

NEW AND RENEWAL ISSUE**BOND ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of federal individual or corporate alternative minimum taxes; although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "Tax Matters" herein.

The Notes **will be** "qualified tax-exempt obligations" pursuant to Section 265 (b)(3) of the Internal Revenue Code of 1986.

**VILLAGE OF OSSINING
WESTCHESTER COUNTY, NEW YORK****\$4,752,869
BOND ANTICIPATION NOTES, 2017
(the "Notes")****Date of Issue: September 28, 2017****Maturity Date: September 28, 2018**

The Notes are general obligations of the Village of Ossining, 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 Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Village, subject to applicable statutory limitations. See "**Nature of Obligation**" and "**Tax Levy Limitation Law,**" herein.

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

If the Notes are issued registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate(s). Principal of and interest on such Notes will be payable in Federal Funds by the Village to the registered owner(s).

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$7,869. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate(s). Principal of and interest on said Notes 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 distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Village will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "Book-Entry-Only System" herein.)

The Notes are offered when, as and if issued and received by the purchaser(s) subject to the receipt of the final approving opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey or as otherwise agreed with the purchaser(s) on or about September 28, 2017.

THIS OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE VILLAGE FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE") EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE NOTES. FOR A DESCRIPTION OF THE VILLAGE'S AGREEMENT TO PROVIDE NOTICE OF EVENTS AS DEFINED IN THE RULE, SEE "DISCLOSURE UNDERTAKING," HEREIN.

DATED: September 7, 2017

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

**VICTORIA GEARITY
Mayor**

BOARD OF TRUSTEES

Quantel Bazemore..... Village Trustee
John Codman III Village Trustee
Rika Levin..... Village Trustee
Manuel R. Quezada..... Village Trustee

Deborah McDonnell..... Village Manager
Thomas E. Warren Village Treasurer
Mary Ann Roberts..... Village Clerk
Stuart E. Kahan Corporation Counsel

INDEPENDENT AUDITORS

**BST & Co. CPAs, LLP
Albany, New York**

BOND COUNSEL

**Orrick, Herrington & Sutcliffe LLP
New York, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(845) 227-8678**

No person has been authorized by the Village of Ossining to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village of Ossining since the date hereof.

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OFFICIAL STATEMENT
VILLAGE OF OSSINING,
WESTCHESTER COUNTY, NEW YORK

relating to

\$4,752,869
BOND ANTICIPATION NOTES, 2017
(the “Notes”)

This Official Statement (the “Official Statement”), which includes the cover page and appendices attached hereto, presents certain information relating to the Village of Ossining in the County of Westchester, in the State of New York (the “Village,” “County,” and “State,” respectively), in connection with the sale of \$4,752,869 Bond Anticipation Notes, 2017 (the “Notes”).

All quotations from and summaries and explanations of the provisions of the Constitution and Laws of the State and 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 compilation thereof, and all references to the Notes and the proceedings of the Village relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes will be dated and will mature as reflected on the cover page hereof.

The Notes will not be subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form either registered in the name of the successful bidder(s) or registered to Cede & Co, as the partnership nominee for DTC. If the Notes are registered in the name of the successful bidder(s), the Village will act as Paying Agent for the Notes. The Village contact information is as follows: Thomas E. Warren, Treasurer, 16 Croton Avenue, Ossining, New York 10562, (914) 941-2581, e-mail: twarren@villageofossining.org.

Authority for and Purpose of the Notes

Authorization. The Notes are issued pursuant to the Constitution and laws of the State, including the Local Finance Law, and various bond resolutions adopted by the Village Board on various dates. Certain details of the Notes will be prescribed by certificates of the Village Treasurer executed pursuant to powers delegated to him to fix terms, form and contents of the Notes and to provide for the sale thereof.

Purpose. The Notes 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 various resolutions adopted by the Board of Trustees of the Village authorizing the issuance of serial bonds for the purposes set forth below.

The proceeds of the Notes together with \$250,983 in available cash will be used to redeem \$2,079,372 in outstanding bond anticipation notes, which mature on September 29, 2017 and to provide \$2,924,480 in original financing for various Village improvements as set forth below.

Date Authorized	Purpose	Notes Currently Outstanding	Paydowns	New Money Issue	Amount of the Notes
11/18/15	IBWTP Phase 1 Engineering Costs	\$ 935,500	\$ 46,775	\$ 0	\$ 888,725
4/20/16	IBW Reservoir Dam (2016)	700,000	35,000	0	665,000
1/20/16	(3) Police Vehicles (2016)	136,500	45,500	0	91,000
1/20/16	Mobile Data Terminals	70,000	14,000	0	56,000
1/21/15	Police Vehicles	82,666	41,333	0	41,333
1/20/16	(2) Parking Enforcement Vans (2016)	50,000	16,667	0	33,333
1/21/15	Fire Chief's Vehicle (2015)	33,333	16,667	0	16,666
1/20/16	4X4 SUV Building Department	25,000	8,334	0	16,666
1/21/15	Recreation Vehicle	23,333	11,667	0	11,666
2/5/13	DPW Truck (2013)	16,000	8,000	0	8,000
3/20/12	SCBA Cylinder Replacement (2013)	7,040	7,040	0	0
11/18/15	IBWTP Phase 2 Engineering Costs	0	0	1,134,900	1,134,900
1/20/16	Fire Engine Pumper (2016)	0	0	650,000	650,000
1/18/17	Purchase of Equipment	0	0	505,000	505,000
1/18/17	Purchase of Vehicles	0	0	292,580	292,580
2/1/17	Reconstruction/Resurfacing of Streets	0	0	250,000	250,000
1/18/17	Replacement/Reconstruction of Roofs	0	0	72,000	72,000
1/18/17	Purchase of Equipment	0	0	10,000	10,000
1/18/17	Storage Structure	0	0	10,000	10,000
		<u>\$ 2,079,372</u>	<u>\$ 250,983</u>	<u>\$ 2,924,480</u>	<u>\$ 4,752,869</u>

Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes if issued as book-entry-only Notes. Such Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for each note bearing the same rate of interest and CUSIP and deposited with DTC.

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

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the 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 Notes at any time by giving reasonable notice to the Village. Under such circumstances, in the event that a successor depository is not obtained, note 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, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the 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 NOTES OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEOWNERS.

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 NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE 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 PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

NATURE OF OBLIGATION

Each Note 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 Notes 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 applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

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 Notes 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.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the city’s faith and credit is both a commitment to pay and a commitment of the city’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the city’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean...So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted...While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977), the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the noteholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

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

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are affected indirectly by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. As amended, the Tax Levy Limit Law expires on June 15, 2020 unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by 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. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of the Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer’s levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such a statutory tax levy limitation is not clear.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 (“Chapter 59”), included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts were eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government were eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction’s compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must have complied in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have had their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must have been within the tax cap limits set by the Tax Levy Limit Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions included counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which were indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit were set forth in Chapter 59 in order for the tax cap to qualify as one which would have provided the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount was increased in the second year if compliance occurred in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved “government efficiency plan” which demonstrated “three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies”.

Municipalities, school districts and independent special districts were required to provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limit Law. The Village complied with the provisions of Chapter 59 and its taxpayers received the rebates provided in 2015 and 2016.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015 which generally extends the provisions of the program through 2019 and includes continued tax cap compliance.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors’ Provision. The Notes 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 Notes in the event of a default in the payment of the principal of and interest on the Notes.

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 Notes 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 Notes 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 Notes) 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 City 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 noteholders, 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 Notes 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 Notes. 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 Notes, could be adversely affected.

There can be no assurance that the State appropriation for State aid to the Villages 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 Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. In addition, the price and principal value of the Notes 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 Notes and other debt issued by the Village. Any such future legislation could have an adverse effect on the market value of the Notes (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 Notes. (See “*Tax Levy Limitation Law*,” herein.)

THE STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM AND MONITORING SYSTEMS

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

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

The most current applicable report, for 2015 data, of the State Comptroller designates the Village as “No Designation,” with a fiscal score of 3.3% and an environmental score of 12.5%.

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.

LITIGATION

General Information. There are presently pending against the Village claims which seek damages for alleged negligent acts or omissions. These claims are in various stages of litigation from the filing of Notice of Claim to the same commencement of formal legal proceedings. There are currently pending a number of claims against the Village some of which in the opinion of legal counsel, could result in monetary damages. See below for a description of certain cases currently pending against the Village. Village officials, however, have indicated such damages will be covered by insurance, which has self-intention provisions as noted below, and are not expected to have an adverse effect on the financial position of the Village.

The Village is involved in a case involving a personal injury. According to the Attorney representing the Village in this matter, the potential value could be as high as \$100,000.

Risk Management. The Village’s policies for general liability, automobile liability, property and public officials errors and omissions coverage have self-insured retention levels of \$100,000 per occurrence for the January 1 to December 31, 2016 policy year. Primary insurance coverage is purchased for losses in excess of the retention levels, to a maximum limit of \$900,000. Excess insurance policies have been secured for losses in excess of \$1 million (\$100,000 retention plus \$900,000 primary insurance policy) to a maximum of \$10 million per occurrence for all liability losses and \$70,112,678 for property. The Workers’ Compensation self-insured retention level is \$250,000 with primary insurance coverage limit of \$250,000. Excess Workers’ Compensation insurance is purchased for losses in excess of \$500,000 (\$250,000 Retention plus \$250,000 Primary Limit). Excess Workers’ Compensation is written for Statutory Limits (unlimited in New York), with a \$1 million cap on employer’s liability claims. The governmental funds are charged premiums by the respective internal service fund. Claims payable in the internal service funds include provisions for claims reported and claims incurred but not reported.

The Village is also self-insured for health benefits. A Plan Administrator has been retained to review and approve all claims. The Village has specific stop-loss insurance which establishes a maximum exposure limit of \$130,000 for each individual covered in the plan up to a maximum of \$1 million reimbursement to the Village. The Village also has aggregate stop-loss insurance which established a maximum exposure limit of \$6,510,888 for the 2016 plan year.

Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

See page 46 of the Audited Financial Statements for the year ended December 31, 2016, “Note 12,” herein.

Tax Certiorari Claims. There is also pending against the Village various proceedings brought pursuant to Article 7 of the Real Property Tax Law to review and reduce real estate assessments and obtain a refund for alleged overpayments of real estate taxes. The Village, with minor adjustments, adopts the assessment roll prepared by the Town of Ossining (the “Town”). Proceedings to review real estate assessments are defended by the Town. Adjustments to the Village’s assessment roll are made to reflect changes resulting from stipulations of judgment for any such proceeding to which the Village is also a party.

For the year ending December 31, 2016, there are currently pending various certiorari claims which were filed seeking assessment reductions and Small Claims Assessment Reviews (“SCARs”). The results of tax certiorari proceedings cannot be ascertained at this time; however, future refunds resulting from an adverse pending settlement or judgment will be funded in the year of payment. For 2016, the Village paid \$129,484 in direct tax refunds (and \$11,072 in SCARs). For the 2017 fiscal year (as of July 25, 2017) the Village has paid \$1,604 in direct tax refunds (and \$10,964 in SCARs). Pursuant to the Local Finance Law, the Village in the past has issued Bonds or used budgetary appropriations to pay tax refunds. It is believed that an adverse decision, in any or all of the tax certiorari proceedings, in whole or in part, whether by stipulation or judgment, will not have a material impact on the financial condition of the Village.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Village, threatened against or affecting the Village to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the Village taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the Village.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix D hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The Village has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect a Owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, certain legislative proposals in recent years have been made year that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel’s opinion will be in substantially the form attached hereto as Appendix D.

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 Notes, the Village will provide an executed copy of its “Undertaking to Provide Notice of Certain Material Events” (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 Notes, to provide, or cause to be provided, timely notice not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Notes:

(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 Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, 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 from 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 Notes.

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 Notes.

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 Notes; but the Village does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

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 Notes shall have been paid in full. 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 Notes, 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 Notes.

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 then in effect.

Compliance History

Since 2007, there have been in excess of 50 rating actions reported by Moody's Investors Service, S&P Global Ratings and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the Village. Due to widespread knowledge of these rating actions, material event notices were not filed by the Village in each instance.

The 2012 annual filings were believed to have been filed timely due to a misunderstanding that the required filing date was the end of the succeeding fiscal year. The Village is aware of the correct filing dates and intends to file all future documents in a timely manner. In addition, a defeasance notice in connection with the refunding of a series 2004 Bonds was filed on November 6, 2014 (due in 2012).

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 Notes.

RATING

The Village will not apply for a rating of the Notes.

The Village's underlying rating by Moody's Investors Service ("Moody's") is "Aa2."

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, 250 Greenwich Street, New York, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

ADDITIONAL INFORMATION

Additional information may be obtained from the Treasurer of the Village, Thomas E. Warren, 16 Croton Avenue, Ossining, New York 10562, (914) 941-2581, e-mail: twarren@villageofossining.org or from the Village's Municipal Advisor, Capital Markets Advisors, LLC, 1075 Route 82 – Suite 4, Hopewell Junction, New York, (845) 227-8678 and is also available at www.capmark.org.

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

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Village management’s beliefs as well as assumptions made by, and information currently available to the Village’s management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Village’s files with the MSRB. When used in Village documents or oral presentations, the words “anticipate,” “believe,” “intend,” “plan,” “foresee,” “likely,” “estimate,” “expect,” “objective,” “projection,” “forecast,” “goal,” “will,” or “should,” or similar words or phrases are intended to identify forward-looking statements.

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

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Village, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Village for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

Concurrently with the delivery of the Notes, the Village will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the Village, as to which no representation can be made.

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

VILLAGE OF OSSINING
WESTCHESTER COUNTY, NEW YORK

By: _____
Thomas E. Warren
Treasurer and Chief Fiscal Officer

DATED: September 7, 2017

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, economy, indebtedness and finances.

General Information

The Village was incorporated in 1813 and encompasses approximately 3.0 square miles within the Town of Ossining (the "Town"). The Village is situated on the eastern bank of the Hudson River, approximately 30 miles north of New York City.

The Village's population, according to interim U.S. Census data, is estimated to be 25,311 for 2015 (an increase of 251 persons or 1.0% since the 2010 U.S. Census). Except for a decline of 6.75% recorded by the 1980 census, population in the Village has increased steadily with each official decennial census since 1950. Population trends for the County and State are generally comparable to the trends experienced by the Village during this period of time. See "Economic and Demographic Data," herein.

Wealth levels in the Village are below County and State levels as a whole. According to the US Census Bureau (American Community Survey – 5 Year Estimate), median family income in the Village for 2015 was \$61,603 compared to \$108,108 and \$71,913 for families in the County and State, respectively. Approximately 34.2% of all families in the Village had annual incomes greater than \$100,000. More than 53.6% of all families living in the County had incomes in excess of \$100,000 for 2015. The percentage of families in the entire State reporting annual incomes of more than \$100,000 in 2015 was 34.9%. Per capita income in the Village for 2015 was \$28,075 compared to \$48,885 for the County and \$33,236 for the State as a whole. See "Economic and Demographic Data," herein.

Unemployment statistics are not maintained for the Village. However, such statistics are maintained for the Town and the number of unemployed persons historically has been lower than for the County, State or nation taken as a whole. See "Economic and Demographic Data," herein.

Form of Government

The Village was established as a municipal government by the State and is vested with such powers and responsibilities inherent in the operation of municipal government, including the adoption of rules and regulations to govern its affairs. In addition, the Village may tax real property situated in its boundaries and issue debt subject to the provision of the Local Finance Law. There is one independent school district operating in the Village, which possesses the same powers with respect to taxation and debt issuance. Village residents also pay real property taxes to the Town and County to support programs administered by these governmental bodies.

Government operations of the Village are subject to the provisions of the State Constitution and various statutes affecting village governments including Village Law, the General Municipal Law and the Local Finance Law. The Village has a special charter, which in many instances takes precedence over general statutory requirements. Real property assessment, collection, and enforcement procedures are determined by the Real Property Tax Law.

Elected and Appointed Officials

Elected Officials. The Village Board of Trustees is the legislative, appropriating, governing and policy determining body of the Village and consists of four trustees and a Mayor, all of whom are elected at large to serve two-year terms. The number of terms which may be served is not limited. It is the responsibility of the Village Board to enact, by resolution, all legislation including 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 Village Board.

The Mayor is elected for a two-year term of office with the right of self-succession. In addition, the Mayor is a full member of and the presiding officer of the Village Board.

Appointed Officials. Pursuant to a public referendum held in 1968, the Village has a Village Manager who is appointed by the Village Board and serves at its pleasure. The Manager is the chief executive officer of the Village and is responsible for the day-to-day operations. The Manager appoints certain department heads and hires employees. The Manager serves as the Budget Officer of the Village.

The Village Clerk is appointed by the Board for a four-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 of Trustees. In addition, the Clerk serves as the clerk to the Board of Trustees and various village boards and keeps the records of their proceedings. The Village Clerk is 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, and general ordinances.

The Village Treasurer is appointed by the Village Manager subject to confirmation by the Board of Trustees. The Treasurer is the chief fiscal officer of the Village and also serves as the Comptroller for the Town pursuant to an intermunicipal agreement. Duties and responsibilities of the position are as follows: maintain the Village's accounting systems and records including the responsibility to prepare and file an annual financial report with the State Comptroller, custody and investment of Village funds, and debt management. In addition, the Treasurer is the tax collector responsible for collecting and enforcing delinquent Village taxes.

Services

The Village provides its residents with many of the services traditionally provided by village governments in the State. In addition, the Town and County furnish certain other services. A list of the services provided by the Village are as follows: police protection and law enforcement; water and sewer services; refuse collection (the Village is a member of County Refuse District No. 1); highway and public facilities maintenance; cultural and recreational activities; building code enforcement and; planning and zoning administration. The Ossining Public Library, sponsored by the Ossining School District, provides library services to Village residents. Fire protection is furnished by a volunteer fire department, which is funded as a Village function.

Pursuant to State law, the County, not the Village, is responsible for funding and providing various social service and health care programs such as Medicaid, aid to the families with dependent children, home relief and mental health programs. The County is also responsible for certain sewer services for which purpose special county districts were established. A two-year community college, which is a member of the State University system, is sponsored by the County.

Employees

The Village employs 174 full-time employees and approximately 160 part-time and seasonal employees. Certain employees are represented by one of two unions. Clerical and certain laborers belong to the Civil Service Employees Association. The Ossining Police Benevolent Association is the collective bargaining agent for the police officers. The following tables summarize the contract status of each unit.

Number of Employees	Union Representation	Contract Expiration Date
58	Ossining Police Benevolent Assoc.	12-31-19
99	Civil Service Employees Assoc.	12-31-18

Source: Village Officials.

Employee Benefits

Substantially all employees of the City 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 on or 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 four 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 rate.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio 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 decreased for the third year in a row. ERS decreased by 2.7% of payroll, from 18.2% to 15.5% and the average contribution rate for PFRS decreased by approximately .4% of payroll from 24.7% to 24.3%. For the State Fiscal Year 2017-18 the contribution rates for ERS and PFRS remain unchanged at the 2016-17 levels. 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. For the years ended December 31, 2011 through 2016 and as budgeted for 2017, the Village’s contributions to the ERS and PFRS are as follows:

Fiscal Year Ended December 31:	ERS	PFRS
2012	\$1,596,992	\$1,538,378
2013	1,738,790	1,775,181
2014	1,756,590	1,795,744
2015	1,632,907	1,692,055
2016	1,396,969	1,645,851
2017 (Budget) ⁽¹⁾	1,565,279	1,969,721

(1) Inclusive of contributions in the General Fund, Water Fund, and Sewer Fund.

Source: Annual audited financial statements, and the 2017 adopted budget. The summary itself is not audited.

See “Notes to Financial Statements- Note 9” in the audited financial statements of the Village.

Other Postemployment Benefits

GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”) requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 45 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 45 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) is determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liabilities actually be funded, only that the Village account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation is required every two years for the Village. The Village’s funding policy is to contribute the current annual premium (net of employee contributions) for retired participants (i.e. pay-as-you-go). Current New York State law does not permit municipalities to pre-fund medical benefit obligations. For the 2016 fiscal year the Village contributed \$1,980,000.

The Village is in compliance with the requirements of GASB 45. The Village has determined that its unfunded actuarial accrued liability (“UAAL”) for OPEB as of January 1, 2016 was \$75,930,000. For the year ended December

31, 2016, the Village's ARC was \$7,100,000. The Village's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Village's finances and could force the Village to reduce services, raise taxes or both.

Proposed legislation was reintroduced in the State Legislature in the most recent session (A.05525, S.0511) to authorize local governments and other public entities to establish trusts to accumulate and disburse funds through governing board appropriation for payment of OPEB liabilities. This legislation would authorize the establishment of a trust by resolution of the local government's governing body which would serve as the trustee (unless trustee authority is delegated to the local government's chief fiscal officer). Trust investments would be held by the State Comptroller as sole custodian for investment in accordance with the written investment policy developed by the trustee and the written agreement between the trust and the State Comptroller. Trust funds would not be subject to local government creditor claims, and local government officers would not be subject to liability for loss on investments in the trust. The Legislation was not adopted. The Village cannot predict at this time whether such proposed legislation will be introduced and enacted into law in a future legislative session.

See "Notes to Financial Statements- Note 10" in the audited financial statements for the fiscal year ended December 31, 2016.

FINANCIAL FACTORS

Budgetary Procedure

The Village Manager, who is also the budget officer of the Village, submits the tentative budget for the next fiscal year to the Board of Trustees during the first week of November. The Board of Trustees may make such changes or revisions as they deem appropriate subject to the provision of law. A public hearing is held on the budget at the second regularly scheduled board meeting in November. Members of the public may express their views on the budget but there is no provision for a formal vote on the budget. Following the public hearing and on or before the first Wednesday of December the Board adopts the final budget. A copy of such budget must be filed with the Village Clerk and is available for public inspection.

Budgetary control is the responsibility of the Village Manager. Formal integration of the budget with the accounting system is used during the year as a management tool to provide control over expenditures.

Summaries of the adopted budgets for the fiscal years ending December 31, 2016 and 2017 is presented in Appendix B hereto.

Independent Audits

Audited Financial Statements. The Village retained the firm of BST & Co. CPAs, LLP, to audit its financial statements for the fiscal year ended December 31, 2016. Appendix B, attached hereto, presents excerpts from the Village's most recent audited reports covering the last five fiscal years. Additional Village audits are on file with the Municipal Securities Rulemaking Board (<http://www.emma.msrb.org/>) or may be obtained by request from the Village or from the Village's Financial Advisor.

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. See also "The State Comptroller's Fiscal Stress Monitoring System," herein.

Summary of Significant Accounting Policies

See "Notes to Financial Statements- Note 1" in the Audited Financial Statements for the year ended December 31, 2016, herein.

Certain Information Obtained from Financial Statements

Summary financial statements for the five years ended December 31, 2012 through December 31, 2016 are presented in Appendix B hereto. Such statements were compiled from the audited financial statements of the Village, however, the presentation of these statements has not been audited. The statements are not considered audited under auditing standards generally accepted in the United States of America because the notes to the statements and the auditors' report thereon have been omitted. Copies of the Village's audited financial statements will be made available upon request to the Village's Municipal Advisor.

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 Village Board to the Treasurer who was 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 each year.

Authorized Investments. The Village has designated fourteen 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, the Village is authorized to invest through an investment cooperative. Deposit limits of \$5,000,000 to \$10,000,000 have been established for these institutions.

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

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

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The Village's security agreements provide that the aggregate market value of pledged securities must equal the principal amount of deposits, the agreed upon interest, if any, and any costs or expenses arising from the collection of 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 and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

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

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

Results of Operations - Fiscal Year Ended December 31, 2016

General Fund. For the year ended December 31, 2016, the General Fund recorded a surplus of \$2,228,972 and ended the year with a fund balance of \$10,962,984. The Village's 2017 adopted budget provides for a planned draw down of \$877,931 in fund balance and reserves. The 2016 General Fund balance consisted of unassigned funds of \$9,115,766, assigned funds of \$1,026,468, non-spendable funds of \$664,457, restricted funds of \$144,429 and committed funds of \$11,864. Unassigned funds represented approximately 83.2% of fund balance in the General Fund at December 31, 2016.

The sum of all revenue and other financing sources for the General Fund in 2016 was \$34,355,422. Real property tax revenue was \$21,540,922 or approximately 62.7% of this total. The Village receives a share of the County sales tax pursuant to special State legislation enacted in 1991. For 2016, the Village reported sales tax revenue of \$3,659,102 which accounted for approximately 10.7% of the General Fund's total revenue and other financing sources for the year. State aid to the Village of \$474,194 made up only approximately 1.4% of all General Fund revenue and other financing sources in 2016. Certain other significant municipally generated revenues for 2016 included: intergovernmental charges of \$3,053,352, departmental income of \$1,804,773, fines and forfeitures of \$526,967. Other financing sources totaled \$50,000, which represented a transfer from the debt service fund.

General Fund expenditures and other financing uses were \$32,126,450 for the year ended December 31, 2016. The Village police department, excluding employee benefits, accounted for \$8,311,201 or approximately 25.9% of this total. Other major expenditures for the Village during 2016 were: employee benefits of \$9,512,870; general government support of \$3,165,660, culture and recreation of \$2,570,466; transportation of \$2,111,540; and home and community services of \$1,804,270. Other financing sources for the year were \$2,618,316, of which \$1,906,973 represented a transfer to the debt service fund.

See the audited financial statements for the fiscal year ended December 31, 2016, herein.

Water Fund. For the year ended December 31, 2016, the Water Fund recorded a surplus of \$397,390 and ended the year with a total fund balance of \$6,157,093. For the year fund balance consisted of \$5,850,300 in assigned funds, \$216,434 in restricted funds, and \$90,359 in non-spendable funds. The assigned portion of the fund balance made up approximately 95.0% of total fund balance for 2016.

Water Fund operations are financed primarily through user charges to customers. For 2016, inside Village water rates were increased to \$7.49, while outside Village water rates were increased to \$11.24 per 100 cubic feet. Total revenue and other financing sources for the Water Fund in 2016 was \$10,605,608 of which \$10,474,078 was derived from departmental charges. The adopted budget for 2017 included a 5.0% increase in water rates.

Delinquent water rents are assessed a 5% penalty. The Village also may terminate water service for non-payment. Current water rent bills which are unpaid for at least six months are relieved as a part of the property owners real property tax in the following year, and the Water Fund is reimbursed 100% by the General Fund. Thereafter, such items are collected and enforced in the same manner as real property taxes (see "Real Property Taxes," below). The Village relieved \$391,583 of delinquent water rents in 2015, \$385,293 in 2016 and \$362,748 in 2017.

Sewer Fund. The Sewer Fund recorded an operating deficit of \$26,149 for year ended December 31, 2016 and concluded the year with a total fund balance of \$1,444,611. At December 31, 2016 fund balance consisted of \$1,426,396 in assigned funds and \$18,215 in non-spendable funds.

Total revenue recorded by the Sewer Fund in 2016 were \$1,606,786. The primary source of income for the fund is generated by departmental fees which totaled \$1,595,789 during 2016. The adopted budget for 2017 included a 5.0% increase in sewer rates.

Delinquent sewer bills are assessed a penalty of 5%. Current sewer rent billings which are unpaid for at least one year are relieved on the property owner's tax bill for the next year. The Sewer Fund receives 100% reimbursement from the General Fund for all amounts relieved. Following the relevy, sewer delinquencies are treated and enforced as real property taxes (see "Real Property Taxes," below). The Village relieved \$84,296 of delinquent sewer rents in 2015 and \$88,832 in 2016 and \$88,408 in 2017.

Revenues

The Village derives its revenues primarily from real property taxes and special assessments, State aid and departmental fees and charges. A summary of such revenues for the years 2012-2016 is presented in Appendix B, hereto. Information for said fiscal years has been excerpted from the Village's audited financial reports, however, such presentation has not been audited.

Property Taxes. The Village derives a major portion of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B.) Property taxes accounted for 62.7% of total general fund and other governmental funds revenues for the fiscal year ended December 31, 2016.

The following table sets forth total General Fund revenues and real property taxes received for each of the past five audited fiscal years, and the amount budgeted for the most recent fiscal year.

General Fund Revenues & Real Property Taxes

Year Ended December 31:	Total General Fund Revenue ⁽¹⁾	Real Property Taxes	Real Property Taxes/ General Fund Revenue (%)
2012	\$30,068,219	\$19,516,461	64.9%
2013	30,736,789	20,007,882	65.1
2014	32,733,303	20,953,050	64.0
2015	34,404,297	21,114,784	61.4
2016	34,355,422	21,540,922	62.7
2017 (Budget)	34,274,929	21,788,528	63.7

(1) Includes other financing sources.

Source: The annual audited financial statements for 2012 through 2016, and the 2017 adopted budget of the Village. The summary itself is not audited.

State Aid. The Village receives financial assistance from the State. Including other financing sources, State Aid (\$474,194) accounted for approximately 1.4% of total General Fund revenue, including other financing sources, during the 2016 fiscal year. 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 any 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. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Village, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. See also “Market Factors,” herein.

The following table sets forth total General Fund revenue and State aid received for each of the past five audited fiscal years, and the amount budgeted for the most recent fiscal year.

General Fund Revenue & State Aid Revenue

<u>Fiscal Year Ended December 31:</u>	<u>Total General Fund Revenue ⁽¹⁾</u>	<u>State Aid</u>	<u>State Aid to General Fund Revenue</u>
2012	\$30,068,219	\$499,324	1.7
2013	30,736,789	540,403	1.8
2014	32,733,303	446,443	1.4
2015	34,404,297	468,247	1.4
2016	34,355,422	474,194	1.4
2017 (Budget)	34,274,929	372,608	1.1

(1) Includes other financing sources.

Source: The annual audited financial statements for 2012 through 2016, and the 2017 adopted budget of the Village. The summary itself is 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 expires on May 31, 2018.

The following table sets forth total General Fund revenues and sales taxes received for each of the past five fiscal years and the amount budgeted for the most recent fiscal year.

General Fund Revenues & Sales Tax

<u>Year Ended December 31:</u>	<u>Total General Fund Revenue ⁽¹⁾</u>	<u>Sales Tax</u>	<u>Sales Tax/ General Fund Revenue (%)</u>
2012	\$30,068,219	\$3,306,181	11.0%
2013	30,736,789	3,525,138	11.5
2014	32,733,303	3,648,964	11.1
2015	34,404,297	3,613,936	10.5
2016	34,355,422	3,659,102	10.7
2017 (Budget)	34,274,929	3,625,000	10.6

(1) Includes other financing sources.

Source: The annual audited financial statements for 2012 through 2016, and the 2017 adopted budget of the Village. The summary itself is not audited.

REAL PROPERTY TAXES

The Village derives its power to levy an ad valorem real property tax from the Constitution of the State. The Village's power to levy real property taxes, other than for debt service and certain other purposes, are limited by the State Constitution to two percent of the five-year average full valuation of taxable property of the Village.

**Computation of Real Estate Property Tax Levying Limitation
Year Ending December 31, 2017**

<u>Year Ended December 31:</u>	<u>Full Valuation Of Real Estate</u>
2013	\$1,823,090,984
2014	1,775,673,052
2015	1,884,794,571
2016	1,970,895,982
2017	<u>2,008,310,352</u>
Total of Full Valuations	<u>9,462,764,941</u>
Five-Year Average Full Valuation	<u>1,892,552,988</u>
Tax Limit (2% of Average Full Valuation)	<u>37,851,060</u>
2016 Tax Levy for General Village Purposes	21,788,528
Total of Items Excluded from Tax Limit ⁽¹⁾	<u>3,701,426</u>
Tax Levy Subject to Tax Limit	<u>\$ 18,087,102</u>
Percentage of Tax Limit Exhausted	<u>47.78%</u>
Constitutional Tax Margin	<u>\$ 19,763,958</u>

(1) Debt service exclusion.

Source: Statement of Constitutional Tax Limit for the year ending December 31, 2017.

Real Property Taxes, Assessments and Rates

Real Property taxes accounted for approximately 62.7% of total General Fund revenue (including other financing sources) for the fiscal year ended December 31, 2016 (See “Financial Factors – Revenues,” herein). The following table shows the trend during the last five years for real property assessments, real property tax and assessment levies, general purpose tax rates.

**Valuations, Tax Rates and Tax Levies
2013-2017**

<u>Years Ended December 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate ⁽¹⁾</u>	<u>Full Valuation</u>	<u>Tax Rate Per \$1,000 Assessed Valuation</u>	<u>Gross Tax Levy</u>
2013	\$ 111,208,550	6.10%	\$1,823,090,984	\$181.67	\$20,619,302
2014	111,689,835	6.29	1,775,673,052	186.91	21,318,312
2015	112,145,277	5.95	1,884,794,571	188.91	21,185,438
2016	111,355,623	5.65	1,970,895,982	192.02	21,382,612
2017 ⁽²⁾	2,008,310,352	100.00	2,008,310,352	10.85	21,788,528

(1) The State Office of Real Property Tax Services (the “ORPTS”).
 (2) Revaluation .

Source: Statement of Constitutional Tax Limit for the year ending December 31, 2017 and Village Tax Warrants.

Tax Collection Procedures

The Village Board levies real property taxes pursuant to resolution and such taxes become a lien on the first day of January. Taxes may be paid in two installments in the months of January and July. The first installment may be paid without penalty through January 31. The second installment must be paid by July 31 in order to avoid the penalty. Payments made after the due dates must include a 5% penalty for the first month or fraction thereof and an additional 1% penalty for each month or part of a month thereafter.

Unpaid real property taxes are enforced pursuant to Article 11 of the Real Property Tax Law. The State made certain changes to this law in 1995 which eliminated annual tax sales and reduced the period for redeeming unpaid taxes to two years from the lien date. A notice of unpaid taxes is mailed to the property owner approximately 30 days following the last day on which a tax installment payment may be made without penalty. Subsequent notices are mailed periodically through the time the Village records a tax lien on its book. The Village generally records such liens on the first Monday in May in the calendar year following the lien date. If the taxes remain unpaid for a period of two years from the lien date, the Village may foreclose on the related property. A notice of foreclosure is filed with the State Supreme or County Court three months prior to the expiration of the redemption period. The Village may sell any property acquired for taxes to highest bidder at a public auction or in-lieu of such auction by approval of the Village Board. The Village and the Town have a cooperative agreement covering situations where both parties have taken liens for unpaid taxes. Under this agreement, the municipality which conducts the foreclosure actions remits to the other its share of the net proceeds.

The following table sets forth the annual real property tax levy and the record of current tax collections of the Village for the last five completed years and the current year through August 18, 2017.

**Real Property Tax Levies and Collections
2012 – 2017**

<u>Years Ended December 31:</u>	<u>Gross Tax Levy ⁽¹⁾</u>	<u>Taxes Collected During Current Year ⁽²⁾</u>	<u>Collected Current Basis (%)</u>	<u>Uncollected At Tax Lien Date ⁽³⁾</u>	<u>% Uncollected Tax Lien Date</u>
2012	\$20,122,280	\$19,728,938	98.06%	\$265,575	1.32%
2013	20,619,302	20,257,647	98.25	238,441	1.16
2014	21,318,312	21,044,853	98.72	188,174	0.88
2015	21,678,014	21,404,721	98.74	154,095	0.71
2016	21,869,352	21,627,122	98.89	152,166	0.70
2017 ⁽⁴⁾	22,257,425	21,794,526	97.92	N/A	N/A

- (1) Includes water and sewer rent relevies and miscellaneous levies.
- (2) Includes only principal amount of the current year tax warrant collected.
- (3) Lien date is May 25 following the year of the tax levy.
- (4) As of August 18, 2017.

Source: Village Officials.

Ten of the Largest Taxpayers

The following table set forth the property assessments of the Village's larger taxpayers as shown on the 2016 tax roll, which was used to levy real property taxes for 2017.

**Larger Taxable Properties in the Village
2016 Tax Roll (For the Collection of 2017 Taxes)**

<u>Taxpayer</u>	<u>Classification</u>	<u>Assessed Valuation ⁽¹⁾</u>	<u>Percent of Total Assessed Valuation</u>
Con Edison Co Of N Y,	Utility	\$87,534,566	4.54%
Scarborough Manor Owners,	Co-op Apartments	32,310,300	1.50
Urstadt Biddle Properties Inc,	Shopping Center	32,093,700	1.52
Avalon Ossining LLC,	Apartments	28,181,200	1.27
Parkview Apartments Corp,	Co-op Apartments	19,110,010	0.96
OLSL Hudson LLC,	Senior Citizens Housing	18,937,600	1.07
Jefferson House Assoc LLC,	Apartments	17,876,700	0.97
High Meadow Coop No 1,	Co-op Apartments	17,673,994	0.88
Cortland Ridge LLC,	Apartments	14,778,800	0.75
Highland Terrace Owners Corp,	Co-op Apartments	12,402,337	0.64
Total		\$280,899,207	14.09%

- (1) Total taxable assessed valuations for 2017 are \$2,008,310,352.
- (2) See "Litigation" herein for a discussion of pending tax certiorari claims. Many Village taxpayers have had claims pending for one or multiple years.

Source: Village Officials.

VILLAGE INDEBTEDNESS

Constitutional Requirements

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

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

The 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 as determined by statute or, in the alternative, if substantially level or declining debt service is utilized, 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 Board of Trustees provides for substantially level or declining annual debt service in the manner prescribed by the State Legislature. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The Village has the power to contract indebtedness for various authorized Village purposes so long as the principal amount thereof shall not exceed seven per centum of average full valuation of taxable real estate of the Village, subject to certain enumerated exclusions and deductions such as water and revenue producing facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation consists of dividing the total assessed valuation of taxable real estate for a specified assessment roll by the final equalization rate established for such assessment roll by the State Office of Real Property Tax Services (“ORPTS”). The State Legislature is required to prescribe the manner by which such rate shall be determined. Average full valuation is determined by taking the sum of the full valuation of such last completed assessment roll and the four preceding completed assessment rolls and dividing such sum by five.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Village to borrow and incur indebtedness subject, of course, to the constitutional 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 such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Village Board of Trustees, the finance board of the Village. Certain such resolutions may be subject to permissive referendum, or may be submitted to the Village voters at the discretion of the Village Board.

The Local Finance Law also provides for a twenty-day statute of limitations after publication of a bond resolution (in summary or in full), together with a statutory notice which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution, except for alleged constitutional violations. The Village has complied with such procedure for the validation of the bond resolutions adopted in connection with this issuance.

Each bond resolution usually authorizes the construction, acquisition or installation of the 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.

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued (see “Payment and Maturity” under “Constitutional Requirements.”)

In addition, under each bond resolution, the Village Board of Trustees may delegate the power to issue and sell bonds and notes to the Treasurer, the chief fiscal officer of the Village.

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

Constitutional Debt-Contracting Limitation

ORPTS annually establishes State equalization rates for all assessing units in the State, including the Village, which are determined by statistical sampling of market/assessment studies. The equalization rates are used in the calculation and distribution of certain state aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The Village has a debt contracting limitation equal to seven percent (7%) of average full valuation (See “Constitutional Requirements, Debt Limit,” herein). See also “Tax Levy Limitation Law” herein.

The Village determines the assessed valuation for taxable real properties. The ORPTS determines the assessed valuation of special franchises and the taxable ceiling of railroad property. Special franchises include assessments on certain specialized equipment of utilities under, above, upon or through public streets or public places. Certain properties are taxable for school purposes but exempt for Village purposes.

**Computation of Constitutional
Debt Contracting Limitation
As of September 2, 2017**

For Fiscal Year Ended December 31:	Assessed Valuations	Equalization Rate ⁽¹⁾	Full Valuations
2013	\$111,208,550	6.10%	\$1,823,090,984
2014	111,689,835	6.29	1,775,673,052
2015	112,145,277	5.95	1,884,794,571
2016	111,355,623	5.65	1,970,895,982
2017	2,008,310,352	100.00	2,008,310,352
Total Five-Year Full Valuation			<u>\$11,471,075,293</u>
Five-Year Average Full Valuation			<u>1,911,845,882</u>
Debt Contracting Limitations: 7% of Five-Year Average Full Valuation			<u>\$ 133,829,212</u>

(1) Final rates as established by the New York State ORPTS.

Statutory Debt Limit and Net Indebtedness

The following table, based on information furnished by the Village, presents the debt-incurring power of the Village and shows that the Village is within its constitutional debt limit.

Statement of Debt Contracting Power As of September 2, 2017

	<u>Amount</u>	<u>Percentage</u>
Debt Contracting Limitation ⁽¹⁾	<u>\$133,829,212</u>	<u>100.00%</u>
Gross debt:		
Serial Bonds ⁽²⁾	30,755,000	22.98
Bond Anticipation Notes	<u>2,079,372</u>	<u>1.55</u>
Total Gross Debt	<u>32,834,372</u>	<u>24.53</u>
Less Exclusions:		
Unexpended Appropriations To Pay Non-Exempt Principal Debt Water Indebtedness ⁽³⁾	1,454,525	1.09
Bonds	<u>13,507,572</u>	<u>10.09</u>
Total Exclusions	<u>14,962,097</u>	<u>11.18</u>
Net Indebtedness	<u>17,872,275</u>	<u>13.35</u>
Net Debt Contracting Margin	<u><u>\$115,956,937</u></u>	<u><u>86.65%</u></u>

(1) As of September 2, 2017.

(2) Exclusive of 2012 energy performance contract of \$615,327 and \$614,258 energy performance contract not yet completed. The Village is not required to make payments until the project is complete, and no payment schedule will be established until that time. As of the date of this Official Statement it is unclear when the project will be completed.

(3) Exempt under Article VIII Section 5(b) of the State Constitution.

Short-Term Indebtedness

The Village is authorized under Local Finance Law to issue short-term notes for various purposes including temporary financing of capital projects, the anticipation of certain operating revenues and emergency funds for budgetary expenditures. Subject to the provisions of the law, notes generally may be renewed from time to time and must be retired within specific time limits which vary, according to the type of note, from one year to five years in the case of bond anticipation notes. The Village has not issued tax anticipation notes or revenue anticipation notes during the last five years and does not anticipate a need for such financing in the foreseeable future. Budget notes have not been issued since 1982.

The following table presents a summary of short-term notes outstanding at the end of each fiscal year 2012 through 2016.

Short-Term Indebtedness For Year Ended December 31:

<u>Note Type</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Bond Anticipation Notes	<u>\$2,256,533</u>	<u>\$3,979,493</u>	<u>\$4,111,787</u>	<u>\$4,334,746</u>	<u>\$2,079,372</u>

Bond Anticipation Notes

The following table sets forth the total amount of bond anticipation notes outstanding as of September 2, 2017. All of the below bond anticipation notes are scheduled to mature on September 29, 2017 and will be renewed with proceeds of the Notes and available cash (see “Authority for and Purpose of the Notes,” herein)

**Bond Anticipation Notes
As of September 2, 2017**

<u>Purpose</u>	<u>Amount of Notes Outstanding</u>
Various Vehicles	\$ 139,332
DPW Truck	16,000
SCBA Cylinder Replacement	7,040
IBWTP Phase 1 Engineering Costs	935,500
IBW Reservoir Dam (2016)	700,000
Police Vehicles (2016)	136,500
Mobile Data Terminals	70,000
Parking Enforcement Vans	50,000
4X4 SUV Building Department	25,000
	<u><u>\$2,079,372</u></u>

Energy Performance Contract Debt

The Village, in 2012, entered into a contractual agreement to install energy saving equipment and/or upgrade existing facilities in order to assist the Village in reducing its ongoing energy costs. The terms of the agreement provide for monthly installments of \$8,046 through 2023. The payments include interest which is based on a variable rate that is re-set every January. Currently, the applicable interest rate is 0.60%. The balance due at September 2, 2017 was \$615,327.

In addition to the above reference contract, the Village has also entered into an energy performance contract for conversion of streetlights to LED bulbs. Work of \$614,258 has been performed on this project as of December 31, 2016. However, the Village is not required to make payment until the project is completed, and no payment schedule will be established until that time. As of the date of this Official Statement an exact timeline for the completion of the project was not available.

Trend of Capital Debt

The following table sets forth the total amount of bonds outstanding at the end of the last five years.

Bonded Debt History
2012 - 2016

Years Ended December 31:	Bonded Debt ⁽¹⁾
2012	\$26,607,000
2013	27,396,500
2014	29,828,000
2015	27,940,000
2016	31,640,000

(1) Exclusive of energy performance contract obligation.

Recent Financings. The Village last publicly offered bonds on September 15, 2016 at which time \$6,425,000 Public Improvement (Serial) Bonds, 2016 were sold. The bonds bear true interest rates of 2.02% and serially mature on September 1st of each year through the year 2036.

Capital Improvement Plan. The five-year capital plan submitted to the Village Board for the years 2017 through 2021 estimates total capital spending for General, Water, and Sewer purposes will be approximately \$66.0 million. Village officials expect the capital improvements will be paid from a combination of debt (\$63.2 million), operating funds (\$1.4 million), and grants or other funds (\$1.4 million). A summary of the five-year plan is presented in the table below. Full copies of the capital improvement plan can be found in the Villages 2017 adopted budget.

Fund	2017 ⁽¹⁾	2018	2019	2020	2021	Total
General	\$4,948,780	\$ 8,318,500	\$2,439,000	\$2,035,000	\$1,004,500	\$18,745,780
Water	3,225,000	36,350,000	250,000	4,150,000	3,250,000	47,225,000
Sewer	-0-	-0-	-0-	-0-	-0-	-0-
	<u>\$8,173,780</u>	<u>\$44,668,500</u>	<u>\$2,689,000</u>	<u>\$6,185,000</u>	<u>\$4,254,500</u>	<u>\$65,970,780</u>

(1) Board Approved.

Source: The 2017 adopted budget of the Village.

Overlapping Debt

The real property taxpayers of the Village are responsible for a proportionate share of outstanding debt of the County including special County Districts, the Town and the Ossining Union Free School District. Such taxpayers' share of this overlapping debt is based upon the amount of the Village's equalized property values taken as a percentage of each separate units' total values. The following table presents the estimated amount of overlapping debt and the Village's share thereof; authorized but unissued debt and energy performance contracts debt has not been included.

Statement of Net Direct and Overlapping Indebtedness

Gross Direct Indebtedness				\$ 32,834,372
Exclusions and Deductions				(14,962,097)
Net Direct Indebtedness				<u>\$ 17,872,275</u>

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Net Overlapping Debt</u>	<u>Percentage Applicable</u>	<u>Applicable Net Overlapping Debt</u>
Westchester County: ⁽¹⁾	06-28-17	\$587,520,537	1.20%	\$ 7,050,246
Town ⁽²⁾	07-16-17	5,771,128	42.23	2,437,147
	06-30-15	47,800,000	36.11	<u>17,260,580</u>
 Total				 <u><u>\$ 26,747,973</u></u>

(1) Excludes budgetary appropriations (\$16.0 million), water debt (\$9.6 million) and sewer debt (\$473.5 million).
 (2) Excludes water debt of approximately \$0.8 million and budgetary appropriations of approximately \$0.1 million.

Source County, Town officials and the Municipal Securities Rulemaking Board.

Debt Ratios

The following table sets forth certain debt ratios based upon the Village's direct and overlapping debt.

Direct and Overlapping Debt Ratios
As of September 2, 2017

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Ratio Debt To Full Value ⁽²⁾</u>	<u>Ratio Debt Per Capita To Per Capita Income ⁽³⁾</u>
Gross Direct Debt	\$32,834,372	\$1,297	1.63%	4.62%
Net Direct Debt	<u>17,872,275</u>	706	0.89	2.51
Net Direct and Overlapping Debt	44,620,248	1,763	2.22	6.28

(1) The Village's population for 2015 was estimated to be 25,311 according to interim U.S. Census data.
 (2) The full valuation of the Village for 2017 is \$2,008,310,352.
 (3) According to the US Census Bureau (American Community Survey – 5 Year Estimate), the per capita income of Village residents for 2015 was \$28,075.

Authorized but Unissued Debt

Excluding the Notes, the Village has approximately \$2,463,507 million in authorized but unissued debt. Open authorizations include \$8,907 for sewer purposes, \$50,000 for water purposes, \$675,000 for the purchase of a fire truck, and \$1,729,600 for Phase III of engineering costs associated with the water plant. Proceeds from the Notes will provide funding for Phase II of water plant engineering costs. Village officials anticipate utilizing the fire truck authorization during 2018. The authorization for Phase III engineering costs will occur as the water plant project progresses. An exact timeline for the additional financings has not yet been determined by the Village.

Debt Service Schedule

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

<u>Outstanding Bonds:</u>				
Years Ending Dec. 31:	Principal Payment	Interest Payment	Total Debt Service	Cumulative % Principal Paid 2017-2026
2017 ⁽¹⁾	2,800,000	915,439	3,715,439	... 8.85%
2018	2,740,000	841,798	3,581,798	17.51
2019	2,580,000	765,934	3,345,934	25.66
2020	2,520,000	695,094	3,215,094	33.63
2021	2,475,000	625,405	3,100,405	41.45
2022	2,220,000	559,578	2,779,578	48.47
2023	2,205,000	498,432	2,703,432	55.44
2024	2,210,000	430,001	2,640,001	62.42
2025	1,695,000	361,014	2,056,014	67.78
2026	1,715,000	311,310	2,026,310	73.20
2027	1,585,000	258,900	1,843,900	
2028	1,325,000	209,188	1,534,188	
2029	1,340,000	168,469	1,508,469	
2030	1,275,000	126,025	1,401,025	
2031	845,000	84,688	929,688	
2032	675,000	60,150	735,150	
2033	540,000	40,044	580,044	
2034	395,000	23,463	418,463	
2035	250,000	12,500	262,500	
2036	250,000	6,250	256,250	
	<u>\$31,640,000</u>	<u>\$6,993,682</u>	<u>\$38,633,682</u>	

(1) As of September 2, 2017, the Village has paid \$885,000 in principal and \$443,967 of interest serial bond payments due in the fiscal year ending December 31, 2017.

ECONOMIC AND DEMOGRAPHIC DATA

Population

Population Trend

	2000	2010	2015	% Change	
				2000-10	2010-15
Village	24,010	25,060	25,311	4.4%	1.0%
County	923,459	949,113	967,315	2.8	1.9
State	18,976,457	19,378,102	19,673,174	2.1	1.5

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

Income

The following two tables indicate comparative income statistics for the Village, County and State.

Per Capita Money Income

	2010	2015	% Change
Village	\$31,192	\$28,075	(10.0) %
County	47,814	48,885	2.2
State	30,948	33,236	7.4

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

Median Income of Families - 2015

Median Income	Income Groups - % of Families					
	Under \$25,000	\$25,000 -49,999	\$50,000 -74,999	\$75,000 -99,999	\$100,000 Or More	
Village	\$ 61,603	15.0%	23.1%	20.0%	7.6%	34.3%
County	108,108	9.7	14.0	12.3	10.4	53.6
State	71,913	16.0	19.1	16.8	13.2	34.9

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

Employment

The following tables provide certain information about the types of jobs in which employees in the County are engaged, employment information for Town residents (inclusive of comparative information at the County and State level) and unemployment rate information.

Average Employed Civilian Labor Force 2000 - 2016

	2000	2010	2016	% Change	
				2000-2010	2010-2016
Town of Ossining	17,600	18,100	18,600	2.8%	2.8%
County	445,400	443,500	459,000	(0.4)%	3.5%
State	8,718,700	8,769,700	9,121,300	0.6	4.0

Source: The New York State Department of Labor.

Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2012	7.0%	7.3%	8.5%	8.1%
2013	5.7	6.3	7.7	7.4
2014	4.6	5.1	6.3	6.2
2015	4.0	4.6	5.3	5.3
2016	3.9	4.2	4.8	4.9
2017 ⁽¹⁾				
Jan	4.2	4.5	4.9	5.1
Feb	4.5	4.8	5.0	4.9
Mar	3.9	4.1	4.4	4.6
Apr	3.8	4.1	4.2	4.1
May	3.9	4.1	4.3	4.1
Jun	4.3	4.5	4.5	4.5
Jul	4.5	4.6	4.9	4.6

(1) Monthly Rates.
Source: The New York State Labor Department and the U.S. Bureau of Labor Statistics.

The largest employer located in the Village is the State Department of Corrections Facility at Sing-Sing which employs approximately 1,000 persons. In addition, there are various other companies or organizations in the Village employing more than 100 persons each.

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

Major Private Sector Employers in the County

<u>Name of Business</u>	<u>Nature of The Business</u>
* Consolidated Edison	Utility services
Entergy Nuclear Northeast	Energy Provider
* IBM Corporation	Computer products and research services
ITT Corp	Water and fluid management
* MasterCard	Financial services
Pace University	Private university
* Pepsico, Inc.	Soft drinks and snack foods
Regeneron Pharmaceuticals Inc.	Pharmaceuticals
St. John’s Riverside Hospital	Hospital and health care services
Westchester Medical Center	Hospital and health care services
White Plains Hospital	Hospital and health care services

* Headquarters or major branch operations in Westchester.

Source: Official Statement of Westchester County, dated April 1, 2016. Compiled by the Westchester Business Journal as of February 2016.

Financial Institutions

There are nine commercial banks within the Village. Commercial banks include branches of: Citibank, JPMorgan Chase Bank, Emigrant Bank, Key Bank, Tompkins Mahopac Bank, M&T Bank, People’s United Bank, TD Bank and Wells Fargo. Total deposits compiled by the Federal Deposit Insurance Corporation for banks located in the Village were approximately \$3.5 billion as of June 30, 2016.

Utilities

The residents of the Village receive electric and natural gas services from the Consolidated Edison Company. Under an agreement with the Power Authority of the State of New York, this agency supplies electricity to meet the operational needs of the Village government. Verizon provides telephone and other communication services in the Village. Cablevision and Verizon FIOS provide cable and internet services in the Village.

The Village is a part of the County Refuse District No. 1 which operates a mass-burn resource recovery facility located in the City of Peekskill in the northwest corner of the County. Properties located in the County Refuse District are subject to annual assessments to pay service charges for processing solid waste as well as operating and capital expenses of such district.

The Village operates a municipal water system. Sewage collection is a Village function, the County provides sewage treatment.

Housing Data

Housing Stock (2000 – 2015)

	Number of Units			% Change	
	2000	2010	2015	2000-2010	2010-2015
Village	8,515	8,862	8,406	4.1%	(5.1)%
County	349,445	370,821	370,032	6.1	(0.2)
State	7,679,307	8,108,103	8,171,725	5.6	0.8

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

Median Housing Values and Rents 2015

	% Constructed 2010-2015	Median Value Owner Occupied Units	Median Rents Renter Occupied Units	Occupancy Status		
				Owner Occupied	Renter Occupied	Vacant
Village	0.4%	\$377,800	\$1,418	43.1%	50.0%	6.9%
County	0.5	506,900	1,364	56.8	35.6	7.6
State	0.8	283,400	1,132	47.7	41.2	11.1

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

Construction Activity

Building Permit Activity Residential and Non-Residential Structures 2011-2016 ⁽¹⁾

Year	Residential		Non-Residential		Additions, Etc.		Totals	
	Permits	Value	Permits	Value	Permits	Value	Permits	Value
2011	0	\$ -0-	3	\$1,363,000	307	\$ 3,149,316	309	\$ 4,512,316
2012	2	535,000	3	459,928	332	5,417,000	332	6,412,820
2013	3	1,350,000	3	17,600,000	336	6,480,418	342	24,093,918
2014	2	675,000	1	32,000,000	384	6,953,292	387	39,628,292
2015	1	200,000	1	2,000,000	376	8,047,943	378	10,247,943
2016 ⁽¹⁾	0	0	0	0	240	13,690,116	240	13,690,116

(1) As of August 15, 2016.

Source: Village Officials

Major Construction Projects

Developer's Name	Project Name / Location	Size of Project	Number of Units	New Commercial Space	Stage of Project	Date Constr. Completed	Estimated Cost of Construction
73 Spring	Orchid Condominiums, 73 Spring St.	0.77 ac.	26 units	X	Complete	2010	3,402,000
135-139 Main	TB Flats, 135-139 Main St.	0.25 ac.	12 units	X	Complete	2010	1,100,000
16 Terrich	16-18-20 Terrich Court	0.86 ac.	3 SF		Complete	2010	750,000
Atria	Atria Senior Living Facility, 321 North Highland Ave.	10.33 ac.		X	Complete	2011	9,200,000
Walgreen's	Walgreens Pharmacy, 78 Croton Ave.	0.75 ac.		X	Complete	2012	1,363,000
Frank Crespo	99 Spring Street	0.12 ac.	1		Complete	2012	180,000
Pamela Sgroi	204 Croton Ave	0.13 ac.	1		Complete	2012	150,000
Atlantic Development	25 State St	0.70 ac.	50 units	X	Complete	2013	8,750,000
IFCA	223-225 Spring Street	0.67 ac.	6 units		Complete	2013	929,900
Robert Kyle	26 Noel Dr	0.41 ac.	SF		Complete	2013	280,000
Avalon Bay Communities	217 North Highland Ave	21.30 ac.	168 units		Complete	2014	14,000,000
Ralph Williams	Prospect Avenue	0.13 ac.	SF		Complete	2014	250,000
	9A Iroquois Road	0.13 ac.	SF		Complete	2014	200,000
	3 Liberty Street	0.21 ac.	SF		Complete	2014	200,000
	7 Still Court	0.21 ac.	SF		Complete	2014	200,000
Pedro Silva	5 Brandreth Street	0.15 ac.	6 units		Complete	2014	475,000
Hudson EFT, LLC	80 Main St.	1.40 ac.	25 units		Under Construction		2,000,000
ZSA Ossining LLC	105 Croton Ave.	0.31 ac.	12 units, stores	X	Complete	2014	1,500,000
Ginsburg Development	Harbor Square	5.50 ac.	188 units, restaurant	X	Complete (Partial CO)	2016-17	67,500,000
147-155 Main Street	147-155 Main Street	0.33 ac.	31 units	X	Complete	2015	2,100,000
Ossining Land LLC a/k/a Hudson Step	34 State St, 19&21 James St & 27 Hunter St	5.75 ac.	188 units		Building Permit Issued		\$450,000 (for historic building)
173 North Highland Ave	173 North Highland Ave.	4.43 ac.	Store	X	Planning Board Approved		N/A
31/37 Spring Street	31/37 Spring Street	0.12 ac.	5 units	X	Complete	2016	590,000
Victoria Home	25 North Malcolm	4.22 ac.	90 beds		Before Planning Board		N/A
Standard Snowden Venture LP	35 Snowden Ave. (Snowden House)	5.54 ac.	124 units		Building Permit Issued, Partial CO		\$4,175,600
Maple House Associates	15 Maple Place (Maple House)	1.01 ac.	104 units		Building Permit Issued		\$3,591,000
Plateau Associates LLC	36 Water Street (Plateau/Hidden Cove)	5.14 ac.	137 units		Before Planning Board		N/A
Baker Brothers	Croton Ave. (lot between 70 & 72 Croton Ave.)	0.43 ac.	12 units		Before Planning Board		N/A
				SF = Single Family Dwelling			\$123,336,500

Waterfront Development. The Village has a master plan to develop its Hudson River Waterfront. Such plan provides for the residential and commercial development as well as public infrastructure improvements.

Hudson Steppe. Hudson Steppe involves the development of one hundred eighty-nine (189) multi-family condominium or rental dwelling units designed to substantially conform to the requirements of the Village's Planned Waterfront zoning, with the applicant receiving a waiver from the Zoning Code to allow construction on steep slopes and a variance to allow a 5-story, 38-foot building. A building permit was issued in March 2017. The proposed mix of dwellings includes studio, one-, and two-bedroom units. Nineteen (19) units will be marketed at affordable prices. In addition, the renovated Smith-Robinson House will accommodate three floors (7,500 SF) of live/work office space (consistent with the prior approval). The office space will be marketed primarily to the project tenants for small offices within a short walk from their units.

The project includes a small amount of surface parking and features an underground, fully-automated parking facility for most of the parking. The state-of-the-art parking system will allow the site plan to avoid well over an acre of impervious pavement. Site amenities will include a recreation center for project residents with a swimming pool, private garden areas, a 0.5-acre landscaped plaza space in the center of the site, indoor exercise/fitness room, clubhouse and media room, a bicycle storage facility, and green roofs. This project will also include historic restoration of the Smith-Robinson House, streetscape improvement, storm water improvements and water main improvements.

Harbor Square. Pursuant to the land acquisition and disposition agreement for the Harbor Square project, the developer is providing certain infrastructure improvements. Such improvements include, among other things, a waterfront park, promenade, beach area, a fishing pier, sidewalks, public parking and river bank stabilization. In addition, the developer will replace and upgrade 2600 linear feet of water main. The developer's revised land acquisition and disposition agreement (LADA) provides for \$25,000 for affordable housing in the Village (since the project now includes 19 affordable housing units), and has also contributed \$650,000 to the Village for downtown development. The project's construction of a 188-unit luxury waterfront rental apartment building was completed in 2016 (with some partial C.O.'s still pending in 2017), and the building is approximately 80% occupied, including all of the affordable housing units. The project also included a 5,000 square foot restaurant on the waterfront, which was completed and opened for business in 2017. Village officials and the developer consider the project a key part of the Village's revitalization at the Hudson River and the Village's historic downtown.

Avalon Bay Communities, Inc. In 2014, Avalon Bay Communities, Inc. completed construction of 168 luxury rental apartment homes on an approximately 21 acre site on U.S. Route 9 in the Village of Ossining. The existing historic Kane House building on the site was rehabilitated and adaptively re-used as leasing and administrative offices for the complex and a club house for residents. Approximately eight acres of open space west of the Kane House was permanently preserved and donated to the Village as additional parkland. Furthermore, Avalon Bay also provided additional parking and a walking trail to connect the public to the Village's already existing trail network found in its Edward M. Wheeler Crawbukie Reserve and the Old Croton Aqueduct, which traverses the Avalon Bay project. Avalon also upgraded the sidewalks and undertook repairs to the sewer line that fronts its property.

Source: Village Officials.

END OF APPENDIX A

APPENDIX B

UNAUDITED SUMMARY OF FINANCIAL STATEMENTS

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VILLAGE OF OSSINING
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION

AS OF DECEMBER 31:

	2012	2013	2014	2015	2016
ASSETS					
Cash and Equivalents	\$ 8,389,079	\$ 7,320,361	\$ 7,627,023	\$ 9,776,226	\$ 10,728,934
Investments	0	0	0	0	0
Accounts Receivable	158,062	395,393	222,896	236,239	292,930
Taxes Receivable (Net)	300,829	308,571	209,509	183,192	305,275
Other Governments	901,170	1,001,816	987,346	978,447	1,196,678
Due From Other Funds	14,949	27,546	3,968	4,195	22,374
Due from Fiduciary Fund	0	0	0	0	455
Inventory	22,629	28,835	18,136	15,272	18,765
Prepaid Expenditures	634,945	878,944	687,777	735,644	645,692
Total Assets	\$ 10,518,926	\$ 10,072,037	\$ 9,828,913	\$ 12,045,075	\$ 13,211,103
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable and Accrued Expenses	\$ 945,223	\$ 1,324,578	\$ 949,950	\$ 1,143,803	\$ 1,459,402
Due to Other Funds	686,266	456,413	5,483	390,324	0
Due to Fiduciary Fund	0	0	0	0	3,825
Unearned Revenue	559,626	290,257	268,314	323,953	291,149
Total Liabilities	3,047,440	2,702,984	2,107,014	3,121,560	1,754,376
Deferred Inflows of Resources	237,132	240,773	145,692	120,590	493,743
Total Deferred Inflows of Resources	237,132	529,524	560,222	189,503	493,743
Total Liabilities & Deferred Inflows of Resources	3,284,572	3,232,508	2,667,236	3,311,063	2,248,119
Fund Balance:					
Nonspendable	657,574	907,779	705,913	750,916	664,457
Restricted	154,566	165,713	153,410	103,954	144,429
Committed	2,983	5,470	8,003	9,899	11,864
Assigned	831,294	754,765	740,159	802,650	1,026,468
Unassigned	5,587,937	5,005,802	5,554,192	7,066,593	9,115,766
Total Fund Balance	7,234,354	6,839,529	7,161,677	8,734,012	10,962,984
Total Liabilities and Fund Balance	\$ 10,518,926	\$ 10,072,037	\$ 9,828,913	\$ 12,045,075	\$ 13,211,103

The financial data presented on this page has been excerpted from the audited financial statements of the Village.

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As of 2016, the Village has retained a new firm to produce their audited financials.

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

FISCAL YEAR ENDED DECEMBER 31:

	2012	2013	2014	2015	2016
REVENUES:					
Real Property Taxes	\$ 19,516,461	\$ 20,007,882	\$ 20,953,050	\$ 21,114,784	\$ 21,540,922
Real Property Tax Items	208,039	163,358	187,837	270,108	279,595
Non-Property Taxes	3,989,655	4,254,232	4,415,982	4,342,722	4,449,367
Departmental Revenues	1,592,404	1,648,281	1,670,303	1,761,123	1,804,773
Intergovernmental Charges	1,267,166	1,341,846	1,416,598	3,380,412	3,053,352
Use Of Money and Property	278,643	281,981	278,975	334,571	370,683
Licenses And Permits	207,253	354,025	505,001	282,945	445,460
Fines and Forfeitures	566,279	433,690	446,576	462,723	526,967
Sale of Property and Compensation for Loss	21,308	11,468	27,851	13,446	354,179
Miscellaneous	150,625	98,379	94,897	119,591	154,814
Interfund Revenues	270,143	792,179	797,935	813,895	851,116
State Aid	499,324	540,403	446,443	468,247	474,194
Federal Aid	118,498	285,637	7,544	0	0
Total Revenues	28,685,798	30,213,361	31,248,992	33,364,567	34,305,422
EXPENDITURES:					
Current:					
General Government Support	3,474,546	3,082,729	3,396,757	3,686,572	3,165,660
Public Safety	8,867,237	8,926,298	9,495,319	10,363,197	9,714,522
Health	920	1,880	1,630	1,630	1,630
Transportation	2,140,928	2,190,034	2,422,335	2,374,506	2,111,540
Economic Opportunity and Development	73,424	107,247	119,104	94,071	48,295
Culture and Recreation	2,328,660	2,550,465	2,515,664	2,444,999	2,570,466
Home and Community Services	1,726,244	1,836,378	1,834,539	1,699,408	1,804,270
Employee Benefits	8,430,193	10,361,154	10,768,279	10,016,156	9,512,870
Capital Outlays	0	0	0	0	398,901
Debt Service	57,852	1,542	22,865	29,283	179,980
Total Expenditures	27,100,004	29,057,727	30,576,492	30,709,822	29,508,134
Excess of Revenues Over Expenditures	1,585,794	1,155,634	672,500	2,654,745	4,797,288
OTHER FINANCING SOURCES (USES):					
Bonds Issued	700,000	0	340,000	550,000	0
Insurance Recoveries	134,152	349,537	962,758	322,144	0
Transfers - In	548,269	173,891	181,553	167,586	50,000
Transfers - Out	(1,972,445)	(2,073,887)	(1,834,663)	(2,122,140)	(2,618,316)
Total Other Financing Sources (Uses)	(590,024)	(1,550,459)	(350,352)	(1,082,410)	(2,568,316)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	995,770	(394,825)	322,148	1,572,335	2,228,972
Fund Balance - Beginning of Year	6,238,584	7,234,354	6,839,529	7,161,677	8,734,012
Fund Balance - End of Year	7,234,354	6,839,529	7,161,677	8,734,012	10,962,984

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VILLAGE OF OSSINING
WATER FUND
BALANCE SHEET
UNAUDITED PRESENTATION

AS OF DECEMBER 31:

	2012	2013	2014	2015	2016
ASSETS					
Cash and Equivalents	\$ 3,062,135	\$ 3,598,911	\$ 3,175,311	\$ 3,175,959	\$ 3,390,789
Accounts Receivables	2,854,541	2,800,813	2,799,855	3,277,369	3,308,166
State and Federal Aid	1,385	49,762	1,264	3,260	0
Due From Other Funds	23,594	3,937	0	0	0
Due From Other Governments	9,889	7,592	6,580	10,343	10,849
Prepaid Expenditures	130,241	122,423	120,169	104,859	90,359
Total Assets	\$ 6,081,785	\$ 6,583,438	\$ 6,103,179	\$ 6,571,790	\$ 6,800,163
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 438,654	\$ 556,736	\$ 463,197	\$ 729,562	\$ 627,117
Accrued Liabilities	79,617	98,039	103,678	36,381	0
Due To Other Funds	104,871	98,075	72,495	35,603	0
Unearned Revenue	4,222	19,799	13,202	10,541	15,953
Total Liabilities	627,364	772,649	652,572	812,087	643,070
Fund Balance:					
Nonspendable	130,241	122,423	120,169	104,859	90,359
Restricted	215,011	215,372	215,734	216,093	216,434
Committed	0	0	0	0	0
Assigned	5,109,169	5,472,994	5,114,704	5,438,751	5,850,300
Total Fund Balance	5,454,421	5,810,789	5,450,607	5,759,703	6,157,093
Total Liabilities and Fund Balance	\$ 6,081,785	\$ 6,583,438	\$ 6,103,179	\$ 6,571,790	\$ 6,800,163

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

FISCAL YEAR ENDED DECEMBER 31:

	2012	2013	2014	2015	2016
REVENUES:					
Departmental Income	\$ 9,239,934	\$ 8,987,442	\$ 9,285,432	\$ 10,037,641	\$ 10,474,078
Use of Money and Property	5,843	6,427	5,558	4,817	4,399
Sale of Property and Compensation for Loss	11,559	26,794	74,299	21,281	21,597
State Aid	1,614	845	58	6,829	0
Federal aid	4,843	61,335	479	0	0
Miscellaneous	20,814	21,947	21,495	27,082	30,534
Total Revenues	9,284,607	9,104,790	9,387,321	10,097,650	10,530,608
EXPENDITURES:					
Current:					
General Government Support	339,294	496,167	426,965	488,487	470,893
Home and Community Services	5,010,483	5,546,446	6,592,868	6,499,183	6,460,385
Employee Benefits	972,403	1,173,758	1,210,489	1,102,186	1,086,245
Capital Outlays	0	0	0	0	51,714
Debt Service	0	9,809	55,730	78,796	295,177
Total Expenditures	6,322,180	7,226,180	8,286,052	8,168,652	8,364,414
Excess (Deficiency) of Revenues Over Expenditures	2,962,427	1,878,610	1,101,269	1,928,998	2,166,194
OTHER FINANCING SOURCES (USES):					
Transfers - In	1,708	75,000	75,000	75,000	75,000
Transfers - Out	(1,559,677)	(1,597,242)	(1,536,451)	(1,694,902)	(1,843,804)
Total Other Financing Sources (Uses)	(1,557,969)	(1,522,242)	(1,461,451)	(1,619,902)	(1,768,804)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,404,458	356,368	(360,182)	309,096	397,390
Fund Balances - Beginning of Year	4,049,963	5,454,421	5,810,789	5,450,607	5,759,703
Fund Balances - End of Year	\$ 5,454,421	\$ 5,810,789	\$ 5,450,607	\$ 5,759,703	\$ 6,157,093

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VILLAGE OF OSSINING
SEWER FUND
BALANCE SHEET
UNAUDITED PRESENTATION

AS OF DECEMBER 31:

	2012	2013	2014	2015	2016
ASSETS					
Cash and Equivalents	\$ 903,753	\$ 1,242,831	\$ 1,124,502	\$ 1,018,778	\$ 859,153
Accounts Receivable	367,721	302,544	413,281	462,747	473,558
Due From State and Federal Aid	495	346	451	1,164	0
Due From Other Governments	30,308	0	0	0	143,977
Prepaid Expenditures	24,858	19,551	25,235	18,670	18,215
Total Assets	\$ <u>1,327,135</u>	\$ <u>1,565,272</u>	\$ <u>1,563,469</u>	\$ <u>1,501,359</u>	\$ <u>1,494,903</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 34,480	\$ 60,633	\$ 39,677	\$ 27,861	\$ 50,292
Due to Other Funds	26,113	17,519	0	2,738	0
Total Liabilities	<u>60,593</u>	<u>78,152</u>	<u>39,677</u>	<u>30,599</u>	<u>50,292</u>
Fund Balance:					
Nonspendable	24,858	19,551	25,235	18,670	18,215
Assigned	1,241,684	1,467,569	1,498,557	1,452,090	1,426,396
Total Fund Balance	<u>1,266,542</u>	<u>1,487,120</u>	<u>1,523,792</u>	<u>1,470,760</u>	<u>1,444,611</u>
Total Liabilities and Fund Balance	\$ <u>1,327,135</u>	\$ <u>1,565,272</u>	\$ <u>1,563,469</u>	\$ <u>1,501,359</u>	\$ <u>1,494,903</u>

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VILLAGE OF OSSINING
SEWER FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

	FISCAL YEAR ENDED DECEMBER 31:				
	2012	2013	2014	2015	2016
REVENUES:					
Departmental Income	\$ 1,238,600	\$ 1,188,359	\$ 1,363,211	\$ 1,540,082	\$ 1,595,789
Use of Money and Property	1,925	2,185	1,748	2,045	1,412
Sale of Property and Compensation for Loss	3,529	9,148	26,542	7,600	7,713
State Aid	48,023	0	0	0	0
Federal Aid	142,340	0	0	15,758	0
Miscellaneous	2,843	1,870	1,898	1,984	1,872
Total Revenues	<u>1,437,260</u>	<u>1,201,562</u>	<u>1,393,399</u>	<u>1,567,469</u>	<u>1,606,786</u>
EXPENDITURES:					
Current:					
General Government Support	108,697	99,004	117,649	110,389	102,496
Home and Community Services	657,340	576,556	632,055	691,593	774,427
Employee Benefits	238,401	280,357	311,902	275,618	296,872
Debt Service	0	0	8,464	0	0
Total Expenditures	<u>1,004,438</u>	<u>955,917</u>	<u>1,070,070</u>	<u>1,077,600</u>	<u>1,173,795</u>
Excess of Revenues Over Expenditures	<u>432,822</u>	<u>245,645</u>	<u>323,329</u>	<u>489,869</u>	<u>432,991</u>
OTHER FINANCING SOURCES (USES):					
Transfers - In	0	0	12,650	12,650	0
Transfers - Out	<u>(176,252)</u>	<u>(25,067)</u>	<u>(299,307)</u>	<u>(555,551)</u>	<u>(459,140)</u>
Total Other Financing Sources (Uses)	<u>(176,252)</u>	<u>(25,067)</u>	<u>(286,657)</u>	<u>(542,901)</u>	<u>(459,140)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	256,570	220,578	36,672	(53,032)	(26,149)
Fund Balances - Beginning of Year	<u>1,009,972</u>	<u>1,266,542</u>	<u>1,487,120</u>	<u>1,523,792</u>	<u>1,470,760</u>
Fund Balances - End of Year	<u>\$ 1,266,542</u>	<u>\$ 1,487,120</u>	<u>\$ 1,523,792</u>	<u>\$ 1,470,760</u>	<u>\$ 1,444,611</u>

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. As of 2016, the Village has retained a new firm to produce their audited financials.

**VILLAGE OF OSSINING
2017 OPERATING BUDGET**

	<u>General Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Combined Totals</u>
ESTIMATED REVENUES:				
Real Property Taxes	\$ 21,788,528	0	0	21,788,528
Real Property Tax Overlay	(55,000)	0	0	(55,000)
Real Property Tax Items	300,086	0	0	300,086
Non-Property Tax Items	4,335,000	0	0	4,335,000
Departmental Income	1,767,775	10,667,553	1,559,687	13,995,015
Intergovernmental Services	3,196,347	0	140,000	3,336,347
Use of Money and Property	826,345	3,000	1,500	830,845
Licenses and Permits	499,800	0	0	499,800
Fines and Forfeitures	421,000	0	0	421,000
Sale of Property and Compensation for Loss	0	3,850	1,375	5,225
Interfund Revenues	374,665	0	0	374,665
State Aid	372,608	0	0	372,608
Federal Aid	0	4,000	1,500	5,500
Miscellaneous	127,775	6,000	0	133,775
	<u>33,954,929</u>	<u>10,684,403</u>	<u>1,704,062</u>	<u>46,343,394</u>
APPROPRIATIONS:				
Current:				
General Government Support	4,211,198	613,190	194,226	5,018,614
Public Safety	10,818,903	0	0	10,818,903
Health	2,500	0	0	2,500
Transportation	2,223,258	0	0	2,223,258
Economic Assistance and Opportunity	32,301	0	0	32,301
Culture and Recreation	2,601,737	0	0	2,601,737
Home and Community Services	2,003,234	7,522,348	896,330	10,421,912
Employee Benefits	11,142,115	1,233,160	336,700	12,711,975
Debt Service	315,544	327,275	0	642,819
	<u>33,350,790</u>	<u>9,695,973</u>	<u>1,427,256</u>	<u>44,474,019</u>
Excess (Deficiency) Of Estimated Revenues Over Appropriations	<u>604,139</u>	<u>988,430</u>	<u>276,806</u>	<u>1,869,375</u>
OTHER FINANCING SOURCES (USES):				
Serial Bonds for Tax Certorari Claims	270,000	0	0	270,000
Transfers - In	50,000	75,000	0	125,000
Transfers - Out (2)	<u>(1,802,070)</u>	<u>(1,563,430)</u>	<u>(390,806)</u>	<u>(3,756,306)</u>
Total Other Financing Sources (Uses)	<u>(1,482,070)</u>	<u>(1,488,430)</u>	<u>(390,806)</u>	<u>(3,361,306)</u>
Excess (Deficiency) of Estimated Revenues and Other Financing Sources Over Appropriations and Other Financing Uses	<u>(877,931)</u>	<u>(500,000)</u>	<u>(114,000)</u>	<u>(1,491,931)</u>
APPROPRIATED FUND BALANCE	<u>\$ 877,931</u>	<u>\$ 500,000</u>	<u>\$ 114,000</u>	<u>\$ 1,491,931</u>

(2) Includes debt service transfers.

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APPENDIX C

**LINK TO
INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016**

**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/ES1038526-ES811807-ES1213187.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 . BST & Co. CPAs, LLP has not been engaged to perform, and has not
performed, any procedures on the financial statements since the date of its report. BST &
Co. CPAs, LLP has not performed any procedures relating to this Official Statement..**

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APPENDIX D

FORM OF BOND COUNSEL'S OPINION

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FORM OF BOND COUNSEL'S OPINION

September 28, 2017

Village of Ossining,
County of Westchester
State of New York

Re: Village of Ossining, Westchester County, New York
\$4,752,869 Bond Anticipation Notes, 2017

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a \$4,752,869 Bond Anticipation Notes, 2017 (the "Obligation"), of the Village of Ossining, Westchester County, New York (the "Obligor"), dated September 28, 2017, numbered _____, of the denomination of \$[_____], bearing interest at the rate of [_____] % per annum, payable at maturity, and maturing September 28, 2018.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor. All the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including the City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ Orrick, Herrington & Sutcliffe LLP