

**PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 27, 2018**

**RATING: See "RATING" herein  
SERIAL BONDS**

**NEW AND RENEWAL ISSUE**

*In the opinion of Norton Rose Fulbright US LLP, New York, New York, 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.*

**VILLAGE OF HAVERSTRAW  
ROCKLAND COUNTY, NEW YORK**

**\$6,500,000\***

**PUBLIC IMPROVEMENT (SERIAL) BONDS, 2018 SERIES B (FEDERALLY TAXABLE)  
(the "Bonds")**

**Date of Issue: December 18, 2018**

**Maturity Dates: December 15, 2019-2044**

The Bonds are general obligations of the Village of Haverstraw, Rockland County, New York (the "Village"), and will contain a pledge of the faith and credit of the Village for the payment of the principal of and interest on the Bonds. All the taxable real property within the Village will be subject to the levy of ad valorem taxes to pay principal of and interest on the Bonds, subject to applicable statutory limitations. See "**Tax Increase Procedural Limitation Legislation**," herein.

The Bonds are dated their Date of Issue and will bear interest from such date until the Maturity Date of the Bonds, at the annual rate(s) as specified by the purchaser of the Bonds. The Bonds are subject to redemption prior to maturity as discussed herein. (See "Optional Redemption" herein.)

DTC will act as Securities Depository for the Bonds. The Bonds will be issued in book-entry form will be registered to Cede & Co. as partnership nominee for DTC. 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 those Bonds issued as book-entry-only Bonds. Payment of the principal of and interest on such 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 such Bonds as described herein. (See "Book-Entry-Only 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, by Norton Rose Fulbright US LLP, Bond Counsel. It is anticipated that the Bonds will be available for delivery in New York on or about December 18, 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: December \_\_, 2018

\* Preliminary, subject to change.

This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any sale of the Bonds offered by this Preliminary Official Statement, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

The Bonds mature on December 15 in each of the years, subject to prior redemption, as set forth below:

<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>	<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>
2019	\$170,000				2032**	\$245,000			
2020	175,000				2033**	250,000			
2021	180,000				2034**	260,000			
2022	185,000				2035**	270,000			
2023	185,000				2036**	275,000			
2024	190,000				2037**	285,000			
2025	195,000				2038**	295,000			
2026	200,000				2039**	310,000			
2027**	210,000				2040**	320,000			
2028**	215,000				2041**	330,000			
2029**	220,000				2042**	345,000			
2030**	230,000				2043**	355,000			
2031**	235,000				2044**	370,000			

\* The principal maturities of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale to achieve substantially level or declining annual debt service as provided in the Local Finance Law and 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.

**VILLAGE OF HAVERSTRAW  
ROCKLAND COUNTY, NEW YORK**

**MICHAEL KOHUT  
MAYOR**

**BOARD OF TRUSTEES**

Emily Dominguez.....Deputy Mayor

Rafael Bueno .....Trustee

Joel I.A. Santana .....Trustee

Terence Watson .....Trustee

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Judith R. Curcio .....Village Clerk/Treasurer

J. Nelson Hood, Jr.....Village Attorney

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**BOND COUNSEL**

**Norton Rose Fulbright US LLP  
New York, New York**

**MUNICIPAL ADVISOR**



**Capital Markets Advisors, LLC  
Long Island \* Hudson Valley \* Southern Tier \* Western New York  
(516) 570-0340**

No dealer, broker, salesperson or other person has been authorized by the Village of Haverstraw to give any information or to make any representation other than those contained in this Official Statement. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy 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, estimates and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village of Haverstraw since the date thereof.

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**OFFICIAL STATEMENT**  
**VILLAGE OF HAVERSTRAW**  
**ROCKLAND COUNTY, NEW YORK**

**relating to**  
**\$6,500,000\***  
**PUBLIC IMPROVEMENT (SERIAL) BONDS, 2018 SERIES B (FEDERALLY TAXABLE)**  
**(the “Bonds”)**

The material set forth herein, including the cover pages and appendices hereto, has been prepared by the Village of Haverstraw, in the County of Rockland, in the State of New York (the “Village,” “County,” and “State,” respectively) in connection with the sale of \$6,500,000\* Public Improvement (Serial) Bonds, 2018 Series B (Federally Taxable) (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. All references to the Bonds, the acts 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 dated their Date of Delivery and will bear interest from that date until maturity, payable on December 15, 2019 and semiannually thereafter on June 15 and December 15 in each year until maturity. Interest will be computed based on a 360 day year of twelve 30 day months and will be paid to the owner of record on the last business day of the month preceding each interest payment. The Bonds shall mature on December 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 fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as Securities Depository (defined herein) for the Bonds. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds. Principal 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 (defined herein), for subsequent disbursement to the Beneficial Owners of the Bonds as described under “Book-Entry-Only System,” herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Village referred to therein.

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.

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\* Preliminary, subject to change.

## ***Authority for and Purpose of the Bonds***

The Bonds are issued pursuant to the Constitution, the laws of the State of New York, including, among others, the Village Law and the Local Finance Law. The Bonds are issued pursuant to a bond resolution duly adopted by the Village Board of Trustees on November 24, 2014, and amended on October 29, 2018, to finance the payments of a judgment. A portion of the proceeds from the Bonds, together with \$350,000 in available funds, will be used to redeem the Village's \$5,350,000 Bond Anticipation Renewal Notes – 2017 Series B (Federally Taxable) at maturity on December 19, 2018. The remaining \$1,500,000 in proceeds will provide new original financing.

## ***Optional Redemption***

The Bonds maturing on or before December 15, 2026 are not subject to redemption prior to maturity. The Bonds maturing on or after December 15, 2027 will be subject to redemption prior to maturity, at the option of the Village, on any date on or after December 15, 2026, 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), at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

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 transmitting 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.

## ***Nature of the Obligation***

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

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

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

## ***Book-Entry Only System***

DTC will act as securities depository for the Bonds. The Bonds will be issued in book-entry form issued as fully-registered Bonds in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds of a series and will be deposited with DTC. One fully-registered bond certificate will be issued for each Bond issued in book-entry form bearing the same rate of interest and CUSIP number, 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](http://www.dtcc.com) and [www.dtc.org](http://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 or note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 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.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument (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).

Principal and interest payments on the Bonds registered as book-entry 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 the Village 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 decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered 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.** The Bonds are general obligations of the Village. 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 City 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 of or interest on Village indebtedness is past due. The Village has never defaulted in the payment of the principal of and interest on any indebtedness.

## **MARKET FACTORS**

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

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

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

If and when a holder of any of the 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 are dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

The enactment of Chapter 97 of the 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 Increase Procedural Limitation," herein.)

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

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

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating

deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “significant fiscal stress”, in “moderate fiscal stress,” as “susceptible to fiscal stress” or “no designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “no designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the Village as “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 reviewed the Village in the last five years.

## **LITIGATION**

In common with other Villages, the Village from time to time receives notices of claim and is party to litigation. In the opinion of the Village Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or action pending which, if determined against the Village, would have a material adverse effect on the financial condition of the Village and its ability to make timely payments of debt service on the Bonds.

## **TAX MATTERS**

### ***Federally Taxable Bonds***

*State Tax Exemption.* 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).

*Certain Federal Income Tax Considerations.* The following is a general summary of certain federal income tax consequences of the purchase and ownership of the Bonds. The discussion is based upon the Internal Revenue Code of 1986 (the “Code”), U.S. Treasury Regulations, rulings, and decisions now in effect, all of which are subject to change (possibly, with retroactive effect) or possibly differing interpretation. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with federal income tax consequences applicable to all categories of investors and generally does not address consequences relating to the disposition of a Bond by a beneficial owner thereof. Further, this summary does not discuss all aspects of federal income taxation that may be relevant to a particular investor in the Bonds in light of the investor’s particular circumstances (for example, persons subject to the alternative minimum tax provisions of the Code), or to certain types of investors subject to special treatment under the federal income tax laws (including insurance companies, tax-exempt organizations and entities, financial institutions, broker-dealers, persons who have hedged the risk of owning the Bonds, traders in securities that elect to use a mark-to-market method of accounting, thrifts, regulated investment companies, pension and other employee benefit plans, partnerships and other pass-through entities, certain hybrid entities and owners of interests therein, persons who acquire Bonds in connection with the performance of services, or persons deemed to sell Bonds under the constructive sale provisions of the Code). The discussion below also does not discuss any aspect of state, local, or foreign law or U.S. federal tax laws other than U.S. federal income tax law. The summary is limited to certain issues relating to initial investors who will hold the Bonds as “capital assets” within the meaning of Section 1221 of the Code, and acquire such Bonds for investment and not as a dealer or for resale. This summary addresses certain federal income tax consequences applicable to beneficial owners of the Bonds who are United States persons within

the meaning of Section 7701(a)(30) of the Code (“United States persons”) and, except as discussed below, does not address any consequences to persons other than United States persons. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the “IRS”) with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

**ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN, AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF THE BONDS.**

*Stated Interest and Reporting of Interest Payments.* The stated interest on the Bonds will be included in the gross income, as defined in Section 61 of the Code, of the beneficial owners thereof as ordinary income for federal income tax purposes at the time it is paid or accrued, depending on the tax accounting method applicable to the beneficial owners thereof. Subject to certain exceptions, the stated interest on the Bonds will be reported to the IRS. Such information will be filed each year on IRS Form 1099 which will reflect the name, address, and taxpayer identification number (“TIN”) of the beneficial owner. A copy of IRS Form 1099 will be sent to each beneficial owner of a Bond for federal income tax purposes.

*Medicare Contribution Tax.* Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of “modified adjusted gross income” of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Beneficial Owners of the Bonds should consult with their own tax advisors concerning this additional tax, as it may apply to interest earned on the Bonds as well as gain on the sale of a Bond.

*Original Issue Discount.* If the first price at which a substantial amount of the Bonds of any stated maturity is sold at original issuance (the “Issue Price”) is less than the face amount by more than one quarter of one percent times the number of complete years to maturity, the Bonds of that maturity will be treated as being issued with “original issue discount”. The amount of the original issue discount on each Bond of that maturity will equal the excess of the principal amount payable on that Bond at maturity over the Issue Price, and the amount of the original issue discount on such Bond will be accrued over its term using the “constant yield method” provided in the Treasury Regulations. As original issue discount on a Bond accrues under the constant yield method, the beneficial owner of a Bond with original issue discount will be required to include as interest each such accrual in its gross income regardless of its regular method of accounting. This can result in taxable income to the beneficial owner of a Bond issued with original issue discount that exceeds actual cash distributions on that Bond in the taxable year. The amount of any original issue discount that accrues on the Bonds each year will be reported annually to the IRS and to the beneficial owners. The portion of the original issue discount included in each beneficial owner’s gross income while the beneficial owner holds a Bond will increase the adjusted tax basis of the Bond in the hands of such beneficial owner.

*Premium.* If a beneficial owner purchases a Bond for an amount that is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased the Bond with “amortizable bond premium” equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of the Bond and may offset interest otherwise required to be included in respect of the Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Bond held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Bond. However, if the Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

*Backup Withholding.* Under Section 3406 of the Code, a beneficial owner of the Bonds who is a United States person may, under certain circumstances, be subject to “backup withholding” (currently at a rate of 24 percent) on

current or accrued interest on the Bonds or with respect to proceeds received from a disposition of the Bonds. This withholding applies if such beneficial owner of Bonds: (i) fails to furnish to the payor such beneficial owner's social security number or other TIN; (ii) furnishes the payor an incorrect TIN; (iii) fails to report interest properly; or (iv) under certain circumstances, fails to provide the payor or such beneficial owner's broker with a certified statement, signed under penalty of perjury, that the TIN provided to the payor or broker is correct and that such beneficial owner is not subject to backup withholding. To establish status as an exempt person, a beneficial owner will generally be required to provide certification on IRS Form W-9 (or substitute form).

Backup withholding will not apply, however, if the beneficial owner is a corporation or falls within certain tax-exempt categories and, when required, demonstrates such fact. **BENEFICIAL OWNERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THEIR QUALIFICATION FOR EXEMPTION FROM BACKUP WITHHOLDING AND THE PROCEDURE FOR OBTAINING SUCH EXEMPTION, IF APPLICABLE.** The backup withholding tax is not an additional tax and taxpayers may use amounts withheld as a credit against their federal income tax liability or may claim a refund as long as they timely provide certain information to the IRS.

*Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations.* Under Sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding of U.S. federal income tax by the payor at the rate of 30 percent on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest income of such a beneficial owner of the Bonds is not treated as effectively connected income within the meaning of Section 864 of the Code, such interest will be subject to 30 percent withholding, or any lower rate specified in an income tax treaty, unless such income is treated as "portfolio interest." Interest will be treated as portfolio interest if (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a United States person and providing the name and address of such beneficial owner, (ii) such interest is treated as not effectively connected with the beneficial owner's United States trade or business, (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion, (iv) interest payable with respect to the Bonds is not deemed contingent interest within the meaning of the portfolio debt provision, (v) such beneficial owner is not a controlled foreign corporation within the meaning of Section 957 of the Code, and (vi) such beneficial owner is not a bank receiving interest on the Bonds pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the Bonds are treated as portfolio interest within the meaning of Sections 871 and 881 of the Code, then no withholding under Sections 1441 and 1442 of the Code, and no backup withholding under Section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished IRS Form W-8 BEN, IRS Form W-8 BEN-E, IRS Form W-8 EXP, or IRS Form W-8 IMY, as applicable, provided the payor has no actual knowledge or reason to know that such person is a United States person.

*Foreign Account Tax Compliance Act.* Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Bonds and sales proceeds of Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including original issue discount) and will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2018, and (ii) certain "pass-thru" payments no earlier than January 1, 2019. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

*The preceding discussion of certain U.S. federal income tax consequences is for general information only and is not tax advice. Accordingly, each investor should consult its own tax advisor as to particular tax consequences to it of purchasing, owning, and disposing of the Bonds, including the applicability and effect of any state, local, or foreign tax laws, and of any proposed changes in applicable laws.*

## **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, New York, New York. Such legal opinion will be delivered in substantially the form attached hereto as “Appendix D”.

## **DISCLOSURE UNDERTAKING**

This Official Statement is in a form “deemed final” by the Village for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). In accordance with the requirements of the Rule as the same may be amended or officially interpreted from time to time promulgated by the Commission, the Village has agreed to provide, at the time of delivery of the Bonds, an executed Disclosure Undertaking in substantially the form attached hereto as “Appendix E.”

### ***Continuing Disclosure Compliance History***

The Village timely filed its unaudited financial statements on or prior to the 180<sup>th</sup> day following the end of each fiscal year but failed to file its audited financial statements within 30 days after becoming available for fiscal years ended May 31, 2013, May 31, 2014 and May 31, 2016.

The Village’s 2016 Annual Financial Information and Operating Data was not updated in its entirety in compliance with its continuing disclosure requirement as of May 31, 2016. The document has since been updated and filed.

The Village failed to timely file its Moody’s rating upgrade from “A1” to “Aa3” on December 24, 2014. The filing has since been made.

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

The Village has established procedures to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the MSRB through EMMA.

## **MUNICIPAL ADVISOR**

Capital Markets Advisors, LLC, Great Neck New York, (the “Municipal Advisor”) has served as the independent Municipal Advisor to the Village in connection with 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.

### **RATINGS**

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 December 28, 2017, Moody's reaffirmed its "Aa3" rating on the Village's outstanding parity general obligation debt.

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**

Additional information may be obtained from the Village Treasurer, Ms. Judith R. Curcio, 40 New Main Street, Haverstraw, New York 10927, (845) 429-0300, or from the Village's Municipal Advisor, Capital Markets Advisors, LLC., 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 472-7049.

Any statements in the 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.

The Municipal Advisor may place a copy of this Official Statement on its website at [www.capmark.org](http://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. The Municipal Advisor has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Village nor The Municipal Advisor assumes any liability or responsibility for errors or omissions on such website. Further, The Municipal Advisor 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. The Municipal Advisor 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 HAVERSTRAW  
ROCKLAND COUNTY, NEW YORK

By: \_\_\_\_\_  
Judith R. Curcio  
Treasurer

DATED: December \_\_, 2018

**APPENDIX A**

**THE VILLAGE**



## **THE VILLAGE**

### ***General Information***

The Village is located in the northeastern portion of Rockland County, approximately 35 miles north of New York City on the western bank of the Hudson River. The Village encompasses a land area of approximately 2.2 square miles, and is located within the Town of Haverstraw (the “Town”).

The Village is primarily residential in nature, with many residents commuting to work in New York City and throughout Rockland and Westchester Counties. In addition, the Village has a well-established base of commercial and light industries, including manufacturing and research companies. Elementary, middle, and high school education is provided by the Haverstraw-Stony Point (North Rockland) Central School District.

### ***Haverstraw Waterfront and Downtown Revitalization Project***

The Village, in conjunction with Ginsburg Development LLC (GDC) has embarked on an extensive plan to reclaim its former industrial waterfront and transform it into a thriving mixed-use waterfront community. The Local Waterfront Revitalization Plan was adopted by the Village Trustees in 2003, and is currently being updated, focusing on the development of 800 units of residential housing along the waterfront. As of this date, 500 units have been developed and are occupied. Two different waterfront peninsulas will be developed; the first peninsula developed is the new Harbors at Haverstraw and the second is to be called Admiral’s Cove. The waterfront revitalization effort also included the creation of a mile and a half waterfront Promenade Park, as well as plans for additional waterfront development.

The Village and GDC have partnered with other local developers to revitalize the downtown area. Work has been completed on streetscape enhancements with new lighting, sidewalks, curbing, streets and street furniture. Other redevelopment projects will provide additional housing and promote retail activity.

### ***Form of Government***

The Village was established as a municipal government by the State of New York pursuant to the Village Law in 1854 and is vested with such powers and has the responsibilities inherent in the operation of municipal government including the adoption of rules and regulations to govern its affairs. In addition, the Village may tax real property situated in its boundaries and incur debt subject to the provision of the State's Local Finance Law.

The Village operates under a strong Mayor form of government. Under this form, the Mayor is the chief executive officer of the Village and directs the day-to-day operations of the Village. He is elected for a term of four years and is eligible to succeed himself. He is also a member of the Board of Trustees. In addition to the Mayor, there are four trustees who are elected for four-year terms.

### ***Elected and Appointed Officials***

The Village Board of Trustees is the legislative, appropriating, governing and policy determining body of the Village and consists of a mayor and four trustees, all of whom are elected at large to serve four-year terms. The number of terms which a Trustee may serve is not limited. It is the responsibility of the Board to enact, by resolution, all legislation including resolutions and local laws. Annual operating budgets for the Village must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Board. The original issuance of all indebtedness is subject to approval by the Board.

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

The Village Treasurer is appointed by the Mayor, subject to the approval of the Board of Trustees, to a four-year term and, pursuant to the Local Finance Law of the State, is the chief fiscal officer of the Village. Duties and responsibilities of the position include: collection of taxes, maintenance the Village's accounting systems and

records, which includes the responsibility to prepare and file an annual report with the State Comptroller, custody and investment of Village funds, and debt management.

The Village Clerk is appointed by the Mayor, subject to approval by the Board, to a four-year term. The Clerk has custody of the corporate seal, books, records, and papers of the Village, and all the official reports and communications of the Board and keeps the records of their proceedings. The Clerk is responsible for maintaining the Village code of laws and ordinances as it relates to the codes for building, plumbing, electric, zoning, vehicle and traffic regulations, general ordinances, and issues various licenses and permits.

***Village Services and Programs***

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

Pursuant to State law, the County, not the Village, is responsible for providing various social service and health care programs such as Medicaid, aid to the families with dependent children, home relief and mental health programs.

***Employees***

The Village employs 31 full-time and 45 part-time persons, some of whom are represented by the unions listed below, with 45 seasonal employees. The following table sets forth a breakdown of employee representation by collective bargaining agent and the date of expiration of the collective bargaining agreements.

<u><b>Employees</b></u>		
<u><b>Employees Represented</b></u>	<u><b>Union Representation</b></u>	<u><b>Contract Expiration Date</b></u>
21	Civil Service Employees Association	5/31/2019

Source: Village Officials.

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

January 1, 2010, must contribute 3% of their salaries and there is no provision for these contributions to cease after a certain period of service. Members hired after April 1, 2012 contribute as described below.

On May 14, 2003, a pension reform bill was signed into law as Chapter 49 of the Law of 2003 (“Chapter 49”). Chapter 49 changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Village. Under the previous method, the Village was not provided with the required payment until after its budget was implemented. Under the reforms implemented by Chapter 49, the employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Village is notified of and can include the actual cost of the employer contribution in its budget. Chapter 49 also required 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 and allowed a one-time financing of the employer contribution during the State’s 2004-05 fiscal year.

During its 2004 Session the New York State Legislature enacted further pension relief in the form of Chapter 260 of the Laws of 2004 (“Chapter 260”). Chapter 260 changed the pension payment date for all local governments from December 15 to February 1.

On December 10, 2009, a new Tier V was signed into law. The law is effective for new ERS and TRS (Teacher’s Retirement System) employees hired after January 1, 2010 and before April 2, 2012. New Tier V ERS employees will contribute 3% of their salaries and new TRS employees will contribute 3.5% of their salaries and there is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier VI for employees hired after April 1, 2012. The Division of the Budget estimates the new tier will save the State and local governments outside of New York City \$80 billion over the next 30 years. The new pension tier has progressive contribution rates between 3% and 6%; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee’s pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more. No current employees will be affected by the new legislation.

The New York State Retirement System has advised the Village that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Village opted to make its pension payments in December of the last six years in order to take advantage of the discount and made its pension payment in December 2017 for the payment due in February 2018. The Village plans to do so again in December 2018 for the payment due in February 2019.

Due to significant capital market declines in the recent past, the State’s Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rate for the State’s Retirement System in 2011 year and subsequent years will be higher than the minimum contributions rate established by Chapter 49. At this time the Village is unable to predict the amount of any such increase. To mitigate the expected increases in the employer contribution rate, Comptroller DiNapoli has proposed legislation that would permit local governments and school districts to issue bonds to fund the required increased contribution. The Village has no plans at this time to utilize this option.

The following table presents the required contributions by the Village to the New York Retirement Systems for the past five years:

<u>May 31</u>	<u>ERS</u>
2014	\$417,126
2015	375,047
2016	371,899
2017	346,269
2018	322,214

### ***Other Post-Employment Benefits***

The Village implemented GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), which replaces GASB Statement No. 45 as of fiscal year ended June 30, 2018. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial valuation using a measurement date that is no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year.

GASB 75 requires that most changes in the OPEB liability be included in OPEB expense in the period of the changes. Based on the results of an actuarial valuation, certain changes in the OPEB liability are required to be included in OPEB expense over current and future years.

The Village’s total OPEB liability as of May 31, 2018 was \$17,055,655 using a discount rate of 3.27% and actuarial assumptions and other inputs as described in the Village’s May 31, 2018 audited financial statements.

Should the Village be required to fund the total OPEB liability, it could have a material adverse impact upon the Village’s finances and could force the Village to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the Village to partially fund its OPEB liability.

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Village will continue funding this expenditure on a pay-as-you-go basis.

Legislation has been introduced to create an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State’s OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. The Village cannot predict whether such legislation will be enacted into law in the foreseeable future.

### ***Investment Policy and Permitted Investments***

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the Village is generally permitted to deposit moneys in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount

insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

Village moneys not immediately required to be applied to a Village purpose may be temporarily invested in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Village; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the Village pursuant to law, in obligations of the Village.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the Village, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

## **FINANCIAL FACTORS**

### ***Budgetary Procedure***

The Mayor is the budget officer of the Village and submits the tentative budget for the next fiscal year to the Board on or before March 20 of each year. The Board meets on or before March 31 to discuss and review the tentative budget and may make such changes and revisions as they deem appropriate subject to the provisions of law. A public hearing on the budget is held on or before April 15. Members of the public may express their views on the budget, but there is no provision for a formal vote. Following the public hearing, and on or before May 1, the Board meets to adopt the final budget. A copy of such budget must be filed with the Village Clerk and is available on or before May 1 for public inspection.

Budgetary control is the responsibility of the Village Treasurer. Formal integration of the budget with the accounting system is used during the year as a management tool for all governmental funds.

### ***Independent Audits***

The annual financial statements of the Village were audited by the firm of Korn, Rosenbaum, Phillips & Jauntig LLP, independent certified public accountants. Appendix B to this Official Statement presents a summary of the audited financial statements for the fiscal years ended May 31, 2012 through 2016.

### ***Fund Structures and Accounts***

The Village utilizes fund accounting to record and report its various service activities. A fund represents both legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are two basic fund types: (1) governmental funds that are used to account for basic services, debt service and capital projects; and (2) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Village maintains the following governmental funds: General Fund, Special Aid Fund and Capital Projects Fund.

### ***Basis of Accounting***

The financial statements of the Village are prepared on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded in the accounting period in which they are "measurable" and "available" to finance current operations. Revenues susceptible to accrual include real property taxes, services to other governments, intergovernmental revenues and operating transfers. Expenditures are generally recognized under the modified accrual basis, when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems which are recorded in the general long-term obligations account group and recognized as an expenditure when due, (2) unmatured interest on general long-term debt which is recognized as an expenditure when due and (3) compensated absences which are charged to expenditures when paid.

### ***2012/2013 Audited Results***

For the fiscal year ending May 31, 2013, based on audited results, General Fund revenues and other sources were approximately \$9.0 million and General Fund Expenditures and other uses were \$8.6 million, which resulted in an operating surplus of \$426,459 and a cumulative General Fund surplus of \$3,621,127.

### ***2013/2014 Audited Results***

For the fiscal year ending May 31, 2014, based on audited results, General Fund revenues and other sources were approximately \$9.2 million and General Fund Expenditures and other uses were \$9.1 million, which resulted in an operating surplus of \$86,594 and a cumulative General Fund surplus of \$3,707,721.

### ***2014/2015 Audited Results***

For the fiscal year ending May 31, 2015, based on audited results, General Fund revenues and other sources were approximately \$16.9 million and General Fund Expenditures and other uses were \$16.3 million, which resulted in an operating surplus of \$548,150 and a cumulative General Fund surplus of \$4,255,871.

### ***2015/2016 Audited Results***

For the fiscal year ending May 31, 2016, based on unaudited results, General Fund revenues and other sources were approximately \$9.5 million and General Fund Expenditures and other uses were \$9.2 million, which resulted in an operating surplus of \$277,364 and a cumulative General Fund surplus of \$4,533,235.

### ***2016/2017 Audited Results***

For the fiscal year ending May 31, 2017, based on audited results, General Fund revenues and other sources were \$9,731,069 and General Fund Expenditures and other uses were \$9,211,024, which resulted in an operating surplus of \$520,045 and a cumulative General Fund surplus of \$5,053,280.

### ***2017/2018 Unaudited Results***

For the fiscal year ending May 31, 2018, based on unaudited results, General Fund revenues and other sources were approximately \$9,597,808 and General Fund Expenditures and other uses were \$9,415,505, which resulted in an operating surplus of \$182,303 and a cumulative General Fund surplus of \$5,235,583.

## ***2018/2019 Adopted Budget***

For the fiscal year ending May 31, 2019, the Village's Adopted Budget includes General Fund revenues of \$10,586,065 and General Fund Expenditures and other uses of \$10,586,065. The Village does not presently expect a material deviation from these budgeted numbers.

### ***Real Property Taxes***

The Village derives most of its revenues from a tax on real property. The following table sets forth total General Fund revenues and real property taxes received for each of the last six fiscal years ended May 31 and the amount budgeted for the current fiscal year.

#### **General Fund Revenues & Real Property Taxes**

<b><u>Fiscal Year Ended May 31</u></b>	<b><u>Total Revenues<sup>(1)</sup></u></b>	<b><u>Real Property Taxes</u></b>	<b><u>Taxes to Revenues</u></b>
2013	\$ 8,462,541	\$6,485,633	76.6%
2014	8,859,932	6,556,895	74.0
2015	9,047,541	6,600,056	73.0
2016	9,474,504	6,954,597	73.4
2017	9,731,069	7,161,396	73.6
2018 (Unaudited)	9,597,808	7,038,684	73.3
2019 (Adopted Budget)	10,586,065	7,211,843	68.1

(1) General Fund.

Source: Audited Financial Statements, 2018 Unaudited Results and 2019 Adopted Budget of the Village.

### ***State Aid***

The Village receives financial assistance from the State. 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 in any year 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 and Risk Factors Affecting Financing of the State and Municipalities of the State*", herein.)

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The following table sets forth total General Fund revenues and State aid revenues received for each of the last six fiscal years ended May 31 and the amount budgeted for the current fiscal year.

**General Fund Revenues & State Aid**

<b><u>Fiscal Year Ended May 31</u></b>	<b><u>Total Revenues<sup>(1)</sup></u></b>	<b><u>State Aid</u></b>	<b><u>State Aid to Revenues</u></b>
2013	\$ 8,462,541	\$387,320	4.6%
2014	8,859,932	207,000	2.3
2015	9,047,541	361,322	4.0
2016	9,474,504	270,981	2.9
2017	9,731,069	287,729	3.0
2018 (Unaudited)	9,597,808	235,283	2.5
2019 (Adopted Budget)	10,586,065	323,143	3.1

(1) General Fund.

Source: Audited Financial Statements, 2018 Unaudited Results and 2019 Adopted Budget of the Village.

**TAX INFORMATION**

***Valuations and Tax Data***

The following table shows the trend during the last five years for taxable assessed valuations, state equalization ratios, full valuations, real property taxes and real property tax rates per \$1,000 assessed valuation.

	<b><u>2014-15</u></b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	<b><u>2017-18</u></b>	<b><u>2018-19</u></b>
Assessed Value	\$39,693,588	\$39,738,265	\$39,998,207	\$39,853,215	\$40,058,775
Equal. Ratio	7.01%	7.02%	7.02%	6.71%	6.71%
Full Value	\$566,242,340	566,072,151	569,775,028	593,937,630	597,001,118
Tax Levy:	6,320,070	6,687,886	6,930,337	7,038,684	7,211,843
Tax Rate: <sup>(1)</sup>	159.22	168.30	173.33	176.62	180.03

(1) Per \$1,000 assessed valuation.

Source: Village officials and the New York State Board of Real Property Services.

***Tax Increase Procedural Limitation 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 State Legislature may from time to time impose additional limitations on the ability to issue new indebtedness or to raise taxes therefor.

Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limit Law” or the “Law”) 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 January 1, 2012. Pursuant to the Tax Levy Limit Law, additional procedural requirements are imposed if a Village seeks to increase the tax levy by more than the lesser of (1) 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 three members of the five-member Village Board of the Village would be required. The Board 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 Increase Limit for the fiscal years ended May 31, 2015 and May 31, 2016. The Village has not exceeded the Limit since.

The Tax Levy Limit 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 Tax Levy Limit 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 is permitted to carry forward a certain portion of its unused tax levy capacity from the prior year.

Bonds and Notes 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.

### ***Real Property Tax Rebate***

The State has created an incentive for municipalities and school districts to stay within the Tax Levy Increase Limit. Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill, includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the Tax Levy Increase Limits of the Tax Levy Limit Law. School district budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the Tax Levy Increase Limits set by the Tax Levy Limit Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Eligible homeowners do not need to do anything to receive the credit. The State tax department will review eligibility data and calculate the credit for all qualifying taxing jurisdictions. In the fall of each of the program's three years (2014, 2015, 2016), the department will mail eligible taxpayers a single check that will be the total of the credits for each jurisdiction that is in compliance.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved “government efficiency plan” which demonstrates “three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies”. Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limit Law. This, or similar future legislation, would affect future levies and operations and services of the Village.

***Tax Collection Procedures***

Village real property taxes are levied on June 1 and may be paid without penalty during June. The Village is responsible for the billing and collection of its own taxes through November 1 of the tax year, at which time the responsibility for uncollected taxes is transferred to the County. On or about April 1, the County remits to the Village the balance of all uncollected taxes. The Village is thereby guaranteed full tax collection by the County. The County has responsibility for conducting tax lien sales and in-rem foreclosure proceedings.

**Real Property Tax Levies and Collections**

<u>Fiscal Year Ended May 31:</u>	<u>Gross Tax Levy</u>	<u>Current Taxes Collected</u>	<u>Percentage Current Taxes Collected</u>
2014	\$6,564,185	\$6,564,185	100.00%
2015	6,625,314	6,625,314	100.00
2016	6,687,886	6,687,886	100.00
2017	6,930,337	6,930,337	100.00
2018	7,038,684	6,797,713	96.60

Source: Village collection records.

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## ***Ten of the Largest Taxpayers in the Village***

The following table presents the total 2019 assessed valuations of the Village's largest property owners.

### **Taxable Assessments**

<b><u>Taxpayer</u></b>	<b><u>Nature of Business</u></b>	<b><u>Assessed Valuation<sup>(1)</sup></u></b>	<b><u>% of Total Assessed Valuation</u></b>
Northern Riverview Health Care Center	Nursing Home & Assisted Living	\$1,889,516	4.7%
Harbors Haverstraw	Residential	1,619,005	4.0
SUEZ Company	Utility	1,019,775	2.5
Orange & Rockland Utilities	Utility	909,623	2.3
Tilcon Corp	Commercial	529,528	1.3
New York State	Forest	425,776	1.1
Haverstraw NY, LLC	Commercial	415,000	1.0
Low Tor Storage	Commercial	397,050	1.0
Yado, LLC	Residential	321,725	0.8
NRG Energy, Inc. <sup>(2)</sup>	Utility	<u>284,850</u>	<u>0.7</u>
		<u>\$7,811,848</u>	<u>19.5%</u>

(1) Based on the 2018-2019 assessment roll the total assessed value of the Village is estimated to be \$40,058,775.

(2) On December 12, 2006, a settlement (the "Settlement") was reached between Mirant New York, Inc. and its subsidiary companies and the County of Rockland, Town of Haverstraw, Town of Stony Point, Village of Haverstraw, Village of West Haverstraw and Haverstraw-Stony Point Central School District (the "Other Taxing Jurisdictions") in connection with Mirant's real property tax certiorari lawsuit against the County and the Other Taxing Jurisdictions. In 2010, Mirant merged with RRI Energy Inc. to create GenOn Energy Inc. In 2012, NRG Energy Inc. purchased GenOn Energy Inc.

## **VILLAGE INDEBTEDNESS**

### ***Constitutional and Statutory Requirements***

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

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

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

**Payment and Maturity.** Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. No installment may be more than fifty per centum in excess of the smallest prior installment unless the Village elected to issue bonds with 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 bonds, bond anticipation notes and capital notes.

Debt Limit. The Village has the power to contract indebtedness for any Village purpose. The outstanding principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Village, subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation requires taking the assessed valuation of taxable real estate for the last completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation 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, by enactment of the Local Finance Law, authorized the powers and procedures of the Village to borrow and incur indebtedness subject, of course, to the constitutional and statutory provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the Village Law and the General Municipal Law.

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

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

1. Such obligations are authorized for a purpose for which the Village is not authorized to expend money, or
2. There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action, suit, or proceeding contesting such validity, is commenced within twenty days after the date of such publication, or
3. Such obligations are authorized in violation of the provisions of the State Constitution.

Except on rare occasions the Village complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not a legal requirement.

Each bond resolution usually authorizes bonds for 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. Expenditures for financeable objects or purposes are usually capital expenditures, but the Local Finance Law permits short and long term financing of certain expenditures and assign them a period of probable usefulness.

The Local Finance Law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided, generally, that such renewals do not extend five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional and Statutory Requirements" herein.)

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

### ***Constitutional Debt-Contracting Limitation***

There is no constitutional limitation on the amount that may be raised by the Village by tax on real estate in any fiscal year to pay interest on or principal of indebtedness theretofore contracted.

The following table sets forth the current debt-contracting limitation of the Village as of May 31, 2018.

**Debt Contracting Limitation**

<b><u>Fiscal Year Ended May 31</u></b>	<b><u>Assessed Valuation</u></b>	<b><u>State Equalization Ratio<sup>(1)</sup></u></b>	<b><u>Full Valuation</u></b>
2015	\$39,693,588	7.01%	\$ 566,242,340
2016	39,738,265	7.02	566,072,151
2017	39,998,207	7.02	569,775,028
2018	39,853,215	6.71	593,937,630
2019	40,058,775	6.71	<u>597,001,118</u>
		Total	<u>\$2,893,028,267</u>

Average five-year full valuation: \$578,605,653

Debt contracting limitation- 7% of average full valuation: \$40,502,396

(1) Equalization rates are established by the New York State Board of Real Property Services.  
Source: New York State Board of Real Property Services.

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

**Statement of Debt-Contracting Power**  
**(As of November 27, 2018)**

Debt-Contracting Limitation:	\$40,502,396
Gross Direct Indebtedness:	
Bonds:	
General Purpose	17,425,000
Bond Anticipation Notes:	
General Purpose	<u>5,350,000</u>
Total Gross Direct Indebtedness	<u>\$22,775,000</u>
Less Exclusions and Deductions:	
Appropriations	
During 2018/19 Fiscal Year	<u>1,275,000</u>
Total Net Direct Indebtedness	<u>\$21,500,000</u>
Debt-Contracting Margin	\$19,002,396
Percentage of Debt-Contracting Power Exhausted	53.08%

***Tax and Revenue Anticipation Notes***

The Village currently has no outstanding budget notes, revenue anticipation notes or tax anticipation notes.

### ***Bond Anticipation Notes***

The Village issued \$5,350,000 Bond Anticipation Renewal Notes, 2017 Series B (Federally Taxable) dated December 19, 2017 and maturing December 19, 2018. Said notes are to be redeemed with a portion of the proceeds from the sale of the Bonds. (See “*Authority for and Purpose of the Bonds*” herein).

### ***Trend of Capital Indebtedness***

The following table sets forth the amount of direct capital indebtedness outstanding for each of the last five fiscal years ended May 31.

	<b><u>Statement of Outstanding Indebtedness</u></b>				
	<b>(As of May 31 of each year)</b>				
	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018<sup>(1)</sup></u></b>
Bonds:	\$13,519,171	\$13,772,482	\$12,698,547	\$14,444,389	\$18,125,000
Bond Anticipation Notes:	1,405,000	6,500,000	6,100,000	5,700,000	5,350,000
Budget Note:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals:	<u>\$14,924,171</u>	<u>\$20,272,482</u>	<u>\$18,705,000</u>	<u>\$20,144,389</u>	<u>\$23,475,000</u>

(1) Unaudited  
Source: Audited and Unaudited Financial Statements.

### ***Future Capital Borrowings***

Following the issuance of the Bonds the Village will have \$150,000 remaining in authorized, but unissued debt.

### ***Estimated Overlapping and Underlying Debt***

The real property taxpayers of the Village are responsible for a proportionate share of outstanding debt obligations of the County, as well as various Villages, school districts, and fire districts. Such taxpayers’ share of this overlapping debt is based upon the amount of the Village’s equalized property values taken as a percentage of each separate units’ total values. The following table 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 issued and outstanding by such overlapping entities.

<b><u>Statement of Direct and Estimated Overlapping Indebtedness</u></b>				
Gross Direct Indebtedness				\$22,775,000
Exclusions and Deductions				<u>1,275,000</u>
Net Direct Indebtedness				<u>\$21,500,000</u>
<b><u>Overlapping Debt</u></b>				
<u>Issuer</u>	<b><u>Net Debt</u></b>	<b><u>As of</u></b>	<b><u>Village</u></b>	<b><u>Amount Applicable</u></b>
	<b><u>Outstanding</u></b>		<b><u>Share</u></b>	<b><u>To Village</u></b>
Rockland County	\$450,745,214	04/17/18	1.34%	\$ 6,039,986
Town of Haverstraw	31,905,000	12/31/17	13.00	4,147,650
Haverstraw-Stony Point CSD	193,820,000	05/16/18	8.00	<u>15,505,600</u>
Total Net Overlapping Debt				\$25,693,236
Total Net Direct Debt				<u>21,500,000</u>
Total Net Direct and Overlapping Debt				<u>\$47,193,236</u>

## ***Debt Ratios***

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

	<b><u>Amount</u></b>	<b><u>Debt Per Capita<sup>(1)</sup></u></b>	<b><u>Debt to Full Value<sup>(2)</sup></u></b>
Net Direct Debt	\$21,500,000	\$1,773.93	3.60%
Net Direct and Overlapping Debt	47,193,236	3,893.83	7.91

- (1) The population of the Village is 12,120 according to the 2016 American Community Survey 5-Year Estimates.  
(2) The full valuation of real property located in the Village for the 2019 fiscal year is \$597,001,118.

## ***Debt Service Schedule***

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

### **Bond Principal and Interest Maturity Table**

<b><u>Fiscal Year Ending May 31</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total<sup>(1)</sup></u></b>
2019	\$ 1,625,000	\$ 562,072	\$ 2,187,072
2020	1,305,000	515,739	1,820,739
2021	1,330,000	478,426	1,808,426
2022	1,360,000	439,339	1,799,339
2023	1,265,000	398,289	1,663,289
2024	1,315,000	358,539	1,673,539
2025	1,350,000	317,489	1,667,489
2026	1,150,000	278,729	1,428,729
2027	1,185,000	241,889	1,426,889
2028	930,000	208,033	1,138,033
2029	970,000	176,758	1,146,758
2030	995,000	143,670	1,138,670
2031	910,000	109,533	1,019,533
2032	240,000	86,370	326,370
2033	250,000	77,970	327,970
2034	255,000	69,220	324,220
2035	260,000	60,295	320,295
2036	270,000	51,065	321,065
2037	275,000	41,480	316,480
2038	285,000	31,718	316,718
2039	295,000	21,600	316,600
2040	305,000	10,980	315,980
	<u>\$18,125,000</u>	<u>\$4,679,203</u>	<u>\$22,804,203</u>

- (1) Off slightly due to rounding.  
(2) For the entire fiscal year.

Source: Village officials.

## ECONOMIC AND DEMOGRAPHIC DATA

### *Population*

The population of the Village is approximately 12,120 according to the 2016 American Community Survey 5-Year Estimates. Data provided for the Town, County and State is not necessarily representative of the Village.

#### Population Trend

	<u>2000</u>	<u>2010</u>	<u>2016</u>	<u>Percentage Change 2010/2016</u>
Village	10,117	11,910	12,120	1.76%
Town	33,811	36,634	37,344	1.94
County	286,753	311,687	322,642	3.51
State	18,976,457	19,378,102	19,697,457	1.65

Source: 2000 and 2010 US Census and American Community Survey 5- year Estimates 2012-2016.

### *Income*

The following table presents and the median household income for the Town, County and State. Data provided for the Town, County and State is not necessarily representative of the Village.

#### Median Household Income

	<u>2000</u>	<u>2010</u>	<u>2016</u>
Town	\$53,850	\$66,633	\$72,376
County	67,971	82,534	86,134
State	43,393	55,603	60,741

Source: 2000 and 2010 US Census and American Community Survey 5- year Estimates 2012-2016.

### *Employment and Unemployment*

The following tables provide information concerning employment and unemployment in the Town, County and State.

#### Major Employers Located in the Village

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
Northern Riverview Nursing Home	Nursing home	350
MAT Bus Corporation	Bus company	220
North Rockland Central SD	School	214
Tilcon Quarry	Textile production	76
Village of Haverstraw	Government	73
McDonald's Restaurant	Restaurant	55
Green Hills Adult Home	Adult home	40

Source: Village Officials.



Data provided for the Town, County and State are not necessarily representative of the Village.

**Civilian Labor Force**

	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
Town	19,600	19,500	19,700	19,600	19,800
County	150,800	150,000	153,100	153,400	154,500
State	9,659,200	9,591,300	9,644,600	9,668,700	9,704,700

Source: New York State Department of Economic Development; Bureau of Economic and Demographic Information.

Data provided for the Town, County and State are not necessarily representative of the Village.

**Yearly Average Unemployment Rates**

<b><u>Year</u></b>	<b><u>Town</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
2013	7.8%	6.3%	7.7%
2014	6.7	5.2	6.3
2015	5.7	4.5	5.3
2016	5.2	4.2	4.8
2017	5.4	4.4	4.7

**Monthly Unemployment Rates**

<b><u>Month</u></b>	<b><u>Town</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
October 2017	5.1%	4.4%	4.4%
November	5.1	4.4	4.4
December	5.5	4.2	4.4
January 2018	6.9	4.7	5.1
February	6.8	5.0	5.1
March	6.5	4.5	4.8
April	5.4	4.1	4.3
May	4.5	3.6	3.7
June	4.7	3.9	4.2
July	5.0	4.0	4.2
August	5.1	3.9	4.1
September	4.3	3.5	3.8

Source: New York State Department of Labor, Division of Research and Statistics. Information not seasonally adjusted.

***Utilities***

The residents of the Village receive electricity and natural gas services from Orange and Rockland Utilities and water services from the Suez Water Company. The Village owns and operates its own sewer collection system, but relies on the County Joint Regional Sewer Board for the treatment of such effluent.

***Transportation***

The Village is served by a network consisting of all major forms of transportation. Several primary State and U.S. Highways including the New York State Thruway, Palisades Interstate Parkway, Garden State Parkway, and Route #17 run through the County. The Coach USA Bus line as well as the Tor Bus Line provides transportation within the Village of Haverstraw. Freight service is provided by Conrail. Bus passenger service is provided to New York City and other points both within and outside the County. Air transportation is provided by the New York metropolitan airports (Kennedy, LaGuardia and Newark), Stewart International Airport in Newburgh, New York and Westchester County Airport in White Plains, New York.

### ***Educational, Cultural and Medical Institutions***

Primary education is provided by the Haverstraw-Stony Point Central School District (North Rockland Central School District). In addition, there are numerous colleges, universities and vocational schools located throughout the County. The Rockland County Community College (the “College”) in Suffern is a publicly supported two-year community college maintained by the County with an enrollment policy for high school graduates meeting certain residency requirements. The College also serves the Village with an extension site in the Village.

The Village has a public library (Haverstraw Kings Daughters Library), which sponsors various programs of general interest to adults and children throughout the year. In addition, Village residents are within an hour’s drive of New York City’s museums, theaters and other cultural activities.

Hospital services are provided by the Good Samaritan Hospital in Suffern, Nyack Health Center, Helen Hayes Hospital, Nyack Hospital in Nyack with locations in the Village. In addition, the County administers a variety of programs to help those in need of medical, mental health and dental services.

**End of Appendix A**

**APPENDIX B**

**UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS**

**VILLAGE OF HAVERSTRAW**  
**Adopted Budgets - General Fund**  
**Fiscal Year Ended May 31**

	Adopted Budget <u>2018</u>	Adopted Budget <u>2019</u>
<b>Revenues</b>		
Real Property Taxes	\$7,038,684	\$7,211,843
Non-Property Tax Items	895,324	909,682
Departmental Income	445,000	450,000
Intergovernmental Charges	17,000	17,000
Use of Money & Property	83,500	111,000
Licenses & Permits	46,500	62,500
Fines and Forfeitures	225,000	240,000
Other Revenue	499,750	335,500
Appropriations	785,093	925,397
State Aid	204,243	323,143
Federal Aid	<u>0</u>	<u>0</u>
 Total Revenues	 <u><u>\$10,240,094</u></u>	 <u><u>\$10,586,065</u></u>
 <b>Expenditures</b>		
General Government Support	\$2,227,592	\$2,241,296
Public Safety	698,522	718,082
Health	3,000	3,000
Transportation	1,535,431	1,564,878
Economic Assistance and Opportunity	17,500	17,500
Culture & Recreation	405,577	409,393
Home & Community Service	104,467	158,800
Interfund Transfers	297,181	297,000
Debt Service	2,475,308	2,697,572
Employee Benefits	<u>2,475,516</u>	<u>2,478,544</u>
 Total Expenditures	 <u><u>\$10,240,094</u></u>	 <u><u>\$10,586,065</u></u>

Source: Adopted Budgets of the Village.

**VILLAGE OF HAVERSTRAW**  
**Comparative Balance Sheets - General Fund**  
**Fiscal Year Ended May 31**

	<u>2016</u>	<u>2017</u>	<u>2018<sup>(1)</sup></u>
Assets:			
Cash and Equivalents	\$3,466,083	\$4,124,796	\$4,146,199
Taxes Receivable	25,324	25,324	25,324
Other Receivables			
Accounts	268,198	360,843	284,739
Due From Other Funds	1,074,336	1,737,967	1,956,707
Due From Other Governments	293,416	334,628	34,607
Prepaid Expenditures	<u>70,046</u>	<u>56,402</u>	<u>54,296</u>
 Total Assets	 <u><u>\$5,197,403</u></u>	 <u><u>\$6,639,960</u></u>	 <u><u>\$6,501,872</u></u>
 Liabilities and Fund Balance:			
Liabilities:			
Accounts Payable	\$300,783	\$364,737	\$678,455
Accrued Expenses	42,251	89,723	100,438
Due To Other Funds	284,366	1,093,051	541,333
Deferred Revenues	<u>1,752</u>	<u>0</u>	<u>0</u>
 Total Liabilities	 <u><u>\$629,152</u></u>	 <u><u>\$1,547,511</u></u>	 <u><u>\$1,320,226</u></u>
 Deferred Inflows of Resources	 \$35,016	 \$39,169	 \$50,324
 Fund Balance			
Non spendable	70,046	56,402	54,297
Restricted	474,714	441,861	304,535
Assigned	600,000	785,093	925,397
Unassigned	<u>3,388,475</u>	<u>3,769,924</u>	<u>3,847,093</u>
 Total Fund Balance	 <u><u>4,533,235</u></u>	 <u><u>5,053,280</u></u>	 <u><u>5,131,322</u></u>
 Total Liabilities and Fund Balance	 <u><u>\$5,197,403</u></u>	 <u><u>\$6,639,960</u></u>	 <u><u>\$6,501,872</u></u>

(1) Unaudited.

Source: Audited and Unaudited Financial Statements of the Village. Summaries not audited.

**VILLAGE OF HAVERSTRAW**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund**  
**Fiscal Year Ended May 31:**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018<sup>(1)</sup></u>
<u>Revenues:</u>						
Real Property Taxes	\$6,485,633	\$6,556,895	\$6,600,056	\$6,954,597	\$7,161,396	\$7,319,225
Other Tax Items	243,603	274,559	256,112	348,106	362,861	400,373
Non-Property Taxes	508,103	522,815	550,123	577,782	574,683	584,162
Departmental Income	256,053	311,641	289,867	159,661	175,106	171,783
Intergovernmental Charges	21,174	19,784	19,306	18,272	18,353	18,113
Use of Money and Property	75,862	62,317	69,965	95,487	138,281	158,895
Miscellaneous	302,338	377,969	587,328	951,416	1,012,660	665,757
State Aid	387,320	207,000	361,322	270,981	287,729	235,283
Federal Aid	182,455	526,952	313,462	98,202	0	44,217
<b>Total Revenues</b>	<b>\$8,462,541</b>	<b>\$8,859,932</b>	<b>\$9,047,541</b>	<b>\$9,474,504</b>	<b>\$9,731,069</b>	<b>\$9,597,808</b>
<u>Expenditures</u>						
General Government Support:	\$2,002,351	\$2,491,921	\$8,077,059	\$1,943,298	\$1,671,716	\$1,759,905
Public Safety	626,626	572,735	673,543	707,615	739,720	674,354
Transportation	1,525,255	1,377,454	1,445,298	1,397,052	1,494,938	1,497,827
Economic Assistance and Opportunity	14,422	21,149	13,683	11,627	15,877	11,819
Culture and Recreation	447,636	884,933	584,802	403,980	400,466	380,589
Home and Community Services	128,372	66,777	106,606	151,585	114,787	90,248
Employee Benefits	1,944,915	2,052,870	2,192,536	2,182,924	2,172,001	2,288,075
Debt Service	1,556,432	1,604,183	3,038,846	2,125,024	2,127,652	2,329,058
Interfund Transfers	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$8,246,009</b>	<b>\$9,072,022</b>	<b>\$16,132,373</b>	<b>\$8,923,105</b>	<b>\$8,737,157</b>	<b>\$9,031,875</b>
<u>Other Sources and Uses</u>						
Operating Transfers In	\$547,047	\$0	\$0	\$0	\$0	\$0
Operating Transfers Out	(337,120)	(201,316)	(212,018)	(274,035)	(473,867)	(383,630)
Proceeds from Serial Bonds/BANS	0	500,000	7,845,000	0	0	0
Other Debt	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$209,927</b>	<b>\$298,684</b>	<b>\$7,632,982</b>	<b>(\$274,035)</b>	<b>(\$473,867)</b>	<b>(\$383,630)</b>
<b>Excess (Def) of Revenues and Transfers Over Expenditures</b>	<b>\$426,459</b>	<b>\$86,594</b>	<b>\$548,150</b>	<b>\$277,364</b>	<b>\$520,045</b>	<b>\$182,303</b>
<b>Fund Balance-Beginning of Year</b>	<b>\$3,197,266</b>	<b>\$3,621,127</b>	<b>\$3,707,721</b>	<b>\$4,255,871</b>	<b>\$4,533,235</b>	<b>\$5,053,280</b>
<b>Prior Period Adjustments</b>	<b>(2,598)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(104,261)</b>
<b>Beginning Fund Balance Restated</b>	<b>\$3,194,668</b>	<b>\$3,621,127</b>	<b>\$3,707,721</b>	<b>\$4,255,871</b>	<b>\$4,533,235</b>	<b>\$4,949,019</b>
<b>Fund Balance-End of Year</b>	<b>\$3,621,127</b>	<b>\$3,707,721</b>	<b>\$4,255,871</b>	<b>\$4,533,235</b>	<b>\$5,053,280</b>	<b>\$5,131,322</b>

(1) Unaudited.

Source: Audited and Unaudited Financial Statements of the Village. Summaries not audited.

**APPENDIX C**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDING MAY 31, 2017\***

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website  
of the Municipal Securities Rulemaking Board (“MSRB”)  
at the following link:**

**<HTTPS://EMMA.MSRB.ORG/ES1274151.PDF>**

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

**\* Such Financial Statements and opinion are intended to be representative only as of the date thereof. Bernard & Associates, P.C., Certified Public Accountants has not been requested by the Village to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

**APPENDIX D**

**FORM OF LEGAL OPINION**



December 18, 2018

Village of Haverstraw,  
County of Rockland,  
State of New York

Norton Rose Fulbright US LLP  
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United States

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Re: Village of Haverstraw, Rockland County, New York  
\$6,500,000 Public Improvement (Serial) Bonds, 2018 Series B (Federally Taxable)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$6,500,000 Public Improvement (Serial) Bonds, 2018 Series B (Federally Taxable) (the "Obligation"), of the Village of Haverstraw, Rockland County, New York (the "Obligor"), dated December 18, 2018.

We have examined such portions of the Constitution and Statutes of the State of New York as we deemed relevant. 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) 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 in certain cases.
- (b) 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.

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright South Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at [nortonrosefulbright.com](http://nortonrosefulbright.com).

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 thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result; 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. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the 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**

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

On the date hereof, the Issuer is issuing the Bonds, and hereby undertakes, in accordance with the requirements of the Rule, as follows:

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

“*Bonds*” means the Issuer’s \$6,500,000 Public Improvement (Serial) Bonds, 2018 Series B (Federally Taxable), dated December 18, 2018.

“*Issuer*” means the Village of Haverstraw, Rockland 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 provide annually to 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 December 6, 2018 in Appendices A, under the headings “**THE VILLAGE**”, “**FINANCIAL FACTORS**”, “**TAX INFORMATION**”, and “**VILLAGE INDEBTEDNESS**”, and in **Appendix B and C**, (2) if not provided as part such financial information and operating data, financial statements of the Issuer, when and if available. Any financial statements so to be provided 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 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 ten 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- 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.

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 underwriter 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 underwriter 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.

IN WITNESS WHEREOF, I have hereunto set my hand to this Annual and Continuing Disclosure Undertaking Certificate this December 18, 2018.

VILLAGE OF HAVERSTRAW,  
ROCKLAND COUNTY, NEW YORK

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Judith R. Curcio  
Village Treasurer