 33,000 |
| 08/31/15 | 6/15/2015 | Computers | 143,500 | 17,000 | 0 | 126,500 |
| 08/31/15 | 6/15/2015 | Streets | 153,000 | 10,000 | 0 | 143,000 |
| 08/31/15 | 6/15/2015 | Water System | 88,000 | 5,800 | 0 | 82,200 |
| 08/31/15 | 6/15/2015 | Fire Truck | 1,044,000 | 56,000 | 0 | 988,000 |
| 09/08/16 | 6/6/2016 | Vehicles | 138,000 | 34,500 | 0 | 103,500 |
| 09/08/16 | 6/6/2016 | Machinery | 25,000 | 6,250 | 0 | 18,750 |
| 09/08/16 | 6/6/2016 | Fire Hydrants | 25,000 | 3,000 | 0 | 22,000 |
| 09/08/16 | 6/6/2016 | Streets | 150,000 | 11,000 | 0 | 139,000 |
| 09/08/16 | 6/6/2016 | Highway- Machinery | 183,000 | 13,950 | 0 | 169,050 |
| 09/08/16 | 6/6/2016 | Water - Main | 480,000 | 12,300 | 0 | 467,700 |
| 08-11-17 | 06-05-17 | Water - Main Improvements | 250,000 | 0 | 0 | 250,000 |
| 08-11-17 | 06-05-17 | PD – Vehicles | 100,000 | 0 | 0 | 100,000 |
| 08-11-17 | 06-05-17 | Machinery | 350,000 | 0 | 0 | 350,000 |
| 08-11-17 | 06-05-17 | Water – Tank Painting | 850,000 | 0 | 0 | 850,000 |
| 08-11-17 | 06-05-17 | Streets | 300,000 | 0 | 0 | 300,000 |
| 06-05-17 | 08-09-18 | Fire Truck | 0 | 0 | 950,000 | 950,000 |
| 02-20-18 | 08-09-18 | Tax Certs 10 | 0 | 0 | 400,000 | 400,000 |
| 02-20-18 | 08-09-18 | Streets 15 | 0 | 0 | 350,000 | 350,000 |
| 05-07-18 | 08-09-18 | Vehicles 3 | 0 | 0 | 90,000 | 90,000 |
| 05-07-18 | 08-09-18 | Various Equipment 5 | 0 | 0 | 245,000 | 245,000 |
| 05-07-18 | 08-09-18 | Cemetery Restoration 5 | 0 | 0 | 30,000 | 30,000 |
| 05-07-18 | 08-09-18 | Highway Salt Shed 25 | 0 | 0 | 90,000 | 90,000 |
| 05-07-18 | 08-09-18 | Streets 15 | 0 | 0 | 300,000 | 300,000 |
| 05-07-18 | 08-09-18 | Highway Vehicles 15 | 0 | 0 | 225,000 | 225,000 |
| 05-07-18 | 08-09-18 | Water – Valves & Mains | 0 | 0 | 265,000 | 265,000 |
| | | | $6,095,000 | $380,000 | $2,945,000 | $8,660,000 |

### *Optional Redemption*

The Bonds maturing on or before August 1, 2026 will not be subject to redemption prior to maturity. The Bonds maturing on or after August 1, 2027 will be subject to redemption prior to maturity, on any date, at the option of the Village, on August 1, 2026 and thereafter, in whole or in part, at par plus accrued interest to the redemption date.

**Call Notification.** If less than all of the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot in any customary manner of selection as determined by the Village. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date (See "Book-Entry-Only System" for additional information concerning redemptions).

### *Book-Entry-Only System*

The Depository Trust Company ("DTC"), Jersey City, New Jersey, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds 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 and will be deposited with DTC.

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

Purchases of the Bonds 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 the 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 the 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.

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

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.

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village, 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 Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village, 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 Village. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company

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

THE VILLAGE CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

# NATURE OF OBLIGATION

Each of the Bonds when duly issued and paid for will constitute a contract between the Village and the holder thereof.

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

The Bonds will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village subject to such taxation by the Village, subject to the applicable provisions of Chapter 97 of the Laws of 2011.

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Village's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "Tax Levy Limitation Law," herein.

## *Tax Levy Limit Law*

On June 24, 2011, Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law" or "TLLL") was enacted. The Tax Levy Limit Law expires on June 16, 2020 unless extended. The Tax Levy Limit Law imposes a tax levy limitation on the Village for any fiscal year each commencing after January 1, 2012 without providing an express exclusion for real property taxes levied for payment of principal of and interest on general obligations issued by the Village under the Local Finance Law. Accordingly, the power of the Village to levy real property taxes on all taxable real property within the Village without limitation as to rate or amount in furtherance of the pledge of its faith and credit as required in the New York Constitution is subject to statutory limitations pursuant to formulae set forth in the Tax Levy Limit Law.

The Tax Levy Limit Law restricts the increase in the amount of the succeeding year's tax levy to no more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. The TLLL also provides for certain adjustments for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. The 2% limit can be increased and overridden annually through a local law enacted by a 60% supermajority vote by the Village Council subject to referenda requirements, if any, set forth in the Municipal Home Rule Law. Express exclusions from the 2% limit of TLLL include (i) funds needed to pay judgments in excess of 5% of the prior year's tax levy, and (ii) retirement systems growth in the average actuarial contribution rate in excess of 2%. The Village is also permitted to carry forward a certain portion of its unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the Office of the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

Nonetheless, the TLLL does not provide an express exclusion from the tax levy limitation for payment of principal and interest on general obligations authorized and issued by the Village under the Local Finance Law. A plain English reading of the TLLL compared with the applicable and corresponding provisions of Article VIII of the New York Constitution (Local Government Finance) could lead to the conclusion that the TLLL is contrary to and violative of certain provisions of Article VIII the New York Constitution. On February 19, 2013, the New York State United Teachers organization ("NYSUT") filed a lawsuit in State Supreme Court in Albany against the State, challenging Chapter 97 of the Laws of 2011 as applied to school districts on multiple federal and state constitutional grounds. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". Press reports indicate that NYSUT is reviewing the decision and is likely to appeal to the Court of Appeals.

Aside from the State United Teachers lawsuit, as of the date hereof, the Village, without diligence, is unaware of any action threatened or pending in a court of competent jurisdiction to challenge the constitutionality or validity of the TLLL, or any administrative proceeding noticed or scheduled by a committee of the Legislature or a State agency to gather evidence and determine whether corrective legislative action is required to ensure that the TLLL is a valid general law. In the opinion of bond counsel, under current law, the limitations imposed by TLLL on real property tax levies do not diminish the prior lien on the first revenues of the Village set forth in the New York State Constitution and established by the aforesaid pledge of the Village's faith and credit requiring the Village to raise the necessary moneys and to exceed normal real estate tax limitations to pay the principal of and interest on the Bonds. Bond counsel expresses no opinion on the validity of Chapter 97 of the Laws of 2011 under the applicable provisions of Article VIII of the New York Constitution.

## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Village may not be enforced by levy and execution against property owned by the Village.

**Authority to File for Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns and villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the 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. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt, including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds should the Village 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 from the Village could be adversely affected by the restructuring of the Village'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 Village (including the Bonds) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Village 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 creditors generally.

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 debt, which may modify or alter the rights of 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.

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

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

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law, as described below, enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Village.

**Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law.** The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in the county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims against the municipality, including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which, upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims, including debt service due or overdue, must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a "material change in circumstances" the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

**Fiscal Stress and State Emergency Financial Control Boards.** Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its "property, affairs and government" by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature, the State is authorized to intervene in the "property, affairs and governments" of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution, which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the "FRB"), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities, and is authorized to offer grants and/or loans of up to $5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene, such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Village has not applied to the FRB and does not reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

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

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

**Default Litigation.** In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "Nature of Obligation" and "State Debt Moratorium Law" herein.

**No Past Due Debt.** No principal of or interest on Village indebtedness is past due. The Village has never defaulted in the payment of the principal of and interest on any indebtedness.

## MARKET FACTORS

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

There can be no assurance that the State appropriation for State aid to the Village will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefor. (See "State Aid" herein).

Should the Village fail to receive monies expected from the State in the amounts and at the times expected, the Village is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

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

Amendments to the U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the Village. Any such future legislation could have an adverse effect on the market value of the Bonds (See "*Tax Matters*" herein).

The enactment of Chapter 97 of the Laws of 2011 on June 24, 2011, which imposes a tax levy limitation upon municipalities, school districts, including the Village, and fire districts in the State could have an impact upon operations of the Village and as a result, the market price for the Bonds. (See "Tax Levy Limit Law," herein).

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

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

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

The most current applicable report of the State Comptroller designates the Village as "Not Filed."

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

The financial affairs of the Village are subject to periodic compliance reviews by OSC to ascertain whether the Village has complied with the requirements of various State and federal statutes. OSC has not reviewed the Village in the last five fiscal years.

## LITIGATION

The Village, in common with other municipalities, receives numerous notices of claims for money damages arising generally from false arrest, malicious prosecution, false imprisonment or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the Village, if adversely settled.

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Village, if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

## TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax, however, interest on the Bonds is included in the calculation of a corporations adjusted current earnings for purposes of, and thus may be subject to, the corporate alternative minimum tax (applicable only to taxable years beginning before January 1, 2018), and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code, and (ii) interest on the Bonds is exempt from personal income taxes imposed by the State and political subdivisions thereof, including The City of New York and the City of Yonkers. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Village contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Village's certifications and representations or the continuing compliance with the Village's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Village may cause loss of such status and result in the interest on the Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Village has covenanted to take the actions required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market value of the Bonds.

Interest on the Bonds is included in the calculation of a corporation's adjusted current earnings for purposes of, and thus may be subject to, the federal corporate alternative minimum tax applicable only to taxable years beginning before January 1, 2018). In addition, interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Village or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Prospective purchasers of the Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

## *Risk of Future Legislative Changes and/or Court Decisions*

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, the recent federal tax legislation that was enacted on December 22, 2017 reduces corporate tax rates, modifies individual tax rates, eliminates many deductions, repeals the corporate alternative minimum tax (for taxable years beginning after December 31, 2017) and eliminates tax-exempt advance refunding bonds, among other things. This legislation may increase, reduce or otherwise change the financial benefits currently provided to certain owners of state and local government bonds. Additionally, investors in the Bonds should be aware that future legislative actions may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds)

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

## *Original Issue Discount and Original Issue Premium*

Certain of the Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the issue price (described above) for that Discount Bond who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, 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 that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement, who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to Discount or Premium Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

## DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

### *Legal Matters*

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel to the Village. Such opinion will be available at the time of delivery of and payment for the Bonds and will be to the effect that the Bonds are valid and legally binding general obligations of the Village, for the payment of which the Village has validly pledged its faith and credit, and all the real property within the Village subject to taxation by the Village, is subject to the levy by the Village of ad valorem taxes, without limitation as to rate or amount, subject to the applicable provisions of Chapter 97 of the Laws of 2011. Chapter 97 of the Laws of 2011 imposes a statutory limit on the power of the Village to increase its annual real property tax levy based on formulae set forth therein, including such taxes to pay principal of and interest on the Bonds. However, in the opinion of Bond Counsel, under current law, the limitations imposed by Chapter 97 of the Laws of 2011 do not diminish the prior lien on the first revenues of the Village set forth in the New York Constitution and established by the aforesaid pledge of the Village's faith and credit requiring the Village to raise the necessary moneys and to exceed normal real estate tax limitations to pay the principal of and interest on the Bonds. Bond Counsel expresses no opinion on the validity of Chapter 97 of the Laws 2011 under the applicable provisions of Article VIII of the New York Constitution.

Said opinion will also contain further statements to the effect that assuming continuing compliance with certain covenants and the accuracy of certain representations of the Village contained in the record of proceedings relating to the authorization and issuance of the Bonds, (a) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, however interest on the Bonds is included in the calculation of a corporation's adjusted current earnings for purposes of, and thus may be subject to the federal corporate alternative minimum tax (applicable only to taxable year beginning before January 1, 2018) and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code, (b) interest on the Bonds is exempt from personal income taxes imposed by the State and political subdivisions thereof, including The City of New York and the City of Yonkers, (c) interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations, and (d) the enforceability of the Bonds is subject to bankruptcy and other laws affecting creditors' rights and the exercise of judicial discretion.

### *Closing Certificates*

Upon delivery of and payment for the Bonds, the purchaser of the Bonds will also receive, without cost, in form satisfactory to Bond Counsel the following, dated as of the date of delivery of and payment for the Bonds: (a) a certificate or certificates evidencing execution, delivery and receipt of payment for the Bonds; (b) a certificate or certificates executed by the officer of the Village who executed the Bonds on behalf of the Village stating that (1) no litigation is then pending or, to the knowledge of such officer, threatened to restrain or enjoin the issuance or delivery of the Bonds, (2) no authority or proceedings for the issuance of the Bonds has or have been repealed, revoked or rescinded, and (3) the statements contained in this Official Statement, on the date hereof and on the date of delivery of and payment for the Bonds, were and are true in all material respects and did not, and do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (c) the unqualified legal opinion as to the validity of the Bonds of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel, as more fully described under "Legal Matters" herein; (d) a Tax Compliance Certificate executed by the Treasurer of the Village; and (e) a continuing disclosure agreement executed by the Treasurer of the Village for purposes of SEC Rule 15c2-12, as described under the caption "Disclosure Undertaking" herein.

## DISCLOSURE UNDERTAKING

This Official Statement is in a form "deemed final" by the Village for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Bonds, the Village will provide an executed copy of its undertaking to provide continuing disclosure certificate (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Village for the benefit of holders of and owners of beneficial interests in the Bonds. In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Village has agreed to provide, or cause to be provided,

(1) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement anticipated to be dated July 31, 2018 of the Village relating to the Bonds under the headings "Litigation" and in Appendix A under the headings "The Village", "Financial Factors", "Real Property Taxes", "Village Indebtedness" and "Economic and Demographic Data" and Appendix B by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ended May 31, 2018, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ended May 31, 2018; such audit (prepared in accordance with the accounting principles the Village may be required to employ pursuant to State law or regulation), if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Village of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Village of whether such provision is compliant with the requirements of 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;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Village; (xiii) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, 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; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

With respect to event (iv) the Village does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

With respect to event (xii) 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 Village 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 Village, 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 Village.

The Village may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Bonds; but the Village does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above; and

(3) in a timely manner, notice of a failure to provide the annual financial information and operating data and such audited financial statement by the date specified.

The Village's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12") which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Village, and no person or entity, including a Holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Village to comply with the Undertaking will not constitute a default with respect to the Bonds.

The Village reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that any such amendment or modification will be done in consultation with nationally recognized bond counsel in a manner consistent with Rule 15c2-12, as amended.

## *Compliance History*

The Village filed its audit late in 2013. The 2013 annual financial information and operating data ("AFOID") was not filed. As an issuer of less than $10 million outstanding it was assumed the requirement was to provide information upon request, however, there was a requirement to provide full disclosure for both the $3,147,000 Public Improvement Serial Bonds, Series 2006 A and $3,394, Public Improvement Serial Bonds, Series 2008 A which was discovered in 2014. The 2014 audit and AFOID were filed late. The 2015 and 2016 audit and AFOID were filed on time. The 2017 audit and AFOID were filed late due to the audit being supplied late.

The Village has reviewed its continuing disclosure practices to ensure that all future material event notices and annual filings will be filed in a timely manner. The dissemination agent now provides reminders prior to required filing dates and follows up with the Village if information is not provided by the required filing date. Material event notices have been filed as required.

## MUNICIPAL ADVISOR

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

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Village to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the Village. 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.

## RATING

The Village has applied to Moody's Investors Service (Moody's) for a rating of the Bonds. Such application is pending at this time.

The Village's underlying rating by Moody's is currently "A1."

Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from Moody's at the following address: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007. There is no assurance that such rating will continue for any specified period of time or that such rating will not be lowered or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse affect on the market price of the Bond or the availability of a secondary market for the Bond.

## ADDITIONAL INFORMATION

Additional information may be obtained from Barbara Eannazzo, Village Treasurer, 15 South Stone Avenue Elmsford, NY 10523-3612, (914) 592-6555, e-mail: beannazzo@elmsfordny.org, or from the Village's Municipal Advisor, Capital Markets Advisors, LLC, 1075 Route 82, Suite 4, Hopewell Junction, New York 12533, (845) 227-8678.

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

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

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

Squire Patton Boggs (US) LLP expresses no opinion on the accuracy or completeness of any documents prepared by or on behalf of the Village for use in connection with the offer and sale of the Bond, including this Official Statement.

VILLAGE OF ELMSFORD,
WESTCHESTER COUNTY, NEW YORK

By: ____________________________________
Barbara Eannazzo
Treasurer and Chief Financial Officer

Dated: July 23, 2018

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# APPENDIX A

## THE VILLAGE

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# THE VILLAGE

There follows in this Official Statement a brief description of the Village together with certain information concerning its governmental organization, revenues and expenditures, indebtedness and economy.

## General Information

The Village was incorporated as a municipal government by the State in 1910. The Village is vested with such powers and has the responsibilities inherent in the operation of municipal government including the adoption of rules and regulations to govern its affairs; the ability to tax real property situated in its boundaries and incur debt subject to the provisions of the State's Local Finance Law. There is one independent public school district (Elmsford U.F.S.D.) situated in the Village that possesses the same powers as the Village with respect to taxation and debt issuance. Village residents also pay real property taxes to the Town of Greenburgh and the County to support programs conducted by these governmental entities.

Government operations of the Village are subject to the provisions of the State Constitution and various statutes affecting village governments including the Village Law, the General Municipal Law and the Local Finance Law. Real property assessment, collection, and enforcement procedures are determined by the Real Property Tax Law and the County Tax Code. Real property taxes are levied and become a lien on June 1. The Village is responsible for the enforcement of unpaid taxes.

## Form of Government

The Board of Trustees of the Village (the "Board") is the legislative, appropriating, governing and policy determining body of the Village and consists of four trustees elected at large each to serve a two-year term, plus the Mayor. Trustees may be elected to an unlimited number of terms. It is the responsibility of the Board to enact, by resolution, all legislation including Village ordinances and local laws. Annual operating budgets for the Village must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Board. The original issuance of all Village indebtedness is subject to approval by the Board.

The Mayor is the chief elected official of the Village and is elected for a two-year term of office with the right to succeed himself. In addition, the Mayor is a full member of and the presiding officer of the Board.

The Village Board also appoints a Village Administrator who is the chief executive officer of the Village and a Village Treasurer who is responsible for managing daily operations of the Village.

The Village Clerk is appointed by the Mayor, subject to confirmation by the Board to serve a two-year term.

The responsibilities of the Clerk are many and varied. The Clerk has custody of the corporate seal, books, records, and papers of the Village, and all the official reports and communications of the Board, and is clerk to the Board and each board of village officers and keeps the records of their proceedings. The Village Clerk is also responsible for maintaining the Village code of laws and ordinances as it relates to the codes for building, plumbing, electric, zoning, vehicle and traffic regulations, as well as general Village ordinances.

The Village Treasurer is the chief fiscal officer of the Village. Duties include: maintaining the Village's accounting systems and records, which includes the responsibility to prepare and file an annual financial report with the State Comptroller, custody and investment of Village funds, and debt management.

## Services and Programs

The Village provides its residents with many of the services traditionally provided by village governments. In addition, the Town and County furnish certain other services. A list of these services provided by the Village are as follows: police protection and law enforcement; refuse collection; highway and public facilities maintenance; a local justice court that is responsible for enforcing provisions of the State's Vehicle and Traffic Law and local ordinances as well as having jurisdiction over certain civil and criminal matters; cultural and recreational activities including library services; building code enforcement; and planning and zoning administration. In addition, the Village operates and maintains a water treatment facility and provides water to Village residents. Fire protection and ambulance service are furnished by a volunteer fire department. Vehicles and equipment for fire and emergency services are owned by the Village but maintained by fire companies.

Pursuant to State law, the County is responsible for funding and providing various social service and health care programs such as Medicaid, aid to families with dependent children, home relief and mental health programs. The County is also responsible for certain sewer services for which special purpose districts have been established. In addition, the County operates a two-year community college which offers associate degrees in various fields of study.

### *Employees*

The Village provides services through approximately 50 full-time and 14 part-time employees. The following table shows employee representation by collective bargaining agent and the date of expiration of their respective collective bargaining agreements.

| Employees Represented | Bargaining Agent | Contract Expiration Date |
|---|---|---|
| 21 | Elmsford Police Benevolent Association | 05-31-18 |
| 14 | CSEA Local 1000 AFSCHE | 05-31-21 |

## FINANCIAL FACTORS

### *Budget Process*

The head of each administrative unit of the Village is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the Budget Officer (the Village Administrator) on or before March 1st of each year. After reviewing these estimates, the Budget Officer prepares a tentative budget which includes his recommendations. The tentative budget is filed with the Village Clerk not later than March 20th. Subsequently, the Village Clerk presents the tentative budget to the Board at a regular or special meeting. Review and preliminary alteration of the tentative budget by the Board must be completed by March 31st. Following this review process, the tentative budget and modifications, if any, as approved by the Board, become the preliminary budget. A public hearing on the preliminary budget, notice of which must be given at least five (5) days prior to the hearing, must be held not later than April 15th. After the public hearing, the Board may further change and revise the preliminary budget. The Board must adopt the preliminary budget as submitted or amended by May 1st, at which time the preliminary budget becomes the annual budget of the Village for the ensuing fiscal year. Budgetary control is the responsibility of the Village Treasurer.

### *Investment Policy*

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

**Authorized Investments**

The Village has designated six banks or trust companies which are located and authorized to conduct business in the State to receive deposits of money, including certificates of deposits, from the Village. In addition to bank deposits, the Village is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest is further guaranteed by the United States of America, obligations of the State, obligations issued pursuant to Local Finance Law 24.00 or 25.00 by any municipality, school district or district corporation other than the Village (with State Comptroller approval), obligations of public authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose enabling legislation authorizes such investments, certificates of participation issued pursuant to General Municipal Law 109(b) and obligations of the Village, but only with any moneys in a reserve fund. The Village may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the Village, must be purchased through, delivered to and held in the custody of a third-party bank or trust company located and authorized to conduct business in the State.

**Collateral Requirements**

All Village deposits in excess of the applicable insurance coverage provided by the Federal Deposit Insurance Act must be secured by a pledge of collateral of "eligible securities" authorized by Section 10(1)(f) of the General Municipal Law of the State. The Village's collateral agreements limit the type of eligible securities acceptable to the Village as follows: obligations of the United States of America, guaranteed agencies thereof, certain corporations sponsored by the United States government, obligations issued or fully insured or guaranteed by the State, and the obligations of political subdivisions of the State and certain public benefit corporations.

Eligible securities must be held by the depository or third party bank or trust company subject to security and custodial agreements. The Village's security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest and the cost or expense for collecting such deposits in the event of a default. Securities not registered or inscribed in the name of the Village must be delivered, in a form suitable for transfer or with an assignment in blank, to the Village or its designated custodial bank. The custodial agreements used by the Village provide that pledged securities must be kept separate and apart from the general assets of the custodian. Such securities may not be pledged as security for any other deposit or liability.

## *Independent Audit*

The financial statements of the Village are audited each year by a firm of independent certified public accountants. The financial information which appears in Appendix B has been produced from audited annual financial statements for the years ended May 31, 2013 through May 31, 2017, however, such presentation has not been audited.

## *Revenues*

The Village derives most of its revenues from a tax on real property (See "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein.) Property taxes accounted for 72.8% of total general fund revenues for the fiscal year ending May 31, 2017.

The following table sets forth total fund revenues and real property taxes received for each of the past five audited fiscal years and the amounts budgeted for the two most recent fiscal years.

**General Fund Revenues & Real Property Taxes**

| Fiscal Year Ended May 31: | Total Revenues[1] | Real Property Taxes | Real Property Taxes To Revenues(%) |
|---|---|---|---|
| 2013 | $ 9,701,152 | $7,123,373 | 73.4% |
| 2014 | 10,214,890 | 7,504,164 | 73.5 |
| 2015 | 10,633,897 | 7,783,123 | 73.2 |
| 2016 | 11,220,356 | 8,051,343 | 71.8 |
| 2017 | 11,532,483 | 8,397,209 | 72.8 |
| 2018 (Budget) | 12,116,762 | 8,987,512 | 74.2 |
| 2019 (Budget) | 12,651,016 | 9,451,166 | 74.7 |

(1) General Fund, exclusive of other financing sources.
Source: Audited Financial Statements and Adopted Budgets of the Village. Summary itself not audited.

## *State Aid*

The Village receives financial assistance from the State. In its budget for the current fiscal year, approximately 2.0% of the revenues of the Village are estimated to be received in the form of State aid (primarily the mortgage tax). If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in this year or future years, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse affect upon the Village, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also “Risk Factors,” herein.)

The following table sets forth total fund revenues and State aid revenues received for each of the past five audited fiscal years and the amounts budgeted for the two most recent fiscal years.

**General Fund Revenues & State Aid Revenues**

| Fiscal Year Ended May 31: | Total Revenues [1] | State Aid | State Aid To Revenues (%) |
|---|---|---|---|
| 2013 | $9,701,152 | $120,327 | 1.2% |
| 2014 | 10,214,890 | 269,942 | 2.6 |
| 2015 | 10,633,897 | 234,760 | 2.2 |
| 2016 | 11,220,356 | 230,551 | 2.1 |
| 2017 | 11,532,483 | 295,230 | 2.6 |
| 2018 (Budget) | 12,116,762 | 243,500 | 2.0 |
| 2019 (Budget) | 12,651,016 | 248,500 | 2.0 |

(1) General Fund, exclusive of other financing sources.
Source: Audited Financial Statements and Adopted Budgets of the Village. Summary itself not audited.

**Sales Tax.** The Village receives a share of the County sales tax. The County presently imposes a 1 ½% County-wide sales and use tax on all retail sales. Additionally, the State, effective May 1, 2005, imposes a 4% State sales tax and a 3/8% sales tax levied in the Metropolitan Transportation Authority District. The cities in the County have the power under State law to impose by local law and State legislative enactment their own sales and use taxes. At present, such taxes are imposed at a rate of 2½% in the Cities of White Plains, Mount Vernon, New Rochelle, and Yonkers. The Cities of Rye and Peekskill do not impose such a sales tax.

In July 1991, the State Legislature authorized an additional 1% sales tax for the County to impose in localities other than cities which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991 and has been extended through May 31, 2018. The additional 1% sales tax is to be apportioned between the County (33 1/3%), school districts in the County (16 2/3%) and towns, villages and cities in the County which have imposed sales taxes (50%).

In February of 2004, the State Legislature authorized an increase of ½% to the additional 1% 1991 sales tax. The County retains 70% of this amount, the municipalities 20% and the school districts 10%. This increase became effective March 1, 2004 and expired on May 31, 2018.

The following table sets forth total general fund revenues and sales tax revenues received for each of the last five audited fiscal years, and the amounts budgeted for the two most recent fiscal years.

**General Fund Revenues & Sales Tax**

| Fiscal Year Ended May 31: | Total Revenues(1) | Non-Property Tax Distribution From County | Non-Property Tax Distribution From County To Revenues |
|---|---|---|---|
| 2013 | $ 9,701,152 | $634,976 | 6.5% |
| 2014 | 10,214,890 | 669,131 | 6.6 |
| 2015 | 10,633,897 | 667,294 | 6.6 |
| 2016 | 11,220,356 | 679,216 | 6.1 |
| 2017 | 11,532,483 | 630,931 | 5.5 |
| 2018 (Budget) | 12,116,762 | 660,000 | 5.5 |
| 2019 (Budget) | 12,651,016 | 650,000 | 5.1 |

(1) General Fund, exclusive of other financing sources.
Source: Audited Financial Statements and Adopted Budgets of the Village. Summary itself not audited.

## *Retirement Systems*

### General Information

The Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"). These are cost sharing multiple public employer retirement systems. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). The systems (ERS and PFRS) offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service.

The NYSRSSL provides that all participating employers in each system are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. All paid full-time employees are mandatory members of either ERS or PFRS. Membership is optional for part-time employees. The systems (ERS and PFRS) are noncontributory except for employees who join the ERS on or after July 27, 1976 and have less than 10 years credited service who must contribute 3% of their salary. Employee contributions are deducted by employers from employees' paychecks and are sent currently to the ERS.

*Employee Benefits*

Substantially all employees of the Village are members of the New York State and Local Employees Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"), (ERS and PFRS are referred to collectively hereinafter as the "Retirement System" where appropriate). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for members hired on or after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. Members hired after January 1, 2010 must contribute three or more percent of their gross annual salary toward the costs of retirement programs for the duration of their employment.

Additionally, on March 16, 2012, the Governor signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides, among other things, 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 pension contributions throughout employment.

Police officers and firefighters who are members of PFRS are divided into six 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 that were hired between July 1, 2009 and 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 also originally had a 3% contribution requirement for members for FY 12-13; 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%.

Beginning July 1, 2013, a voluntary defined contribution plan option was made available to all unrepresented employees of New York State public employers hired on or after that date, and who earn $75,000 or more on an annual basis.

The New York State Retirement System allows municipalities to make employer contribution payments in December of each year, at a discount, or the following February, as required. The Village generally opts to make its pension payments in December in order to take advantage of the discount and this payment was made in December 2017 for the current year ending May 31, 2018.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contributions for the State's Retirement System continue to be higher than the minimum contribution rate established by Chapter 49. Legislation was enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts that amortize their pension obligations pursuant to the regulation to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Village does not currently amortize any pension payments.

In Spring 2013, the State and ERS approved a Stable Contribution Option ("SCO"), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage spikes in Actuarially Required Contribution rates ("ARCs"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount. The Village pays its ERS and PFRS contributions on a pay as you go basis and does not expect to participate in the SCO in the foreseeable future.

For State Fiscal Year 2016-17, the average contribution rates will decrease for the third year in a row. ERS will decrease by 2.7% of payroll, from 18.2% to 15.5% and the average contribution rate for PFRS will decrease by .3% of payroll from 24.7% to 24.3%. Projections of required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among the six retirement tiers. The employer contribution rates announced will apply to each employer's salary base during the period of April 1, 2016 through March 31, 2017.

**ERS and PFRS Contributions.** The current retirement expenditures presented in the Village's financial statements for each of the last five years and the amount budgeted for the most recent fiscal year are shown in the following table:

| Fiscal Year | ERS | PFRS |
|---|---|---|
| 2013 | $455,360 | $691,429 |
| 2014 | 408,288 | 740,197 |
| 2015 | 433,142 | 733,262 |
| 2016 | 422,425 | 684,348 |
| 2017 | 368,241 | 645,083 |
| 2018 (Budget) | 480,000 | 681,000 |
| 2019 (Budget) | 500,000 | 750,000 |

Source: Audited Financial Statements and Adopted Budgets of the Village. Summary itself not audited.

## REAL PROPERTY TAXES

The Village derives its power to levy an ad valorem real property tax from the State Constitution. The Village is responsible for levying taxes for Village operating purposes and for debt service.

### *Assessed and Full Valuations*

**TAXABLE ASSESSED AND FULL VALUATIONS**
**FISCAL YEAR ENDING MAY 31:**

| Tax Roll | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| Fiscal Year | 2014 | 2015 | 2016 | 2017 | 2018 (1) |
| Taxable Assessed Valuation | $ 29,841,503 | $ 29,531,362 | $ 29,406,968 | $30,035,986 | $885,609,912 |
| State Equalization Rate (2) | 3.42% | 3.57% | 3.41% | 3.57% | 100.00% |
| Full Valuation | $872,558,567 | $ 827,209,020 | $862,374,428 | $938,624,563 | $885,609,912 |

(1) The Town of Greenburgh completed a re-evaluation of all property within the Town, of which included the Village of Elmsford.
(2) The ORPTS

### *Tax Collection Procedure*

The collection and enforcement of real property taxes is governed by the Real Property Tax Law of the State as well as by the County Tax Code.

The Village is responsible for levying and collecting its own real property taxes. Taxes may be paid without penalty at any time during the month of June. Late payments are assessed a 5% penalty for the first month or fraction thereof and 1% each month thereafter up to a maximum of 12%. The Village enforces delinquent Village real property taxes.

Town, County and School District taxes levied against real property in the Village are collected by the Town. The Town must remit the full amount of levy directly to the School District and the County.

### *Tax Levies and Collection Record*

The following table sets forth the Village's gross tax levies and the current tax collection record.

| Fiscal Years Ended May 31: | Taxes Levied For Year | Current Taxes Collected | % Current Taxes Collected |
|---|---|---|---|
| 2014 | $7,494,166 | $7,445,300 | 96.56% |
| 2015 | 7,857,679 | 7,827,059 | 99.61 |
| 2016 | 8,034,495 | 7,973,433 | 99.24 |
| 2017 | 8,611,350 | Not Available | Not Available |
| 2018 | 8,987,512 | Not Available | Not Available |
| 2019 | 9,451,166 | Not Available | Not Available |

### *Tax Rates*

**VILLAGE TAX RATES PER $1,000 OF ASSESSED VALUATION**

| Fiscal Year Ending May 31: | Village Tax Rate |
|---|---|
| 2014 | 251.130 |
| 2015 | 266.080 |
| 2016 | 273.220 |
| 2017 | 286.700 |
| 2018 (1) | 10.150 |
| 2019 | 10.385 |

(1) Reflects reassessment to full value.

### *Property Tax Limit*

In accordance with Article 8, Section 10 of the State Constitution, the amount of real property taxes that may be raised by the Village in any fiscal year is limited to two per centum (2%) of the five-year average full valuation of the taxable real estate of the Village plus: (1) the amounts required for principal and interest on all capital indebtedness, and (2) current appropriations for certain capital purposes. The following table shows the Constitutional tax margin of the Village for the current fiscal year ending May 31, 2016.

**CONSTITUTIONAL TAX MARGIN**
**FOR FISCAL YEAR 2018**

| | |
|---|---|
| Average Full Valuation of Taxable Real Property (FY 2014-18) | $877,275,298 |
| Constitutional Tax Limit (2% of Average Full Valuation) | 17,545,506 |
| Tax Levy | 8,987,512 |
| Exclusions From Tax Limit: | |
| Debt Service | 1,159,820 |
| Capital Outlay | 0 |
| Tax Levy Subject to Tax Limit | 7,827,692 |
| Tax Margin | $9,717,814 |
| Margin/Limit | 55.39% |

Source: Statement of Constitutional Tax Limit for the year ending May 31, 2018.

## *Largest Taxpayers*

**FISCAL YEAR 2017-18**

| Name | Property Use | Assessed Valuation | % of Total Assessed Valuation (1) |
|---|---|---|---|
| 1. Consolidated Edison | Utility | $108,068,500 | 12.20% |
| 2. Ridgeview | Apartments | 13,878,800 | 1.57 |
| 3. Kimco Realty | Retail | 36,667,700 | 4.14 |
| 4. Hampton Inn | Hotel | 16,444,000 | 1.86 |
| 5. Extended Stay | Hotel | 14,535,300 | 1.64 |
| 6. 290 E Main Development | Apartments | 9,535,600 | 1.08 |
| 7. Tarry-Elm Associates | Office | 8,213,100 | 0.93 |
| 8. Crossroads Mgmt. | Shopping Plaza | 6,404400 | 0.72 |
| 9. Tomahawk, Inc. | Office | 2,949,700 | 0.33 |
| 10. Frederic Fine | Motels | 3,492,180 | 0.39 |
| Total | | $220,189,280 | 24.86% |

(1) 2017-18 total assessed value is $885,609,912.
Source: Village Assessor

## VILLAGE INDEBTEDNESS

### *Constitutional Requirements*

Property in the Village is subject to assessment and taxation on account of a proportionate share of debt of the County, the Town and the School District, See – "Estimated Overlapping Indebtedness" below.

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

**Purpose and Pledge**

The Village shall not give or loan any money or property to or in aid of any individual, private corporation, or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

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

**Payment and Maturity**

Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of 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 purposes for which it is contracted. No installment may be more than fifty per centum in excess of the smallest prior installment unless the Village determines to issue debt amortizing on the basis of substantially level or declining debt service. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

**Debt Limit**

Pursuant to the Local Finance Law, the Village has the power to contract indebtedness for any Village purpose authorized by the Legislature of the State provided the aggregate principal amount thereof shall not exceed seven percentum of the average five-year full valuation of the taxable real estate located in the Village and subject to certain enumerated exclusions and deductions such as debt contracted to provide water, self-liquidating facilities, and certain sewer facilities and cash or appropriations to pay the principal amount of outstanding debt. The constitutional method for determining full valuation consists of dividing the total assessed valuation of taxable real estate for a particular assessment roll by the final equalization ratio established for such assessment roll by the State Office of Real Property Services (the "ORPS"). The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuations of the last five completed assessment rolls and dividing such sum by five.

**General**

The Village is further subject to constitutional limitations by the constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "Sources of Payment" herein, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

## *Statutory Procedure*

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

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of the issuance of such bonds, by the adoption of a bond resolution approved by at least two-thirds of the members of the Board. Certain bond resolutions are subject to permissive referendum, or may be submitted to the Village voters at the discretion of the Board.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

1) Such obligations are authorized for a purpose for which the Village is not authorized to expend money, or

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

and an action contesting such validity is commenced within twenty days after the date of such publication, or

3) Such obligations are authorized in violation of the provisions of the State Constitution.

Bond Counsel recommends and the Village complies with this estoppel procedure.

Each bond resolution authorizes the construction, acquisition, or installation of the object or purpose, or class of object or purpose, to be financed; sets forth the plan of financing; and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law, and case law) restrictions relating to the period of probable usefulness with respect thereto. Statutory law in New York permits bond anticipation notes to be issued in anticipation of the issuance of serial bonds and to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first issuance of such notes and provided that such renewals do not extend the life of the notes more than five years beyond the original date of borrowing. (See "Payment and Maturity" under "CONSTITUTIONAL

REQUIREMENTS").

In general, the Local Finance Law contains provisions providing the Village with power to issue certain other short-term general obligation indebtedness including, among others, budget notes, revenue anticipation notes, and tax anticipation notes.

The ORPS annually establishes State Equalization Rates for all localities in the State, including the Village, which are determined by a statistical sampling of market sales/assessment studies. The State Equalization rates are used by many localities in the calculation of debt contracting and real property taxing limitations. Such limitations are based on percentages of average full valuation. The Village determines the assessed valuation for taxable real properties in the Village. The ORPS determines the assessed valuation of public utilities and special franchises. 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 Village exempts for general municipal purposes.

**Computation of Constitutional**
**Debt Contracting Limitation**
**As of July 16, 2018**

| Fiscal Year Ending May 31: | Assessed Valuation | State Equalization Ratio [1] | Full Valuation |
|---|---|---|---|
| 2014 | $ 29,841,503 | 3.42% | $ 872,558,567 |
| 2015 | 29,531,362 | 3.57 | 827,209,020 |
| 2016 | 29,406,968 | 3.41 | 862,374,428 |
| 2017 | 30,035,986 | 3.20 | 938,624,563 |
| 2018 [2] | 885,609,912 | 100.00 | 885,609,912 |
| Total Full Valuation | | | 4,386,376,490 |
| Five-Year Average Full Valuation | | | 877,275,298 |
| Debt Contracting Limitation: 7% of Five-Year Average Full Valuation | | | $ 61,409,271 |

(1) Determined by ORPS.
(2) The Town of Greenburgh completed a re-evaluation of all property within the Town, of which included the Village of Elmsford.

**Statement of Debt Contracting Power**
**As of July 16, 2018**

| | Amount | Percentage |
|---|---|---|
| Debt Contracting Limitation | $61,409,271 | 100.00% |
| Gross Indebtedness: | | |
| Serial Bonds | 2,260,000 | 3.68 |
| Bond Anticipation Notes | 6,095,000 | 9.93 |
| Total Gross Indebtedness | 8,355,000 | 13.61 |
| Less: | | |
| Current Unexpended Appropriations for Principal Debt Service (Non-Exempt) | 470,000 | 0.00 |
| Water Indebtedness | 92,148 | 0.20 |
| Total Exclusions | 562,148 | 0.20 |
| Net Indebtedness | 7,792,852 | 12.69 |
| Debt-Contracting Margin | $53,616,419 | 87.31 |

## *Short-Term Indebtedness*

**Bond Anticipation Notes**

The following table shows the amount of bond anticipation notes currently outstanding, the purpose for which they were issued, and respective dates of original issuance and next maturity. Proceeds of the Notes and $380,000 of funds on hand will be used to redeem these notes at maturity

**BOND ANTICIPATION NOTES OUTSTANDING**
**AS OF JULY 16, 2018**

| Purpose | Date of Original Issue | Maturity Date | Amount Currently Outstanding |
|---|---|---|---|
| Various Purpose | 08-16-13/09-06-13 | 08-10-18 | 1,514,000 |
| Various Purpose | 06-05-17 | 08-10-18 | 1,850,000 |
| Various Purpose | 06-15-15 | 08-31-18 | 1,730,000 |
| Various Purpose | 06-06-16 | 09-07-18 | 1,001,000 |
| Total | | | $6,095,000 |

## *Tax and Revenue Anticipation Notes*

The Village's cash flow has been sufficient to meet its operating requirements; accordingly, the Village has not required the issuance of revenue anticipation notes or tax anticipation notes.

### *Debt Service Schedule*

The following table shows the debt service requirements to maturity on the Village's outstanding general obligation bonded indebtedness, exclusive of the Bonds.

| Years Ending May 31: | Outstanding Bonds: Principal | Interest | Total | Cumulative % Principal Paid 2015-2024 |
|---|---|---|---|---|
| 2019 (1) | $ 470,000 | $ 86,494 | $ 556,494 | 20.8% |
| 2020 | 480,000 | 67,681 | 547,681 | 42.0 |
| 2021 | 440,000 | 48,341 | 488,341 | 61.5 |
| 2022 | 280,000 | 30,295 | 310,295 | 73.9 |
| 2023 | 290,000 | 18,468 | 308,468 | 86.7 |
| 2024 | 300,000 | 6,225 | 306,225 | 100.0 |
| | $2,260,000 | $257,504 | $2,517,504 | |

(1) As of July 16, 2018 the Village paid $0 principal and $0 interest for the fiscal year ending May 31, 2019.

### *Trend of Capital Debt*

The following table sets forth the capital indebtedness outstanding at the end of each of the last five fiscal years.

**Fiscal Year Ending May 31:**

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|
| Bonded Indebtedness | $4,665,400 | $4,045,000 | $3,590,000 | $3,160,000 | $2,715,000 |
| Bond Anticipation Notes | 1,703,000 | 2,311,500 | 3,132,500 | 4,507,000 | 5,098,129 |
| Total Outstanding Indebtedness | $6,368,400 | $6,356,500 | $6,722,500 | $7,667,000 | $7,813,129 |

### *Authorized But Unissued Debt*

After the issue of the Notes, the Village will have no authorized and unissued debt. The Village does issue annually to fund capital improvements, equipment and tax certiorari.

## *Overlapping and Underlying Debt*

**Statement of Direct and Overlapping Indebtedness**
**As of July 16, 2018**

| | |
|---|---|
| Gross Direct Indebtedness | $8,355,000 |
| Exclusions and Deductions | 562,148 |
| Net Direct Indebtedness | $7,792,852 |

**Estimated Overlapping Indebtedness**

| Overlapping Units | Date of Report | Net Overlapping Debt | Percentage Applicable | Applicable Net Overlapping Debt |
|---|---|---|---|---|
| Westchester County | 11-15-17 | $557,913,351 | 0.53% | $ 2,956,941 |
| Town of Greenburgh | 12-31-17 | 65,399,340 | 4.20 | 2,746,772 |
| Elmsford UFSD | 06-02-18 | 8,652,000 | 55.00 | 4,758,600 |
| Total | | | | $10,462,313 |

Source: Electronic Municipal Market Access System (EMMA).

## *Debt Ratios*

The following table sets forth certain debt ratios based upon the Village's Direct and Overlapping Indebtedness as of July 16, 2018.

**NET DIRECT AND OVERLAPPING DEBT RATIOS**

| | **Amount (a)** | Debt Per Capita (1) | Debt to Estimated Full Value (2) |
|---|---|---|---|
| Net Direct Debt | $ 7,792,852 | $1,619 | 0.88% |
| Net Direct & Overlapping Debt | 18,255,165 | 3,792 | 20.6 |

(1) The population of the Village (2016 estimate) is 4,814.
(2) The 2017-18 full valuation of taxable property is $885,609,912.

## ECONOMIC AND DEMOGRAPHIC DATA

The Village, which encompasses a land area of approximately one square mile, is located in the southwestern portion of Westchester County, approximately 20 miles from New York City within the Town of Greenburgh.

The Village is largely a suburban community, about two-thirds residential and one third commercial and industrial in nature.

The population of the Village is approximately 4,769 (2007 estimate). This represents a 2.0% increase since 2000 compared to a 4.3% population gain experienced by the Town for the same period of time.

### *Population*

**Population**
**2000-2016**

| | | | | % Change | |
|---|---|---|---|---|---|
| | 2000 | 2010 | 2016 | 2000-2010 | 2010-2016 |
| Village | 4,676 | 4,664 | 4,814 | (0.2)% | 3.2% |
| Town | 86,764 | 88,400 | 91,283 | 1.8 | 3.3 |
| County | 923,459 | 949,113 | 969,229 | 2.8 | 2.1 |
| State | 18,976,457 | 19,378,102 | 19,697,457 | 2.1 | 1.6 |

Source: U.S. Department of Commerce, Bureau of the Census (American FactFinder). American Community Survey 5-Year Estimate.

### *Income*

The following table indicates comparative income statistics for the Village, Town, County and State.

**Per Capita Money Income**

| | 2010 | 2016 | % Change |
|---|---|---|---|
| Village | $31,484 | $34,747 | 10.4% |
| Town | 54,963 | 60,224 | 9.6 |
| County | 47,814 | 49,938 | 4.4 |
| State | 30,948 | 34,212 | 10.5 |

Source: U.S. Department of Commerce, Bureau of the Census (American FactFinder). American Community Survey 5-Year Estimate.

### *Employment*

Table 3 provides certain information about the labor force in and around the Village while Table 4 provides comparative unemployment information.

**Average Employed Civilian Labor Force**

| | | | | % Change | |
|---|---|---|---|---|---|
| | 2000 | 2010 | 2017 | 2000-2010 | 2010-2017 |
| Town | 46,200 | 44,300 | 47,000 | (4.1)% | 6.1% |
| County | 445,400 | 443,500 | 462,100 | (0.4) | 4.2 |
| State | 8,718,700 | 8,769,700 | 9,249,200 | 0.6 | 5.5 |

Source: New York State Department of Labor.

**Average Unemployment Rates**

| Year | Town | County | State | United States |
|---|---|---|---|---|
| 2012 | 6.6% | 7.3% | 8.5% | 8.1% |
| 2013 | 5.6 | 6.3 | 7.7 | 7.4 |
| 2014 | 4.5 | 5.1 | 6.3 | 6.2 |
| 2015 | 4.0 | 4.6 | 5.3 | 5.3 |
| 2016 | 3.8 | 4.2 | 4.8 | 4.9 |
| 2017 | 4.0 | 4.6 | 4.7 | 4.4 |

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

**Major Private Sector Employers in the County**
**(350 or more employees)**

| Name of Business | Nature of The Business |
|---|---|
| IBM Corp. | Computer hardware and software |
| PepsiCo Inc. | Soft drinks and snack foods |
| Consolidated Edison Inc. | Utility Services |
| MasterCard | Credit card services |
| ITT Corp. | Water and fluid management |
| Westchester Medical Center | Hospital and health care services |
| Regeneron Pharmaceuticals Inc. | Pharmaceuticals |
| New York Medical College | Medical college and research |
| Pace University | Private co-educational university |
| White Plains Hospital | Hospital and health care services |
| St. John’s Riverside Hospital | Hospital and health care services |

Source: Westchester County $150,000,000 Tax Anticipation Notes for 2018 Taxes Official Statement dated February 1, 2018. Information compiled by the Westchester Business Journal as of April 2017..

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# APPENDIX B

## UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

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# VILLAGE OF ELMSFORD
# BALANCE SHEET
# GENERAL FUND
# UNAUDITED PRESENTATION

| | As of May 31: | | | | |
|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| **ASSETS** | | | | | |
| Cash and Equivalents | $ 1,074,427 | $ 797,875 | $ 752,761 | $ 1,270,658 | $ 2,413,639 |
| Investments | 0 | 0 | 0 | 0 | 800,216 |
| Receivables: | | | | | |
| Accounts | 90,544 | 117,580 | 95,254 | 114,156 | 189,267 |
| Due From Other Funds | 336,762 | 434,813 | 559,904 | 247,297 | 460,626 |
| Due from State and Federal Gov | 131,325 | 0 | 0 | 0 | 0 |
| Due From Other Governments | 555,506 | 608,665 | 608,513 | 665,393 | 218,738 |
| Advances To Other Funds | 0 | 0 | 42,944 | 142,163 | 0 |
| Prepaid Expenditures | 183,121 | 38,112 | 65,780 | 38,600 | 73,855 |
| Total Assets | $ 2,371,685 | $ 1,997,045 | $ 2,125,156 | $ 2,478,267 | $ 4,156,341 |
| **LIABILITIES AND FUND EQUITY** | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | $ 152,308 | $ 19,674 | $ 0 | $ 19,010 | $ 120,289 |
| Accrued Liabilities | 96,615 | 90,453 | 95,749 | 116,787 | 143,808 |
| Due To Other Funds | 69,197 | 0 | 0 | 0 | 0 |
| Unearned Revenues | 41,540 | 52,196 | 58,358 | 46,918 | 651,744 |
| Due To Retirement Sysems | 184,208 | 181,243 | 173,553 | 153,911 | 166,437 |
| Total Liabilities | 543,868 | 343,566 | 327,660 | 336,626 | 1,082,278 |
| Fund Balances: | | | | | |
| Nonspendable | 183,121 | 38,112 | 108,724 | 180,763 | 73,855 |
| Restricted | 0 | 0 | 0 | 0 | 981,638 |
| Assigned | 636,974 | 493,496 | 596,783 | 560,551 | 420,000 |
| Unassigned | 1,007,722 | 1,121,871 | 1,091,989 | 1,400,327 | 1,598,570 |
| Total Fund Balance: | 1,827,817 | 1,653,479 | 1,797,496 | 2,141,641 | 3,074,063 |
| **Total Liabilities and Equit** | $ 2,371,685 | $ 1,997,045 | $ 2,125,156 | $ 2,478,267 | $ 4,156,341 |

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VILLAGE OF ELMSFORD
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND
UNAUDITED PRESENTATION

| | As of May 31: | | | | |
|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| **REVENUES:** | | | | | |
| Real Property Taxes | $ 7,123,373 | $ 7,504,164 | $ 7,783,123 | $ 8,051,343 | $ 8,397,209 |
| Other Tax Items | 46,946 | 69,453 | 46,144 | 83,411 | 22,322 |
| Non-Property Taxes | 864,327 | 889,945 | 877,884 | 905,452 | 951,232 |
| Departmental Income | 246,863 | 247,832 | 216,516 | 275,324 | 270,831 |
| Net Change in Fair Value of Inves | 0 | 0 | 0 | 0 | 45,778 |
| Intergovernmenral Charges | 764,200 | 810,861 | 867,774 | 861,582 | 965,608 |
| Use Of Money And Property | 12,860 | 16,278 | 17,456 | 17,486 | 30,556 |
| Licenses And Permits | 163,837 | 126,045 | 327,440 | 358,783 | 166,130 |
| Fines and Forfeitures | 107,534 | 186,056 | 165,946 | 222,462 | 272,435 |
| Sale Of Property And Compensation For Loss | 35,660 | 37,807 | 31,730 | 110,999 | 12,222 |
| State Aid | 120,327 | 269,432 | 234,760 | 230,551 | 295,230 |
| Federal Aid | 143,402 | 7,153 | 0 | 0 | 0 |
| Miscellaneous | 71,823 | 49,864 | 65,124 | 102,963 | 102,930 |
| Total Revenues | 9,701,152 | 10,214,890 | 10,633,897 | 11,220,356 | 11,532,483 |
| **EXPENDITURES:** | | | | | |
| Current: | | | | | |
| General Government Support | 1,033,105 | 1,153,254 | 1,369,830 | 1,285,168 | 1,205,392 |
| Public Safety | 3,357,537 | 3,568,026 | 3,816,250 | 4,012,224 | 4,038,316 |
| Health | 0 | 1,900 | 0 | 2,000 | 2,000 |
| Transportation | 909,071 | 1,027,753 | 1,004,419 | 990,850 | 1,065,453 |
| Economic Opportunity And Dev | 0 | 0 | 0 | 0 | 0 |
| Culture And Recreation | 643,094 | 588,902 | 605,588 | 656,685 | 681,655 |
| Home And Community Services | 391,083 | 389,754 | 402,316 | 439,789 | 381,542 |
| Employee Benefits | 2,555,970 | 2,686,554 | 2,788,188 | 2,754,722 | 2,805,731 |
| Debt Service | 791,866 | 813,600 | 679,549 | 614,150 | 607,230 |
| Total Expenditures | 9,681,726 | 10,229,743 | 10,666,140 | 10,755,588 | 10,787,319 |
| Excess of Revenues (Deficiency) Over Expenditures | 19,426 | (14,853) | (32,243) | 464,768 | 745,164 |
| **OTHER FINANCING SOURCES (USES):** | | | | | |
| Sale of Property | 0 | 0 | 0 | 0 | 0 |
| Serial Bonds Issued | 0 | 0 | 0 | 0 | 0 |
| Bond Anticipation Notes | 400,000 | 0 | 400,000 | 250,000 | 0 |
| Transfers - In | 25,000 | 20,255 | 0 | 0 | 0 |
| Transfers - Out | (40,380) | (179,740) | (223,740) | (370,623) | (510,232) |
| Total Other Financing Sources | 384,620 | (159,485) | 176,260 | (120,623) | (510,232) |
| Net Change in Fund Balance | 404,046 | (174,338) | 144,017 | 344,145 | 234,932 |
| Fund Balances - Beginning of Ye | 1,423,771 | 1,827,817 | 1,653,479 | 1,797,496 | 2,141,641 |
| Change in Accounting Principal | 0 | 0 | 0 | 0 | 697,490 |
| **Fund Balances - End of Y** | $ 1,827,817 | $ 1,653,479 | $ 1,797,496 | $ 2,141,641 | $ 3,074,063 |

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# VILLAGE OF ELMSFORD
# BALANCE SHEET
# WATER FUND
# UNAUDITED PRESENTATION

| | As of May 31: | | | | |
|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| **ASSETS** | | | | | |
| Cash and Equivalents | $ 3,274 | $ 3,275 | $ 2,088 | $ 3,276 | $ 381,429 |
| Other Receivables: | | | | | |
| Water Rents | 400,065 | 413,443 | 442,128 | 414,911 | 458,870 |
| Prepaid Expenditures | 9,316 | 364 | 0 | 0 | 1,208 |
| Total Assets | $ 412,655 | $ 417,082 | $ 444,216 | $ 418,187 | $ 841,507 |
| **LIABILITIES AND EQUITY BALANCE** | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | $ 53,126 | $ 23,569 | $ 27,463 | $ 24,432 | $ 56,686 |
| Accured Liabilities | 11,235 | 13,787 | 10,907 | 10,256 | 13,460 |
| Due to Other Funds | 320,009 | 341,653 | 316,916 | 224,535 | 448,999 |
| Due To Retirement Systems | 6,352 | 14,435 | 14,451 | 12,842 | 13,120 |
| Total Liabilities | 390,722 | 393,444 | 369,737 | 272,065 | 532,265 |
| Fund Balance: | | | | | |
| Nonspendable | 9,316 | 364 | 0 | 0 | 1,208 |
| Restricted | | 0 | 0 | 0 | 0 |
| Assigned | 12,617 | 23,274 | 74,479 | 146,122 | 308,034 |
| Unassigned | 0 | 0 | 0 | 0 | 0 |
| Total Fund Balance | 21,933 | 23,638 | 74,479 | 146,122 | 309,242 |
| **Total Liabilities and Equity Ba** | $ 412,655 | $ 417,082 | $ 444,216 | $ 418,187 | $ 841,507 |

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VILLAGE OF ELMSFORD
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
WATER FUND
UNAUDITED PRESENTATION

| | As of May 31: | | | | |
|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| **REVENUES:** | | | | | |
| Departmental Income | $ 1,427,529 | $ 1,389,583 | $ 1,405,834 | $ 1,429,395 | $ 1,508,918 |
| Use Of Money And Property | 4,583 | 4,590 | 4,606 | 4,622 | 4,773 |
| Sale of Property | | | | | |
| And Compensaation For Loss | 3,075 | 8,020 | 3,216 | 2,815 | 0 |
| Miscellaneous | 1,663 | 8,400 | 0 | 1,400 | 2 |
| Total Revenues | 1,436,850 | 1,410,593 | 1,413,656 | 1,438,232 | 1,513,693 |
| **EXPENDITURES:** | | | | | |
| Current: | | | | | |
| General Government Support | 25,397 | 21,215 | 22,356 | 22,395 | 19,619 |
| Home And Community Service | 1,022,183 | 1,050,451 | 1,058,026 | 1,055,399 | 1,033,468 |
| Employee Benefit | 222,190 | 223,979 | 217,908 | 238,431 | 225,493 |
| Debt Service | 74,357 | 72,983 | 24,265 | 30,687 | 30,191 |
| Total Expenditures | 1,344,127 | 1,368,628 | 1,322,555 | 1,346,912 | 1,308,771 |
| Excess of Revenues Over Expenditures | 92,723 | 41,965 | 91,101 | 91,320 | 204,922 |
| **OTHER FINANCING SOURCES (USES):** | | | | | |
| Transfers - In | 0 | 0 | 0 | 0 | 0 |
| Transfers - Out | (25,000) | (40,260) | (40,260) | (19,677) | (41,802) |
| Total Other Financing Sources ( | (25,000) | (40,260) | (40,260) | (19,677) | (41,802) |
| Net Change in Fund Balance | 67,723 | 1,705 | 50,841 | 71,643 | 163,120 |
| Fund Balances - Beginning of Yea | (45,790) | 21,933 | 23,638 | 74,479 | 146,122 |
| **Fund Balances - End of Ye** | $ 21,933 | $ 23,638 | $ 74,479 | $ 146,122 | $ 309,242 |

The financial data presented on this page has been excerpted from the audited financial statements of the Village.
Such presentation, however, has not been audited.
Complete copies of the Village's audited financial statements are available upon request to the Village.

VILLAGE OF ELMSFORD
FINAL ADOPTED BUDGET FOR OPERATING FUNDS
YEAR ENDING MAY 31

| | 2017-18 | 2018-19 |
|---|---|---|
| **ESTIMATED REVENUES:** | | |
| Real Property Taxes | $ 8,987,512 | $ 9,451,166 |
| Other Tax Items | 35,000 | 35,000 |
| Non-Property Tax Items | 1,170,000 | 1,195,000 |
| Departmental Income | 325,000 | 349,000 |
| Intergovernmental Charges | 860,000 | 875,000 |
| Use Of Money and Property | 14,000 | 13,000 |
| Licenses And Permits | 141,500 | 136,000 |
| Fines and Forfeitures | 170,000 | 180,000 |
| Sale Of Property and Compensation For Loss | 25,250 | 25,250 |
| Bond Proceeds | 100,000 | 100,000 |
| State Aid | 243,500 | 248,500 |
| Federal Aid | 0 | 0 |
| Miscellaneous | 45,000 | 43,100 |
| Total Estimated Revenues | 12,116,762 | 12,651,016 |
| **APPROPRIATIONS:** | | |
| Current: | | |
| General Government Support | 1,474,607 | 1,774,362 |
| Public Safety | 4,455,905 | 4,655,071 |
| Health | 88,500 | 83,500 |
| Transportation | 1,107,500 | 1,172,733 |
| Culture and Recreation | 660,050 | 721,050 |
| Home and Community Services | 471,700 | 485,800 |
| Employee Benefits | 3,120,025 | 3,362,500 |
| Debt Service | 1,058,475 | 696,000 |
| Total Appropriations | 12,436,762 | 12,951,016 |
| Excess of Revenues Over Expenditures | (320,000) | (300,000) |
| **OTHER FINANCING SOURCES (USES):** | | |
| Transfers - In | 0 | 0 |
| Transfers - Out | (100,000) | (100,000) |
| Total Other Financing Sources (U | (100,000) | (100,000) |
| **Appropriated Fund Balance** | (420,000) | (400,000) |

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## APPENDIX C

**LINK TO**
**INDEPENDENT AUDITORS' REPORT**
**THEREON FOR THE**
**YEAR ENDED MAY 31, 2017**

**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/ER1130219-ER884512-ER1285196.pdf**

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

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. PKF O'Connor Davies, LLP has not been requested by the Village to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

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