PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 4, 2018

NEW AND RENEWAL ISSUE: SERIAL BONDS **RATING: SEE "RATING" HEREIN**

In the opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, and interest on the Bonds will not be subject to the alternative minimum tax on individuals. In the further opinion of Bond Counsel, under existing law interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein for a description of the opinion of Bond Counsel and certain other tax consequences.

The Village will NOT designate the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986.

VILLAGE OF SCARSDALE
WESTCHESTER COUNTY, NEW YORK

$11,400,000* PUBLIC IMPROVEMENT (SERIAL) BONDS, 2018
(the "Bonds")

DATED: OCTOBER 25, 2018 **DUE: OCTOBER 15, 2019-2036**
(as shown on inside cover)

The Bonds are general obligations of the Village of Scarsdale, Westchester County, New York, (the "Village") and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Village, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"). (See "*Tax Levy Limit Law*" herein.)

The Bonds will be dated the date of delivery, will bear interest from such date payable October 15, 2019 and semiannually thereafter on each April 15 and October 15 until maturity and will mature on the October 15, in the years and amounts as set forth on the inside cover page hereof. The Bonds will be subject to optional redemption prior to maturity as described herein. (See *"Optional Redemption"* herein.)

The Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as the securities depository for the Bonds. Individual purchases may be made in book-entry form only, in principal amounts of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds. Payment of the principal of and interest on the Bonds will be made by the Village to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. (See "*Book-Entry System*" herein.)

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of an unqualified legal opinion as to the validity of the Bonds of Norton Rose Fulbright US LLP, Bond Counsel, of New York, New York. Capital Markets Advisors, LLC has served a Municipal Advisor to the Village in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through the offices of DTC on or about October 25, 2018.

THIS PRELIMINARY 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 SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED. FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED, THIS OFFICIAL STATEMENT WILL BE UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER. THE VILLAGE WILL COVENANT IN AN UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE WITH RESPECT TO THE BONDS AS DEFINED IN THE RULE. SEE "DISCLOSURE UNDERTAKING" HEREIN.

Dated: October __, 2018

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* Preliminary, subject to change.

$11,400,000* PUBLIC IMPROVEMENT (SERIAL) BONDS, 2018

DATED: OCTOBER 25, 2018 **DUE: OCTOBER 15, 2019-2036**

Year	Amount*	Interest Rate	Yield	CUSIP***	Year	Amount*	Interest Rate	Yield	CUSIP***
2019	$365,000				2028**	$640,000			
2020	525,000				2029**	655,000			
2021	535,000				2030**	675,000			
2022	545,000				2031**	695,000			
2023	560,000				2032**	715,000			
2024	575,000				2033**	740,000			
2025	590,000				2034**	765,000			
2026	605,000				2035**	785,000			
2027**	620,000				2036**	810,000			

* The principal amounts of the Bonds are subject to adjustment following the sale of the Bonds, pursuant to the terms of the accompanying Notice of Sale.

** The Bonds maturing in the years 2027 and thereafter will be subject to redemption prior to maturity, as described herein. (See *"Optional Redemption"*)

***** CUSIP numbers have been assigned by an independent company not affiliated with the Village and are included solely for the convenience of the holders of the Bonds. The Village is not responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Bonds or as indicated above.**

*Preliminary, subject to change.

VILLAGE OFFICIALS

Mayor
DAN HOCHVERT

Trustees
JUSTIN K. AREST
MATTHEW CALLAGHAN
LENA CRANDALL
CARL FINGER
SETH ROSS
JANE E. VERON

Village Manager
STEPHEN M. PAPPALARDO

Village Treasurer
MARIE LOUISE McCLURE

Village Attorney
ANGELA SAPIENZA-MARTIN, Esq.

BOND COUNSEL

NORTON ROSE FULBRIGHT US LLP
New York, New York

MUNICIPAL ADVISOR

CAPITAL MARKETS ADVISORS, LLC
Hudson Valley * Long Island * Southern Tier * Western New York

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

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APPENDIX A

OFFICIAL STATEMENT

of the

VILLAGE OF SCARSDALE
WESTCHESTER COUNTY, NEW YORK

$11,400,000* Public Improvement (Serial) Bonds, 2018

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Village of Scarsdale, in the County of Westchester, in the State of New York (the "Village," "County," and "State," respectively) in connection with the sale by the Village of its $11,400,000* Public Improvement (Serial) Bonds, 2018 (the "Bonds").

All quotations from and summaries and explanations of 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 compilations thereof and all references to the Bonds and the proceedings of the Village relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

THE BONDS

Description of the Bonds

The Bonds are general obligations of the Village, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Village is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount, subject to the statutory limitation imposed by Chapter 97 of the New York Laws of 2011. (See *"Tax Increase Procedural Limitation Legislation"* herein.)

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity, payable on October 15, 2019 and semiannually thereafter on April 15 and October 15 in each year until maturity. The Bonds shall mature on October 15 in each year in the principal amounts specified on the inside cover page hereof. The Bonds maturing in the years 2019 to 2026, inclusive, will not be subject to redemption prior to maturity. The Bonds maturing in the years 2027 and thereafter will be subject to redemption prior to maturity as described herein. (See *"Optional Redemption"* herein.)

The Bonds will be issued in registered form, and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be paid by the Village to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds will be subject to redemption prior to maturity.

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

The Village will act as Paying Agent for the Bonds. Village Treasurer, Marie Louise McClure, mmcclure@scarsdale.com (914) 722-1173 shall be the Paying Agent contact.

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*Preliminary, subject to change.

Authority for and Purpose of the Bonds

The Bonds are issued pursuant to the Constitution and Laws of the State of New York, including among others, the Village Law and the Local Finance Law, and bond resolutions duly adopted by the Village Board of Trustees on various dates. Certain details of the Bonds will be prescribed by certificates of the Village Treasurer executed pursuant to powers delegated to her to fix the terms, form and content of such serial bonds and to provide for the sale thereof.

The proceeds of the Bonds will be used to provide renewal or original financing for the projects listed below.

Purpose	Date of Authorization	Amount to Bonds
Various Improvements to Water Supply and Distribution System	12/13/2016	$1,500,000
Partial Reconstruction and Construction of an Addition to Village Public Library Building	02/13/2018(1)	9,900,000
	Total:	$11,400,000

(1) Amends Resolution dated 12/13/2016

Optional Redemption of the Bonds

The Bonds maturing on or before October 15, 2026 will not be subject to redemption prior to maturity. The Bonds maturing on October 15, 2027, and thereafter, will be subject to redemption prior to maturity, at the option of the Village, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity) on any date on or after October 15, 2026 at par plus accrued interest to the redemption date.

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

Nature of Obligation

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

Holders of any 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 notes or bonds.

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

Description of Book-Entry System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each Bond maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. 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 (the "Commission"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee) or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Village may discontinue use of the system of Book-Entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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

Source: The Depository Trust Company

ENFORCEMENT OF REMEDIES UPON DEFAULT

The following description of factors affecting the possible enforcement of remedies upon a default by the Village is not intended to constitute legal advice and is not a substitute for obtaining the advice of counsel on such matters. Factors governing the availability of remedies against the Village are complex and the obligations of the Village, under certain circumstances, might not be enforced precisely as written.

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the Village and the purchaser. Such contracts, if not honored, would generally be enforceable 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 apply if there were a default in the payment of the principal of and interest on the Bonds.

Unavailability of Remedies of Levy and Attachment. 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. Under 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.

Constitutional Non-Appropriation Provision. The Constitution of the State, Article VIII, Section 2, contains the following provision relating to the annual appropriation of monies for the payment of 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 owner of obligations issued for any such indebtedness." If the Village were to fail to make a required appropriation, however, the ability of affected owners of Village indebtedness to enforce this provision as written could be compromised or eliminated as described below under "Bankruptcy", "State Debt Moratorium Law" and "Possible Priority of Continuation of Essential Public Services".

Bankruptcy. The Federal Bankruptcy Code allows municipalities, such as the Village, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Should the Village file for relief under the Federal Bankruptcy Code there could be adverse effects on the owners of the Bonds.

The State, in Section 85.80 of the Local Finance Law, has authorized any municipality in the State to 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. Congress has enacted such a law in the form of the Federal Bankruptcy Code. Given the authority established in the aforesaid Section 85.80 of the Local Finance Law, the Federal Bankruptcy Code, under certain circumstances, can provide municipalities in

New York with easier access to judicially approved adjustment of debt and can permit judicial control over identifiable and unidentifiable creditors.

Under the United States Constitution, Federal law is supreme and may be enforced irrespective of contrary state law. Accordingly, proceedings in accordance with the Federal Bankruptcy Code could result in an allocation of funds that fails to honor the faith and credit pledge required by the State Constitution.

No current State law purports to create any collateral or priority for owners of the Bonds should the Village be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. The Bonds could be deemed unsecured obligations of the Village in a bankruptcy case.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality that is insolvent, which generally means the municipality is 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. Any plan of adjustment can be confirmed by the court over the objections of creditors if the plan is found to be "fair and equitable" and in the "best interests of creditors." The Village may be able, without the consent and over the objection of owners of the Bonds, to impair and alter the terms and provisions of the Bonds, including the payment terms, interest rate, maturity date, and payment sources, as long as the bankruptcy court finds that the alterations are "fair and equitable." If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

The rights of the owners of Bonds to receive interest and principal from the Village and the enforceability of the Village's faith and credit pledge to pay such interest and principal 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 owners of debt obligations issued by the Village (including the Bonds) to payment from monies retained in any fund or from other sources would be recognized if a petition were filed by or on behalf of the Village under the Federal Bankruptcy Code. Such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally, or might even be directed to satisfy other claims instead of being paid to the owners of the Bonds.

Regardless of any specific adverse determinations in a bankruptcy proceeding of the Village, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Bonds.

State Debt Moratorium Law. Unless the Federal Bankruptcy Code or other Federal Law applies, as described above, enforcement of the rights of Bond owners will generally be governed by State law. In 1975, a general State law debt service moratorium statute was enacted.

Under that legislation, 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 was suspended. 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, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such Village of its faith and credit for the payment of obligations. Accordingly, State legislation materially limiting the timing or manner of actions to enforce the faith and credit pledge against an issuer of general obligation debt (including that portion of Title 6-A of Article 2 of the Local Finance Law enacted in 1975 authorizing any municipality in a State-declared financial emergency period to petition to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality) could be determined to conflict with the State Constitution and may not be enforceable.

The State Constitutional provision providing for first revenue set asides applies to the payment of interest on all indebtedness and to the payment of principal payments or bonds, but does not apply to pay payment of principal due on tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Possible Priority of Continuation of Essential Public Services. In prior years, certain events and legislation affecting an owner's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of note or bond owners, 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.

NO PAST DUE DEBT

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

MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE

The financial and economic condition of the Village as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Village's control. 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, could occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Village to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

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

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

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

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

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

LITIGATION

The Village is involved in various claims and lawsuits, arising in the normal course of operations. Many of these lawsuits are referred to the Village's insurance carrier and are covered under the same. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the Village's financial position.

Several tax certiorari proceedings presently are pending against the Village for reduction of assessed value of real property located in the Village. Any such reductions will result in the Village being required to refund Village taxes collected in prior years. The amounts of the refunds, if any, are not expected to have a material effect on the Village's financial position.

TAX MATTERS

Tax Exemption

The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to Section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as hereinafter described, corporations. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

For taxable years that began on or before December 31, 2017, interest on the Bonds owned by certain corporations will be included in such corporations' adjusted current earnings for purposes of computing the alternative minimum tax on such corporations. The alternative minimum tax on corporations has been repealed for taxable years beginning on or after January 1, 2018.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the Village made in a certificate (the "Tax Certificate") dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the Village with the provisions of the Tax Certificate subsequent to the issuance of the Bonds. The Tax Certificate contains covenants by the Village with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Village described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the Village as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the Village may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, under existing law interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (FASIT), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change so as to reduce or eliminate the benefit to holders of the Bonds of the exclusion of interest thereon from gross income for federal income tax purposes. Proposed legislative or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the alternative minimum taxable income of a corporation for taxable years that began on or before December 31, 2017, for purposes of calculating a corporation's alternative minimum tax imposed by Section 55 of the Code, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Note by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Note in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Note was held) is includable in gross income. Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds.

The purchase price of certain Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Note. The amount of premium which is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds will be covered by the unqualified legal opinion of Norton Rose Fulbright US LLP, Bond Counsel, of New York, New York. Such legal opinion will be delivered in substantially the form attached hereto in "Appendix D."

DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule") promulgated by the Securities and Exchange Commission, the Village has agreed to provide, at the time of delivery of the Bonds, an executed Annual and Continuing Disclosure Undertaking, in substantially the form attached hereto as "Appendix E".

Pursuant to its previous undertakings, the Village is in compliance with prior undertakings for fiscal years ended 2013 through 2017, inclusive.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC has acted as Municipal Advisor to the Village in connection with the sale of the Bonds.

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, and 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 an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

RATING

The Village has applied to Moody's Investors Service, Inc. ("Moody's") for a rating on the Bonds, such application is pending at this time.

On July 7, 2016, Moody's Investors Service, Inc. ("Moody's") affirmed the Village's "Aaa" credit rating on the outstanding uninsured general obligation limited tax debt of the Village.

With respect to the Moody's rating applicable to uninsured debt, such rating reflects only the views of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's, at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 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 not 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 Bonds or the availability of a secondary market for the Bonds.

ADDITIONAL INFORMATION

Periodic public reports relating to the financial condition of the Village, its operations and the balances, receipts and disbursements of the various funds of the District are available for the public inspection at the business office of the Village.

Additional information may be obtained from Marie Louise McClure, Village Treasurer at (914) 722-1173 mmcclure@scarsdale.com or from Capital Markets Advisors, LLC, the Village's Municipal Advisor, at (516) 570-0340.

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

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

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

VILLAGE OF SCARSDALE

By: ______________________
MARIE LOUISE MCCLURE
Village Treasurer

DATED: October __, 2018

APPENDIX A

THE VILLAGE

THE VILLAGE

General Information

Settled originally in 1701, the Town of Scarsdale was created by an act of the State Legislature in 1779 and in 1915 the Village of Scarsdale was incorporated to encompass the entire area of the Town. The Village of Scarsdale is a Village of the First Class (New York State statutes) and is located in the 18th Congressional District and in the 36th Senatorial District and the 88th State Assembly District of the State and the 5th Legislative District of the County. The Town of Scarsdale is coterminous with the Village. The Town's powers have been assumed by the Village Board, and the Village now generally possesses the powers and responsibilities of a town as well as those of a village. The Village has a land area of approximately 6.7 square miles and a population of 17,684 according to the 2016 U.S. Census. The Village is located in southeastern New York State in Westchester County, about 21 miles north of mid-town Manhattan. The Bronx River Parkway, Hutchinson River Parkway, New York State Route 22 and New York State Route 125 are the major access routes.

The Village is primarily an upper-income residential community consisting almost exclusively of single family, detached homes, with some multi-level apartment buildings near the Village center. The median home value in the Village, based on the 2012-2016 U.S. Census Bureau American Community Survey 5-Year Estimates, is over $1,000,000.

Utility Services

Scarsdale residents receive electrical service from Consolidated Edison Company of New York ("Con Edison") and telephone service from Verizon and Cablevision. Con Edison also supplies natural gas service to the County and the Village.

The water distribution system is owned by the Village. The Village Board has the power to regulate and fix water rates charged. Water is obtained through Reeves Newsom Pumping Station from the Bronx 48" pipeline, which serves the Cities of Yonkers, Mount Vernon, White Plains as well as the Village of Scarsdale and the Ardsley Road Pump Station.

Recreational and Cultural Facilities

Public recreational facilities owned and maintained by the Village include parks, playgrounds and playfields, nature areas, public tennis courts, paddle tennis courts and a municipal swimming pool. The County of Westchester maintains three recreational facilities in Scarsdale including a public golf course. There are also two (2) private golf courses within the Village of Scarsdale.

The Scarsdale Public Library (the "Library") is a tax-supported institution for which the Village budget provides funds to cover the major costs of library service. The Library has undertaken a renovation, modernization and expansion project budgeted to cost $20,275,501. Funding for the project is expected from a combination of existing Library funds, grants, donations and Village funds. On December 13, 2016, a Village resolution was passed authorizing $9,900,000 of bonds to pay a portion of the anticipated project costs. The resolution was subsequently amended on February 13, 2018. (See "*Authority for and Purpose of the Bonds*".) The Library Capital Campaign Committee has initiated fundraising for a large portion of project funding with commitments of $8,000,000, of which approximately $6,900,000 has been received to date.

Educational Facilities

Scarsdale has long been known nationally for the excellence of its schools with approximately 95% of its students going on to college. The 2012-2016 U.S. Census Bureau American Community Survey 5-Year Estimates United States Census data shows that 98.5% of all persons 25 years of age or older in the Village graduated from high school. In addition, the data also shows that 93.8% of the residents over 25 years of age have attended college and that 86.7% of such residents completed four years of college.

Governmental Organization

Scarsdale is a Village, a Town and a subdivision of Westchester County. Usually a Village is only a part of a Town, but in Scarsdale the boundaries of Village and Town are coterminous. This unusual situation results in convenient and less expensive government, since the same people act both as Village authorities to administer local municipal affairs and as Town authorities to administer Town affairs as prescribed by State law. (For example, members of the Village Board of Trustees also serve as the Town Board).

Scarsdale's existence and powers derive from the State of New York. It operates under the New York State "Village Law", which provides for its governmental structure and defines its authority and the uses to which property may be put by the Village government. Scarsdale also functions under the New York State "Home Rule Law", which permits the Village to manage its own affairs within stated limits.

Scarsdale Village is governed by a Mayor and a Board of six Trustees, three of whom are elected annually. Traditionally, the Mayor serves only one two-year term and a Trustee not more than two two-year terms. The Mayor and the Trustees serve on a non-salaried, part-time basis. The Village Board has the management and control of the Village's finances and property, and the authority to pass laws and ordinances consistent with State Law.

A local law establishing the office and fixing the duties of Village Manager was adopted in 1949. The full-time salaried Village Manager, appointed by and responsible to the Village Board, is the administrative head of all Village departments.

Town Government

The Town Government is responsible for supervision of elections, assessment of land and buildings, the sale of tax liens and the issuance of marriage licenses. The Town Custodian of Taxes collects County taxes as well as school taxes, although the Town has no control over County or school costs or administration.

The Town Assessor fixes the value of each parcel of property for the purpose of computing real estate taxes, with the exception of utility franchise companies such as Con Edison and Verizon. Such properties are assessed by the State of New York and such assessments utilized by the Town in determining the tax.

Village Employees

The Village has a total of 248 full-time employees. The following table shows the number of Village employees with union affiliations.

Union Representation:		Expiration Date of Contract
CSEA (Clerical and Technical)	29	May 31, 2018[1]
Teamsters (Public Works)	51	May 31, 2020
Teamsters (Facilities Maintenance)	9	May 31, 2020
Teamsters (School Guards)	14[3]	May 31, 2019
CSEA (Library)	19	May 31, 2019
PBA (Sergeants, Detectives, Patrolmen)	42	May 31, 2019
UFFA (Captains and Fire Fighters)	44	May 31, 2017[2]
	208	

[1] Currently in negotiation.
[2] Currently in arbitration.
[3] Represents part-time employees.

The Village conducts labor negotiations with its employee organizations in accordance with the New York State Taylor Law. To further employee-employer labor relations, the Village continually meets with union representatives to discuss a wide variety of labor-related problems.

Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State Local Police and Fire Retirement System ("PFRS"). The obligations of employers and employees to contribute and the benefits to employees are governed by the New York Retirement and Social Security Law ("NYSRSSL"). The system offers retirement 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 services, except for employees hired on or after January 1, 2010.

NYSRSSL provides that all participating employers in the ERS are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to participating employers. Participating employers are required to make a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. All full-time employees and certain part-time employees, participate in the retirement system. Since the Village joined the ERS after July 27, 1976, each participating employee who was hired on or before Dec. 31, 2009 is required to contribute 3% of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at which time contributions become voluntary. Members hired after January 1, 2010 through and including March 3l, 2012 must contribute three percent of their gross annual salary toward the costs of retirement programs for the duration of their employment.

The Village is authorized to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future. The New York State Retirement System has advised the Village that municipalities can elect to make employer contribution payments in December of any year, prior to the scheduled payment date in the following February. If such payments are made in December prior to the scheduled payment date of February, such payments may be made at a discounted amount.

On December 12, 2009, a new Tier V was signed into law. The legislation creates a new Tier V pension level. Key components of the Tier include: (1) raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to 62, (2) requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits, (3) increasing the minimum years of service required to draw a pension from 5 years to 10 years, and (4) capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages. The foregoing provisions are applicable to employees hired on or after January 1, 2010.

On March 15, 2012, a new Tier VI was signed in to law. The legislation is effective for new ERS and PFRS employees hired on or after April 1, 2012. Among other provisions, the new Tier VI: (1) increases employee contribution rates from 3% to 6% (depending on the level of salary), (2) increases the retirement age from 62 years to 63 years, (3) readjusts the pension multiplier and (4) changes the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State's Retirement System continues to be higher than the 4.5% minimum contribution rate established by law. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by law in the near-term. To mitigate the expected increases in the employer contribution rate, legislation has been 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, who decide to amortize their pension obligations pursuant to the law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Village has not amortized any pension obligations to date.

Payments by the Village to the Retirement Systems for the past five years are as follows:

	ERS	PFRS
2014	$2,770,133	$2,876,877
2015	2,541,968	2,461,335
2016	2,322,161	2,339,023
2017	2,019,963	2,410,798
2018	2,041,870	2,571,900

Other Post Employment Benefits

The Village provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires, governmental entities, such as the Village, to account for post-retirement healthcare benefits with respect to vested pension benefits.

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," and refers to benefits other then pension benefits. OPEB consists primarily of health care benefits and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

GASB 45 requires municipalities and school districts to account for OPEB liabilities in the same manner as they already account for pension liabilities. It requires them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each municipality or school district. 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 or school district 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 liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC. The Village hired an actuarial firm for the actuarial valuation which calculated an ARC of $7,633,615 and an unfunded actuarial accrued liability of $91,046,125 as of May 31, 2018. The Village is in compliance with the requirements of GASB 45.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

FINANCIAL FACTORS

Budgetary Procedures

The Village budget is operated on a June 1-May 31 fiscal year. At various times during the year, department heads make presentations to the Board of Trustees and in December of each year, department heads are notified of their requirement to submit budget requests for the ensuing fiscal year. Such requests are based on previous years' expenditures, actual expenditures to date in the current year, and projected needs in the months ahead, as well as a fundamental review of the level and type of service needed by the community. Departmental requests are then reviewed in detail by the Budget Officer and Village Treasurer. Department heads subsequently meet with the Mayor and Members of the Board of Trustees for in-depth discussions of departmental needs. By late February, the Village Administration begins to meet with various citizen organizations for comprehensive reviews of preliminary estimates and general budget philosophy. Studies and reports prepared by these citizen committees are an important part of the budget process. Recommendations and suggestions resulting therefrom are frequently included in the final budget document.

By New York State Law, the tentative budget must be filed with the Village Clerk on or before March 20th. Copies of same are made available at this time to all interested persons. A public hearing on the tentative budget is held prior to April 15; any person has an opportunity to comment on this tentative budget. The final budget is adopted by resolution of the Board of Trustees prior to May 1.

Independent Audits

In addition to periodic audits by the State of New York, the Village's financial statements are audited annually by PKF O'Connor Davies, LLP. The fiscal year of the Village is June 1 through May 31.The Village's last audited financial statement covers the fiscal year ended May 31, 2018. The New York State Department of Audit and Control performed a risk assessment of the Village in May of 2012. The goal was to review the Village's financial operations and recommend improvement. At the conclusion of the risk assessment, the Department of Audit and Control determined that no further services of the Department of Audit and Control were needed by the Village and a full audit was not required.

Summary statements of the results of operations for various funds, shown in Appendix B of this Official Statement, have been derived from the annual and audited financial reports of the Village and are provided in memorandum form for informational purposes only. The summaries themselves have not been audited.

Basis of Accounting

The Village maintains its records and reports on the modified accrual basis of accounting for recording transactions in all governmental funds. Under this method, (1) revenues are recorded when received in cash except that for revenues which are material and susceptible to accrual (measurable and available to finance the current year's operations) which are recorded when earned, and (2) expenditures, other than retirement plan contributions, vacation and sick pay, and accrued interest are recorded at the time liabilities are incurred.

Annual Financial Report Update Document

New York State General Municipal Law Article 3, Section 30 requires every municipal corporation to make an annual report of its financial condition available to the Office of the State Comptroller ("OSC"). This report is not audited or prepared in accordance with GAAP. Filing deadlines for this Annual Financial Report Update Document (unaudited) ("AUD") vary according to the municipal corporation's fiscal year end. The Village's filing deadline is 120 days after the close of the fiscal year. In recent years, the Village has filed its AUD in a timely manner and filed its 2018 AUD by the September 30, 2018 deadline.

Financial Controls

The Village Administration exercises control over all departmental expenditures.

Pursuant to Village Law, all expenditures of funds are audited by a member of the Board of Trustees and are formally approved by resolution of the Board of Trustees.

The Village Board and all Department Heads receive monthly statements of budget accounts from the Village Treasurer. In addition, monthly financial reports which give detailed descriptions and comparative analyses of the status of revenues and expenditures of all Village funds, are prepared for public distribution.

Investment Policy

As authorized by Section 11 of the General Municipal Law, the Village of Scarsdale authorizes the Village Treasurer to temporarily invest monies not required for immediate or near-term expenditure. The Village investment policy permits the following types of investments: (a) special time deposit accounts in designated depositories, subject to the collateral requirements discussed below; (b) certificates of deposit issued by designated depositories, subject to the collateral requirements discussed below; (c) obligations of the United States of America;

(d) obligations issued or fully guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (e) obligations of the State of New York; (f) repurchase agreements limited to a maximum of fifteen days and in which the security purchased under the agreement is an obligation of the United States Government.

The Village Treasurer is authorized to contract for the purchase of investments either (i) directly or through a repurchase agreement from an authorized trading partner; or (ii) by participation in a cooperative investment program with another authorized governmental entity where the specific program has been authorized by the Village Board of Trustees.

In accordance with the provisions of General Municipal Law, Section 10, all deposits of the Village, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by a pledge of "eligible securities" with an aggregate "market value" as provided by GML Section 10, at least equal to the aggregate amount of deposits.

The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews

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

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

The most current applicable report of the State Comptroller designates the Village as "No Designation."

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

The financial affairs of the Village are subject to periodic compliance reviews by OSC to ascertain whether the Village has complied with the requirements of various State and federal statutes. OSC has not released a formal report on the Village in the past five years. Additional information regarding State audits can be obtained by visiting the New York State website for Local Governments and School Accountability.

Revenue

The Village derives most of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix A, herein.) Property taxes accounted for 70.8% of total General Fund revenues for the fiscal year ended May 31, 2018, while State aid accounted for 2.1%.

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Real Property Tax. The following table sets forth total General Fund revenues and real property taxes received for each of the last five fiscal years and the amount budgeted for the current fiscal years

General Fund Revenues & Real Property Taxes

Fiscal Year Ended May 31:	Total Revenues[1]	Real Property Taxes	Real Property Taxes to Revenues
2014	$50,068,438	$34,742,060	69.4%
2015	50,585,496	36,289,095	71.7
2016	53,166,541	38,044,974	71.6
2017	53,404,965	38,697,764	72.5
2018	55,689,946	39,437,522	70.8
2019 (Adopted Budget)	55,551,713	40,732,696	73.3

(1) General Fund, Village-wide.

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

State Aid and Financial Condition of the State. The Village receives financial assistance from the State. In its budget for the current fiscal year, approximately 1.9% of the total general fund revenues of the Village are estimated to be received in the form of State aid. 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, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse 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 Affecting Financings of the State and Municipalities of the State", herein.)*

The amount of State aid to municipalities and school districts is dependent in part upon the financial condition of the State. In addition, the availability of State aid and the timeliness of payment of State aid to municipalities and school districts could be affected by a delay in the adoption of the State budget. Although the State's 2018-2019 Budget was adopted on March 30, 2018, in advance of the April 1 deadline, the State's 2017-2018 Budget was adopted on April 9, 2017, a delay of approximately 8 days. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to municipalities and school districts in the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy.

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2018-2019 Budget continues authorization for a process by which the State would manage significant reductions in federal aid during fiscal year 2018-2019 and fiscal year 2019-2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by $850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by $850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the

State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017 (H.R. 1, P.L. 115-97), making major changes to the Federal Internal Revenue Code, most of which are effective in the 2018 tax year. The new federal tax law makes extensive changes to federal personal income taxes, corporate income taxes, and estate taxes, and the deductibility of various taxes and interest costs. The State's income tax system interacts with the federal system in numerous ways. The federal changes are expected to have significant flow-through effects on State tax burdens and revenues. The State's 2018-2019 Enacted Budget includes legislation decoupling certain linkages between federal and local income tax and corporate taxes, increasing the opportunities for charitable contributions, and providing an option to employers to shift to an employer compensation tax and reduce State personal income taxes. In addition, the State's 2018-2019 Enacted Budget includes legislation that grants localities the option to establish local charitable funds that would provide taxpayers with a credit against their property taxes. In response to various state initiatives following changes to federal taxes and deductibility, the Department of Treasury (Treasury Department) and the Internal Revenue Service (IRS) have proposed regulations to be effective after August 27, 2018 addressing state initiatives that would seek to circumvent the new statutory limitation on state and local tax deductions and characterization of payments for federal income tax purposes. The Village has established a local charitable fund, for receipt of charitable contributions in lieu of property tax payments. In light of recent IRS proposed regulations and guidance, the Village has ceased accepting contributions to its charitable fund effective as of August 27, 2018.

Reductions in federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State.

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

The following table sets forth total General Fund revenues and State aid revenues received for each of the last five fiscal years and the amount budgeted for the most recent and current fiscal years.

State Aid

Fiscal Year Ending May 31:	Total Revenues	State Aid	State Aid to Revenues
2014	$50,068,438	$1,130,264	2.3%
2015	50,585,496	1,060,063	2.1
2016	53,166,541	1,267,090	2.4
2017	53,404,965	1,117,200	2.1
2018	55,689,946	1,168,230	2.1
2019 (Budget)	55,551,713	1,057,610	1.9

Source: Audited Financial Statements and Adopted Budget for the Village. Summary table itself not audited

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Sales and Use Tax. Pursuant to the provisions of the County property tax stabilization and relief act (Section 1262-b of the State Tax Law) adopted in 1991, the Village receives a pro-rata share of the County sales and use tax. The political subdivisions in the County receiving the sales and use tax moneys are required to use these moneys to reduce local property taxes. The amount of sales and use taxes received by the Village for the last five years is shown below:

Year	Amount
2014	$2,426,632
2015	2,471,496
2016	2,496,514
2017	2,572,487
2018	2,646,315

Capital Planning and Budgeting

As part of the overall budgetary process, the Village Administration annually prepares a proposed Capital improvements budget. Such items as the annual street resurfacing program, equipment purchases (autos, machinery, etc.), drainage improvements and recreation plant improvements are included therein. Capital projects as outlined in the adopted budgets for fiscal years ended May 31, 2018 and May 31, 2019 appear below.

Capital Project Category	**Adopted Budget FYE 5/31/2018**	**Adopted Budget FYE 5/31/2019**
Recreation	$186,000	$245,000
Administration	1,195,000	2,543,025
Public Buildings	1,085,000	2,672,000
Highway Improvements	770,500	2,540,000
Drainage	3,165,000	2,065,000
Traffic & Parking	105,000	505,000
Land Improvements	15,000	15,000
Sanitary Sewers	530,000	560,000
Totals:	$7,051,500	$11,145,025

Source: Village of Scarsdale Adopted Budget Fiscal Year 2018-2019

TAX INFORMATION

Valuations

Year Ending May 31:	2014	2015	2016	2017	2018
Taxable Assessed Valuation:	$ 139,100,543	$ 139,882,165	$9,012,778,594	$9,033,202,794	$8,898,140,450
State Equal. Rate:	1.77%	1.73%	100.00%	100.00%	89.14%
Taxable Full Valuation:	$7,858,787,740	$8,085,674,277	$9,012,778,594	$9,033,202,794	$9,982,208,268

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Tax Levy and Collection Record

Year Ending May 31:	2014	2015	2016	2017	2018
Tax Levy & Collection Record[1]					
Village Tax Levy[1]	$ 35,021,213	$ 36,295,868	$ 37,217,185	$38,606,066	$39,575,839
School District Tax Levy[2]	120,745,745	126,369,309	130,186,269	130,900,411	132,782,049
County and Special Districts Tax Levy[3]	36,572,867	38,134,128	40,850,573	38,532,577	42,166,868
Total Taxes Levied	$192,339,825	$200,799,305	$210,149,930	$210,396,099	$214,524,756[5]
Collections During Year:					
Village	34,582,034	36,099,652	37,077,065	38,519,333	39,425,528
School District	118,542,203	125,360,976	129,454,556	130,399,583	132,206,439
County and Special Districts	36,284,651	37,984,433	40,737,565	38,457,811	42,042,865
Total Collections During Year	$189,408,888	$199,445,061	$207,269,186	$207,376,727	$213,674,832
Total Taxes Uncollected[4]	$2,930,937	$1,354,244	$2,880,744	$3,019,372	$1,149,924[5]
% Collected Taxes	98.48%	99.32%	98.63%	98.57%	99.60%

[1] Village fiscal year is June 1 to May 31. Taxes are billed July 1.
[2] School District fiscal year is from July 1 to June 30. Taxes are billed September 1.
[3] County of Westchester is on a calendar year basis. County taxes were billed April 1.
[4] Taxes uncollected through tax sale or filing of list of delinquent taxes.
[5] Includes current year unpaid County taxes.

Tax Rates Per $l,000 (Assessed)

Year Ending May 31:	2014	2015	2016	2017	2018
Tax Rates (Per $1,000)					
Village of Scarsdale	$249.8600	$258.1900	$ 4.11471	$ 4.2570	$4.4164
School District Tax Rate	893.3900	926.0500	14.8268[1]	14.8170	15.2606
County Tax Rate - Total	216.6300	3.5900[1]	3.4028[1]	3.7447	3.6267
Bronx Valley Sanitary Sewer District	32.2900	0.5132[1]	0.4876[1]	0.5274	0.5060
Hutchinson Valley Sanitary Sewer District	34.8300	0.5655[1]	0.5069[1]	0.5645	0.5114
Mamaroneck Valley Sanitary Sewer District	33.7700	0.5572[1]	0.5484[1]	0.6531	0.6337
Refuse Disposal District No. 1	19.8900	0.3318[1]	0.3069[1]	0.3331	0.3146

[1] Tax rates are based on revalued full market value.The Village conducted a property revaluation during fiscal years 2014 and 2016.

Tax Levy Limit Legislation

Although the State Legislature is limited 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”, the New York State Legislature may from time to time impose additional limitations on the ability to issue new indebtedness or to raise taxes therefor.

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limit Law" or the "Law"). The Tax Levy Limit Law generally applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities to levy certain year-to-year increases in real property taxes.

The Village is subject to the Tax Levy Limit Law, beginning with the Village's budget for its fiscal year beginning June 1, 2012. Pursuant to the Tax Levy Limit Law, additional procedural requirements are imposed if a municipality seeks to increase the tax levy by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index, over the amount of the Village's prior year's tax levy (the "Tax Levy Increase Limit"). In the event the Village seeks to adopt a budget requiring a tax levy exceeding the Tax Levy Increase Limit, a favorable vote of at least five members of the seven-member Board of Trustees of the Village would be required. The Board of Trustees of the Village would also be required to act by Local Law rather than simply by resolution, and a public hearing would be required. The Village exceeded the Tax Levy Limit in the fiscal years ending in 2014, 2015, 2017, and 2018. The Village did not exceed the cap in 2016, and does not exceed the cap in the Adopted Budget for 2019.

The Law permits certain exceptions to the Tax Levy Increase Limit. The Village may levy taxes exceeding the Tax Levy Increase Limit, if necessary, to support the following expenditures: (i) funds needed to pay judgments arising out of tort actions that exceed five percent of the total tax levied by the Village in the prior fiscal year and (ii) required pension payments (but only that portion of such payments attributable to the average actuarial contribution rate exceeding two percentage points). Taxes necessary for these expenditures will not be included in the calculation of the Tax Levy Increase Limit.

The Law also provides for adjustments to be made to the Village's Tax Levy Increase Limit based upon changes in the assessed value of the taxable real property in the Village. Additionally, the Village will be permitted to carry forward a certain portion of its unused tax levy capacity from the prior year.

Notes or Bonds of the Village issued prior to the June 24, 2011 effective date of the Tax Levy Limit Law are payable from real property taxes that can be levied as necessary without regard to any Constitutional or statutory limit. Inasmuch as the Law has no exclusion for principal and interest on notes and bonds, however, levies required to pay principal and interest on notes and bonds will be included in the calculation of the Tax Levy Increase Limit. In the absence of administrative or judicial guidance, and with a lack of any experience operating under the Law, the effect of the Law on the Village's finances and its ability to continue to levy taxes sufficient to both pay debt service on pre June 24, 2011 and post June 24, 2011 notes and bonds and meet its other governmental responsibilities is uncertain.

Tax Collection Procedure

The assessment of real property and collection of real estate taxes is governed by the Real Property Tax Law of the State of New York and the Westchester County Charter and Code. Towns and cities in Westchester County are responsible for assessing all real property within their boundaries with the exception of franchise utility companies and for collecting all real property taxes. In the case of the Village of Scarsdale, the Village, acting as a town, collects all County, school and special district taxes and the Village also collects the Village tax levy. The Village receives warrants for the collection of taxes from the County of Westchester and from the Scarsdale school district. The Village then remits the amount of the County and school district warrants at times set forth in the Westchester County Charter and Code. The Village is required to remit the full amount of each warrant presented by the County and school district, whether or not these sums are actually collected by the Village. The Village absorbs the responsibility for conducting in rem foreclosure proceedings. The taxes collected and the record of such collections for the fiscal years May 31, 2007 through May 31, 2011 is set forth in "Tax Information" herein.

County and Special District taxes for the period from January 1st to December 31st are due in a single payment on April 1st. Payment may be made without penalty until April 30th, after which the penalty is 2% during May, 5% during June and July, 7% during August and September, 10% during October, November and December, and 12% if paid prior to April 30. Thereafter, additional penalties will accrue until the date that all taxes and assessments are paid.

Village taxes for the period from June 1st to May 31st are due in a single payment on July 1st. Payment may be made without penalty until August 1st, after which the penalty is 2% during August and 1% additional per month thereafter.

School taxes for the period from July 1st to June 30th are due on September 1st without penalty until September 30th, after which the penalty is 2% during October, 5% during November, 7% during December and January, 10% during February and March, and 12% during April. Thereafter, additional penalties will accrue until the date that all taxes and assessments are paid.

Tax Certiorari Matters

From time to time the Village is involved in certiorari proceedings where taxpayers seek reduction in the assessed value of property upon which real property taxes are calculated. A reduction in assessed valuation may result in a refund of real property taxes previously paid by the claimant.

The following schedule is a compilation of the amounts budgeted and expenditures incurred by the Village, for the refund of real property taxes.

	2014	2015	2016	2017	2018	2019
Adopted Budget	$230,000	$200,000	$200,000	$150,000	$200,000	$200,000
Expenditures	162,662	109,025	45,156	222,166	375,573	72,169[1]

[1] Year to date.

There are numerous tax certiorari proceedings against the Village filed each year alleging over assessments of real property and seeking property tax refunds. The Village is unable to predict the outcome of these pending cases and future filings, but historically where refunds are granted they are considerably less than claimed by the petitioners. Nevertheless, annually the Village includes appropriations in its operating budget to pay tax certiorari claims. In the past the Village has been successful in structuring payouts over multiple fiscal years to stay within budgeted amounts. In the event that budgetary appropriations are not sufficient to pay any claims for which it is responsible in any given year or to mitigate the impact of any such claims on future budgets, the Village is authorized to under applicable law and may finance any judgment or settlement, if necessary.

Ten Largest Taxpayers

Name	Type	2018 Assessed Valuation
Con Edison	Public Utility	$93,353,193[1]
Scarsdale Improvement Co.	Var. Commercial Properties	42,540,000
Popham Hall LLC[2]	Apartments	27,000,000
Scarsdale Chateaux[2]	Cooperative Apartments	25,374,760
Popham Road Retail[2]	Commercial	20,800,000
Heathcote-Overhill Corp.	Cooperative Apartments	17,710,267
2 Overhill Road	Commercial	15,611,250
Quaker Ridge Golf Club[2]	Recreation	13,961,900
Private Residence	Residential	11,800,000
Birchall Acquisition LLC	Residential	11,312,500

Source: Village tax Assessment Rolls.
[1]Includes applicable franchise assessments for utilities.
[2]Tax certiorari claims pending

VILLAGE INDEBTEDNESS

Constitutional and Statutory Requirements

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

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

The 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 in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute or, in the alternative, the weighted average period of probable usefulness of the several purposes for which such indebtedness is to be contracted, unless the Village determines to issue debt amortized on the basis of substantially level or declining annual debt service. 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 bond anticipation notes.

General. The Village is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. As has been noted under "*Nature of Obligation*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Village's power to increase its annual tax levy, unless the Village complies with certain procedural requirements to permit the Village to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein).

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof shall not exceed seven per centum of the most recent five-year average full valuation of taxable real estate of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the final equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such rate shall be determined. The average full valuation is determined by taking the sum of full valuations of such last completed assessment roll and the four preceding assessment rolls, and dividing such sum by five.

Statutory Procedures

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, 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 and (3/5) three-fifths vote 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. Except on rare occasions, the Village follows the estoppel procedure, but it is not a legal requirement.

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 and Statutory Requirements*".)

In addition, under each bond resolution, the Village Board may delegate the power to issue and sell bonds and notes to the Village 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.

Trend of Outstanding Indebtedness

Year Ending May 31:	2014	2015	2016	2017	2018
Bonds	$22,360,000	$21,110,000	$19,720,000	$17,985,000	$16,580,000
Bond anticipation Notes	990,000	2,200000	1,750,000	1,230,000	2,100,000
EFC Financing	1,065,747	1,570,000	1,510,000	1,450,000	1,390,000
Total Debt Outstanding	$24,415,747	$24,950,000	$22,980,000	$20,665,000	$20,070,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village evidenced by bonds and notes as of May 31, 2018.

	Maturity	Amount
Bonds	2018-2039	$16,580,000
EFC Bonds	2018-2037	1,390,000
Bond Anticipation Note (Ardsley Rd Tank Roof)	December 10, 2018	1,500,000[1]
Bond Anticipation Note (Popham Road Bridge)	July 5, 2019	300,000
Total Debt Outstanding		$20,070,000

[1]This Bond Anticipation Note will be repaid with a portion of proceeds of the Bonds at maturity.
[2]At maturity this Bond Anticipation Note will be renewed for one year in the amount of $300,000.

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Constitutional Debt-Contracting Limitation

Debt Contracting Limitation

Assessment Roll	Fiscal Year	Assessed Valuation	Equalization Rate	Full Valuation
2014	2015	$ 139,882,165	1.73%	$8,085,674,277
2015	2016	9,012,778,594	100.00	9,012,778,594
2016	2017	9,033,202,794	100.00	9,033,202,794
2017	2018	8,898,140,450	89.14	9,982,208,268
2018	2019	8,864,004,464	90.5	9,794,480,071

Total Five-Year Full Valuations	$45,908,344,044
Average Full Valuation	$ 9,181,668,801
Debt Limit – Seven (7) per centum of Average Full Valuation	$ 642,716,816

Source: Office of the State Comptroller, Real Property Services

Debt Statement Summary

Summary of indebtedness, debt limit and net debt-contracting margin as shown on a debt statement prepared as of **October 4, 2018**.

Average Full Valuation of Taxable Real Property		$9,181,668,801
Debt Limit....7% thereof		642,716,816
Inclusions:		
Bonds	$15,530,000	
EFC Bonds	1,390,000	
Bond Anticipation Notes	1,800,000	
	$18,720,000	
Exclusions:		
Appropriations	301,961	
Water Debt	5,088,105	
	$5,390,066	
Net Bonded Indebtedness		$13,329,934
Net Debt-Contracting Margin		$629,386,882
Percent of Debt-Contracting Power Exhausted		2.07%

The table below sets forth both the total outstanding principal amount of debt issued by the Village and the approximate magnitude of the burden on taxable property in the Village of the debt instruments issued and outstanding by such other political units. Authorized but unissued debt has not been included.

Statement of Direct and Estimated Overlapping Indebtedness

Gross Direct Indebtedness	$18,720,000
Exclusions and Deductions	5,390,066
Net Direct Indebtedness	$ 13,329,934

Overlapping Debt

Issuer	Outstanding	As of	Estimated Share	Amount Applicable to Village
Westchester County	$666,093,024	12/31/17	4.40%	$ 29,295,582
Scarsdale UFSD	36,215,000	06/16/18	95.70%	34,657,755
Sewer and Waste Districts	18,065,887	12/31/17	various	1,585,950
Total Net Overlapping Debt				$65,539,287
Total Net Direct Debt				13,329,934
Total Net Direct and Overlapping Debt				$77,660,908

Sources: Data provided by Village, County, and District Officials.

Debt Ratios

The following table presents certain debt ratios relating to the Village's net direct and estimated overlapping indebtedness.

	Amount	Debt Per Capita(1)	Debt to Full Value(2)
Net Direct Indebtedness	$ 12,121,621	$685.46	0.12%
Net Direct and Overlapping Indebtedness	77,660,908	4,391.59	0.78

(1) The population of the Village is estimated at 17,684 as of 2016. Source: US Census Bureau American Community Survey 5-year Estimate.

(2) The Village's full value of taxable real property for fiscal year 2018 is $9,982,208,268.

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Bonded Debt Service

The following table sets forth all principal and interest payments required on the Village's outstanding bonded indebtedness, exclusive of Environmental Facilities Corporation water revenue bonds and exclusive of the Bonds, for future fiscal years ending May 31.

Fiscal Year Ending May 31st:	Principal	Interest	Total Debt Service
2019[1]	$1,295,000	$535,806	$1,830,806
2020	1,355,000	489,731	1,844,731
2021	1,405,000	437,006	1,842,006
2022	1,450,000	394,222	1,844,222
2023	1,490,000	353,838	1,843,838
2024	1,535,000	303,738	1,838,738
2025	1,485,000	252,644	1,737,644
2026	615,000	218,700	833,700
2027	625,000	201,863	826,863
2028	650,000	184,449	834,449
2029	465,000	169,050	634,050
2030	360,000	157,200	517,200
2031	370,000	146,400	516,400
2032	380,000	134,375	514,375
2033	395,000	122,025	517,025
2034	410,000	108,200	518,200
2035	425,000	91,800	516,800
2036	440,000	74,800	514,800
2037	460,000	57,200	517,200
2038	475,000	38,800	513,800
2039	495,000	19,800	514,800
Totals:	$16,580,000	$4,491,647	$21,071,647

(1) For entire fiscal year.

Authorized but Unissued

The Village has $3,190,000 authorized for the South Meadowbrook drainage project. A Westchester County grant of up to $1,450,000 partially funded this project. In addition, a commitment of $1,740,000 in financing was secured from the NYS Environmental Facilities Corp. ultimately reduced to $1,640,000 based on the revised project cost estimates. The Village plans to de-authorize the unissued amount of $1,550,000. The Village also has $4,235,000 authorized for the Sheldrake River drainage project. The scope of the project was reduced and the Village was awarded a New York State department of Environmental Facilities grant of $1,400,000 of which a local match of 25%, or $350,000, was funded through a combination of $297,292 in Village cash and $52,708 of in-kind personal services. Upon completion of the project and evaluation of the efficacy of the improvements, the remaining unissued debt amount will be de-authorized. In addition, the Village has $5,800,000 authorized for improvements to the water supply and distribution system. The Village has issued $4,800,000 in bonds with $1,000,000 remaining as authorized but unissued.

On December 13, 2016, the Village Board of Trustees authorized two debt issues. The first was authorization for the Water Utility Fund to borrow up to $1,500,000 to fund part of the $2,082,200 estimated maximum cost for improvements to the Ardsley Road Water Tank and appurtenances and various improvements to the water supply system. A bank anticipation note was secured for this purpose. The second authorization was for the Village to borrow up to $9,900,000 as the Village share of the total project cost of $17,900,000 for the addition and rehabilitation of the Scarsdale Public Library. The balance of the project funding is provided through private donations secured by a separate Library Capital Campaign Committee. The Library project $9,900,000 financing will be combined with the aforementioned $1,500,000 bank anticipation note for a total issue of $11,400,000 aggregate principal amount of the Bonds as described herein.

Short-Term Indebtedness

In the past 39 years, the Village has not sold budget, revenue or tax anticipation notes. The timing of the receipt of taxes and other revenues and its need for such money, together with its control of the timing of expenditures, has enabled the Village to minimize the need for short-term financing of this type.

ECONOMIC AND DEMOGRAPHIC DATA

Population Trends

	Village of Scarsdale	Westchester County	New York State
1960	17,968	808,891	16,782,304
1970	19,229	894,104	18,241,266
1980	17,650	866,599	17,558,072
1990	16,987	874,866	17,990,455
2000	17,823	923,459	18,976,457
2010	17,166	949,113	19,378,102
2016	17,684	974,542	19,745,289

Source: United States Bureau of the Census.

Personal Income

Median household income and per capita income in the Village of Scarsdale are among the highest for any community in the United States. Bureau of Census reports show 2016 median household income of $250,000+. Based on the 2016 population of 17,684 and the number of households of 5,394, the per capita income was $113,535.

The following table shows the median household income and per capita income of the Village, Westchester County, New York State and the United States for 2014 as reported by the United States Department of Commerce, Bureau of the Census:

	Village of Scarsdale	Westchester County	New York State	United States
Median Household Income (2016)	$250,000+	$86,226	$60,741	$53,482
Per Capita Income (2014)	113,535	48,487	32,829	28,555

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

Unemployment Rate Statistics

Unemployment statistics are not readily available for the Village. The smallest area containing the Village or which current statistics are readily available is Westchester County. The information set forth below with respect to the County is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County is necessarily representative of the Village or vice versa.

Year Average

	2012	2013	2014	2015	2016	2017
Westchester County	7.3%	6.2%	5.1%	4.5%	4.3%	4.6
New York State	8.5%	7.7%	6.3%	5.3%	4.8%	5.0

2018 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul
Westchester County	4.9%	5.2%	4.7%	4.2%	3.8%	4.1%	4.1%
New York State	5.1%	5.1%	4.8%	4.3%	3.7%	4.2%	4.2%

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

End of Appendix A

APPENDIX B

SUMMARY OF BUDGETS AND FINANCIAL STATEMENTS

(Summary itself is not audited.)

VILLAGE OF SCARSDALE
WESTCHESTER COUNTY, NEW YORK
Adopted Budgets - General Fund
Fiscal Year ending May 31:

Year Ended May 31:	2017-2018	2018-2019
REVENUES		
Real Property Taxes	$39,455,895	$40,182,696
Other Tax Items	575,000	550,000
Non Property Tax Items	3,360,000	3,335,000
Departmental Income	4,615,389	4,515,497
Intergovernmental Charges	32,000	32,000
Use of Money and Property	798,386	992,280
Licenses and Permits	1,985,000	1,933,000
Fines and Forfeitures	948,000	888,000
Sale of Property, Other	380,000	65,000
Miscellaneous	530,000	620,000
Interfund Revenues	530,630	530,630
State Aid	2,009,506	1,907,610
Total Revenues	55,219,806	55,551,713
EXPENDITURES		
General Government Support	7,929,622	8,756,373
Transportation	1,834,225	1,862,983
Public Safety	14,196,448	14,177,089
Culture and Recreation	3,563,443	3,481,345
Home & Community Services	4,065,789	3,650,157
Employee Benefits	15,531,174	16,043,176
Debt Service	2,333,683	1,848,992
Total Expenditures	49,454,384	49,820,115
Excess (Deficiency) of Revenues Over Expenditures	5,765,422	5,731,598
Other Financing Sources (Uses):		
Operating Transfers In	0	
Operating Transfers Out	(6,978,422)	(6,754,598)
Total Other Financing Uses	(6,978,422)	(6,754,598)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(1,213,000)	(1,023,000)
Fund Balance Beginning of Year		

[1] Appropriated fund balance budgeted as revenue.

Source: Annual Budgets of the Village of Scarsdale.

VILLAGE OF SCARSDALE
WESTCHESTER COUNTY, NEW YORK
Balance Sheet
General Fund
Fiscal Year Ended May 31:

As of May 31:	2017	2018
ASSETS		
Cash and Equivalents	$16,942,222	$33,544,367
Taxes Receivable	186,399	290,850
Receivables:		
Accounts	489,659	352,164
Special Assessments	0	0
State and Federal Aid	692,363	663,734
Other Governments	108,305	90,081
Prepaid Expenditures	617,147	666,171
TOTAL ASSETS	$19,036,095	$35,607,367
LIABILITIES		
Accounts Payable	$419,063	$564,989
Accrued Liabilities	2,159,058	1,338,514
Due to Other Funds	0	0
Unearned Revenues	847,484	740,384
Deferred Inflows of Resources not Available	369,372	184,743
Deferred Revenue - Taxes	186,399	290,850
Taxes Collected in Advance	0	16,155,693
TOTAL LIABILITIES	3,981,376	19,275,173
FUND BALANCE		
Nonspendable	617,147	666,171
Restricted	0	0
Assigned	6,392,274	7,461,860
Unassigned	8,045,298	8,204,163
TOTAL FUND BALANCE	15,054,719	16,332,194
TOTAL LIABILITIES AND FUND BALANCE	$19,036,095	$35,607,367

Source: Audited financial statements of the Village of Scarsdale.

VILLAGE OF SCARSDALE
WESTCHESTER COUNTY, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Fiscal Year Ended May 31:

Year Ended May 31:	2014	2015	2016	2017	2018
REVENUES					
Real Property Taxes	$34,657,733	$36,198,748	$37,269,905	$38,581,775	$39,146,629
Other Tax Items	84,327	90,347	775,069	115,989	290,893
Non-property Taxes	3,227,674	3,310,349	3,328,872	3,476,066	3,477,398
Departmental Income	4,050,986	4,225,220	4,546,838	4,440,995	4,324,600
Intergovernmental	99,302	148,193	140,623	94,994	37,854
Use of Money and Property	917,721	807,389	758,816	776,135	1,036,111
Licenses and Permits	2,291,371	2,388,602	2,144,262	2,158,779	2,074,315
Fines and Forfeitures	952,011	854,815	1,030,987	915,759	903,850
Interfund Revenues	890,630	875,630	980,630	530,630	530,630
Sale of Property/Loss Comp.	105,576	61,946	78,215	150,703	1,250,252
State and Federal Aid	2,187,095	1,065,595	1,267,090	1,117,200	1,168,230
Miscellaneous	604,012	558,662	845,234	1,045,940	1,449,184
Total Revenues	50,068,438	50,585,496	53,166,541	53,404,965	55,689,946
EXPENDITURES					
General Government Support	8,387,998	8,500,536	8,501,385	8,673,628	8,516,264
Public Safety	11,665,665	11,960,323	11,954,734	13,077,227	12,957,353
Culture and Recreation	2,479,543	2,628,280	2,913,097	2,658,312	2,759,325
Home & Community Services	7,318,561	7,158,752	7,322,903	7,444,277	7,812,947
Employee Benefits	13,237,777	13,348,854	13,081,380	13,699,147	14,841,573
Debt Service	2,023,239	2,049,141	2,250,532	2,280,420	2,328,924
Total Expenditures	45,112,783	45,645,886	46,024,031	47,833,011	49,216,386
Excess of Revenues Over Expenditures	4,955,655	4,939,610	7,142,510	5,571,954	6,473,560
Other Financing Sources (Uses):					
Insurance Recoveries	95,049	102,723	22,236	14,605	53,765
Sale of Real Property	0	500,000	0	0	0
Refunded Bonds Issued	0	2,442,500	0	6,295,000	0
Issuance Premium	0	102,251	0	799,558	0
Payment to Refunded Escrow Ag	0	(2,482,973)	0	(7,007,751)	0
Operating Transfers In	1,684,201	1,514,502	1,544,452	1,519,468	1,495,437
Operating Transfers Out	(5,623,059)	(6,027,808)	(6,777,049)	(6,886,902)	(6,745,287)
Total Other Financing Uses	(3,843,809)	(3,848,805)	(5,210,361)	(5,266,022)	(5,196,085)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	1,111,846	1,090,805	1,932,149	305,932	1,277,475
Fund Balance Beginning of Year	10,613,987	11,725,833	12,816,638	14,748,787	15,054,719
Fund Balance End of Year	$11,725,833	$12,816,638	$14,748,787	$15,054,719	$16,332,194

Source: Audited financial statements of the Village of Scarsdale.

VILLAGE OF SCARSDALE
WESTCHESTER COUNTY, NEW YORK
Special Fund
Fisscal Year Ended May 31:

Fiscal Year Ending May 31:	2014	2015	2016	2017	2018
TOWN OF SCARSDALE					
Balance Beginning of Year	$1,401,674	$1,278,567	$1,214,533	$1,022,837	$1,024,356
Revenues	1,569,011	1,429,032	1,397,191	1,489,999	1,461,510
Expenditures	1,692,118	1,493,066	1,397,131	1,488,480	1,470,068
Balance End of Year	$1,278,567	$1,214,533	$1,214,593	$1,024,356	$1,015,798
LIBRARY FUND					
Balance Beginning of Year	$871,849	$574,232	$668,832	$702,059	$1,150,471
Revenues	3,591,135	3,741,987	3,804,923	3,876,670	3,670,610
Expenditures	3,888,752	3,647,387	3,771,696	3,428,258	3,348,951
Balance End of Year	$574,232	$668,832	$702,059	$1,150,471	$1,472,130
SPECIAL PURPOSE FUND					
Balance Beginning of Year	$532,405	$607,254	$917,750	$748,649	$1,051,182
Revenues	191,744	331,506	150,325	362,416	119,472
Expenditures	116,895	21,010	319,426	59,883	82,553
Balance End of Year	$607,254	$917,750	$748,649	$1,051,182	$1,088,101
WATER FUND					
Balance Beginning of Year	$6,147,038	$5,442,858	$4,490,993	$3,210,554	$3,119,520
Revenues	5,266,012	5,489,633	6,119,863	7,417,464	7,172,940
Expenditures	5,970,192	6,441,498	7,400,302	7,508,498	6,862,565
Balance End of Year	$5,442,858	$4,490,993	$3,210,554	$3,119,520	$3,429,895
POOL FUND					
Balance Beginning of Year	$964,059	$1,006,702	$1,032,894	$1,010,911	$974,375
Revenues	935,216	868,421	856,865	851,288	835,391
Expenditures	892,573	842,229	878,848	887,824	890,291
Balance End of Year	$1,006,702	$1,032,894	$1,010,911	$974,375	$919,475

Source: Audited financial statements of the Village of Scarsdale.

APPENDIX C

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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/ES1337519.pdf

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

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

APPENDIX D

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL FOR THE BONDS

NORTON ROSE FULBRIGHT

October __, 2018

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Village of Scarsdale,
County of Westchester,
State of New York

Re: Village of Scarsdale, Westchester County, New York
$11,400,000 Public Improvement (Serial) Bonds, 2018

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $11,400,000 Public Improvement (Serial) Bonds, 2018 (the "Obligation"), of the Village of Scarsdale, Westchester County, New York (the "Obligor"), dated October 25, 2018.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986 (the "Code"), including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder;

(3) a tax certificate (the "Tax Certificate") executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation 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 Obligation 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 Obligation 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 Obligation and investment earnings thereon on certain specified purposes; 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 Tax 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 Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided, however, that the enforceability (but not the validity) of the Obligation: (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.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; 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) Under existing law, interest on the Obligation (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof for Federal income tax purposes, pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, assuming continuing compliance after the date hereof by the Obligor with the provisions of the Tax Certificate, and (2) will not be included in computing the Federal alternative minimum taxable income of the owners thereof who are individuals. We call to your attention that, for taxable years that began on or before December 31, 2017, interest on the Obligation owned by certain corporations will be included in such corporations' adjusted current earnings for purposes of computing the alternative minimum tax on such corporations. The alternative minimum tax on corporations has been repealed for taxable years beginning on or after January 1, 2018. Under existing law, interest on the Obligation is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion with respect to any other Federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligation. Ownership of tax-exempt obligations such as the Obligation may result in collateral Federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinion expressed herein. Such opinion is 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 Obligation as the same respectively become due and payable. We have not examined, reviewed or passed upon the accuracy, completeness or fairness of any factual information which may have been furnished to any purchaser of the Obligation by or on behalf of the Obligor and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, 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,

APPENDIX E

FORM OF DISCLOSURE UNDERTAKING FOR THE BONDS

CONTINUING DISCLOSURE UNDERTAKING CERTIFICATE
PURSUANT TO RULE 15c2-12 OF THE
SECURITIES AND EXCHANGE COMMISSIONER

1. **A.** **Definitions**. As used in this Undertaking, the following terms have the meanings ascribed to such terms below*:*

"Bonds" means the Issuer's Public Improvement Refunding (Serial) Bonds, 2018.

"Issuer" means the Village of Scarsdale, Westchester County, New York.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Undertaking" means this Annual and Continuing Disclosure Undertaking.

B. Annual Reports. The Issuer shall electronically file annually with the MSRB, (1) within six months after the end of each fiscal year ending after the date hereof, financial information and operating data with respect to the Issuer of the general type contained in or cross referenced in the Issuer's final Official Statement, dated October 16, 2018, under the heading **"LITIGATION",** and in **Appendices A** under the headings **"THE VILLAGE", "TAX INFORMATION", "VILLAGE INDEBTEDNESS"** and in **Appendices B and C**, and (2) if not provided as part such financial information and operating data, audited financial statements of the Issuer, when and if available. If audited financial statements are not available at that time the Town will electronically file unaudited financial statements when available. Any financial statements so to be electronically filed shall be prepared in accordance with the accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and shall be audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided.

If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Undertaking.

The financial information and operating data to be provided pursuant to this Undertaking may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

C. **Event Notices.** The Issuer shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of holders of the Bonds, if material;

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

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes;

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

(13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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* An event of this nature is considered to occur upon the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer shall electronically file with the MSRB, in a timely manner, notice of any failure by the Issuer to provide financial information or operating data in accordance with this Undertaking by the time required by this Undertaking.

D. **Filings with the MSRB**. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Undertaking shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

E. Limitations, Disclaimers, and Amendments. The Issuer shall be obligated to observe and perform the covenants specified in this Undertaking for so long as, but only for so long as, the Issuer remain an “obligated person” with respect to the Bonds within the meaning of the Rule.

The provisions of this Undertaking are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Undertaking, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Undertaking and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Undertaking or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS UNDERTAKING, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Undertaking shall constitute a breach of or default on the Bonds.

Nothing in this Undertaking is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Undertaking may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Undertaking, as so amended, would have permitted an Purchaser to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of the Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Issuer may also repeal or amend the provisions of this Undertaking if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Undertaking in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an Purchaser from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer so amends the provisions of this Undertaking, the Issuer shall include with any amended financial information or operating data next provided in accordance with this Undertaking an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.