

**NEW ISSUE SERIAL BONDS**

**RATING: See “RATING” herein**

*In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax, however, interest on the Bonds is included in the calculation of a corporation’s adjusted current earnings for purposes of, and thus may be subject to, the corporate alternative minimum tax (applicable only to taxable years beginning before January 1, 2018) and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and (ii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see “Tax Matters” herein.*

**TOWN OF BEDFORD  
WESTCHESTER COUNTY, NEW YORK**

**\$8,321,325  
PUBLIC IMPROVEMENT SERIAL BONDS, SERIES 2019A  
(the “Bonds”)**

**Date of Issue: Date of Delivery**

**Maturity Dates: April 1, 2020 – 2039**

The Bonds are general obligations of the Town of Bedford, in Westchester County, New York (the “Town”), and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to the applicable provisions of Chapter 97 of the Laws of 2011 (the “Tax Levy Limit Law”). See “Nature of Obligation” and “Tax Levy Limit Law,” herein.

The Bonds will be issued in registered book-entry only form, they will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for such Bonds, except for one necessary odd denomination maturing in 2020. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See “Book-Entry-Only System” herein.

The Bonds will be dated their Date of Delivery, will bear interest from such date payable on April 1, 2020 and semiannually thereafter on each October 1 and April 1 in each year until maturity and will mature on the dates in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity as discussed herein. (See “Optional Redemption” herein).

The Bonds are offered when, as and if issued and received by the purchaser and subject to the final approving opinion of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery in Jersey City, New Jersey or as otherwise agreed upon with the purchaser on or about April 16, 2019.

THIS OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE TOWN FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 (THE “RULE”). FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING,” HEREIN

Dated: March 25, 2019

The Bonds mature on April 1 in each year as set forth below:

<u>Date</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield Or Price</u>	<u>CUSIP #</u>
2020	\$656,325			076311
2021	655,000			076311
2022	655,000			076311
2023	565,000			076311
2024	565,000			076311
2025	425,000			076311
2026	425,000			076311
2027	425,000			076311
2028	425,000			076311
2029	425,000			076311
2030	420,000			076311
2031	420,000			076311
2032	420,000			076311
2033	420,000			076311
2034	420,000			076311
2035	200,000			076311
2036	200,000			076311
2037	200,000			076311
2038	200,000			076311
2039	200,000			076311

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

**TOWN OF BEDFORD  
WESTCHESTER COUNTY, NEW YORK**

**TOWN BOARD**

**Chris Burdick**  
Supervisor

Lee V.A. Roberts ..... Deputy Supervisor

MaryAnn Carr ..... Councilwoman

Kate Galligan ..... Councilwoman

Donald B. Scott ..... Councilman

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Lisbeth Fumagalli ..... Town Clerk

Abraham Zambrano ..... Town Comptroller

Judson K. Siebert, Esq. .... Town Attorney

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**BOND COUNSEL**



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

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**INDEPENDENT AUDITOR**

**PKF O'Connor Davies, LLP**  
Certified Public Accountants  
Harrison, New York

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**MUNICIPAL ADVISOR**



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

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

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APPENDIX C - INDEPENDENT AUDITORS' REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31,  
2017

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**OFFICIAL STATEMENT**  
**TOWN OF BEDFORD**  
**WESTCHESTER COUNTY, NEW YORK**

**relating to**  
**\$8,321,325**  
**PUBLIC IMPROVEMENT SERIAL BONDS, SERIES 2019A**  
**(the "Bonds")**

This Official Statement, which includes the cover page, inside cover page and appendices attached hereto, presents certain information relating to the Town of Bedford, Westchester County, in the State of New York (the "Town," "County," and "State," respectively). It has been prepared by the Town in connection with the sale and delivery of its \$8,321,325 Public Improvement Serial Bonds, Series 2019A (the "Bonds").

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State as well as the acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bond and such proceedings.

**THE BONDS**

***Description of the Bonds***

The Bonds will be dated the Date of Delivery, will bear interest from such date payable April 1, 2020 and semiannually thereafter on October 1 and April 1 until maturity and will mature on the dates in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity (see "Optional Redemption," herein).

The Bonds will be issued in fully registered form either registered in the name of the successful bidder (in the case of SIBs or other registered certificated form) or registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), Jersey City, New Jersey (in the case of Bonds). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, except for one necessary odd denomination maturing in 2020. Purchasers will not receive certificates representing their ownership interest in the Bonds.

Principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal of and interest on to its Participants (defined herein), for subsequent disbursement to the Beneficial Owners (defined herein) of the Bonds as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Town referred to therein.

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

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

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

**Purpose.** The proceeds of the Bonds will be used to provide funding for the projects specified below.

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Amount of the Bonds</u>
02-06-18	Vehicle Replacement: Bldg Maintenance	\$ 65,000
02-06-18	Traffic Safety	25,000
02-06-18	2 Replacement Vehicle	110,000
02-06-18	Parking Enforcement Vehicle Replacement	25,000
02-06-18	Vehicle Replacement Planning Dept	35,000
02-06-18	Vehicle Replacement	35,000
02-06-18	2 License Plate Reader Cameras	45,000
02-06-18	3 Patrol Vehicle Computers	20,000
02-06-18	Geo-Thermal Test Well Drilling & Eng.	36,000
02-06-18	Improvements to Town-Owned Cemeteries	10,000
02-06-18	Memorial Garden	40,000
02-06-18	De-centralized WWT Feasibility Study	50,000
02-06-18	Records Restoration	10,000
02-06-18	Phone System Upgrade	70,000
02-06-18	IT Upgrade/software	195,000
02-06-18	Dry-Hydrants Replacement/Rehabilitation	50,000
02-06-18	EV Charging Station	6,000
02-06-18	Tax Map Update & Digital Conversion	58,000
02-06-18	Software Computer & Tablet Integration	5,600
02-06-18	Green Parks Equipment	15,000
02-06-18	Wi-Fi for Pool	3,500
02-06-18	Green Parks Equipment	15,000
02-06-18	Wi-Fi for Pool	3,500
02-06-18	Green Parks Equipment	15,000
02-06-18	Wi-Fi for Pool	3,500
02-06-18	Traffic Safety	25,000
02-06-18	Parks Garage Parking Lot Paving	25,000
02-06-18	Sanitary Sewer Hookup	40,000
02-06-18	Septic Replacement/Enlargement	50,000
02-06-18	Sanitary Sewer Hookup	10,000
02-06-18	Caninie Commons Improvements	25,000
02-06-18	RT 117 Bikeway & Pedestrian Walkway Paving	35,000
02-06-18	Pedestrian Access Pathway - Phase II	320,000
02-06-18	Parks Equipment Replacement	55,000
02-06-18	Basketball Court	18,000
02-06-18	Tennis Court	30,000
02-06-18	Parks Equipment Replacement	50,000
02-06-18	Wooded Area Management	10,000
02-06-18	Tennis Court Crack	40,000
02-06-18	Basketball Court	10,000
02-06-18	Shared Parks Equipment Replacement	55,500
02-06-18	Little League Field Improvements	50,000
02-06-18	Playground Improvements	15,000
02-06-18	Roads	425,000
02-06-18	Roads (Balance of 2016)	50,000
02-06-18	Vehicles and Equipment Highway	459,000
02-06-18	W-4 Utility Truck Replacing 2004 truck	65,795
02-06-18	Bedford Hills Train Station: 1	135,000
02-06-18	Bedford Hills Community House	60,750
02-06-18	Bedford 1787 Court House	36,000
02-06-18	Town House - Windows & Painting	80,000



02-06-18	Adams Street Highway Building	700,000
04-17-18	Bedford Lighting Districts LED Street Lighting	304,000
01-31-19	Replacement Vehicle	55,000
01-31-19	Comprehensive Plan	35,000
01-31-19	Tree Removal	50,000
01-31-19	Tree Replanting - Town wide	15,000
01-31-19	Emergency Generators for Traffic Lights	20,000
01-31-19	License Plate Reader Cameras	45,000
01-31-19	Improvements to Property – DEP Sewer Hookup	15,000
01-31-19	Improvements to Cemeteries	10,000
01-31-19	Improvements to Parking	80,000
01-31-19	Improvements to Cherry Street	40,000
01-31-19	Passive Recreation	214,000
01-31-19	Pond Aerators & Oxygen Bubblers	25,000
01-31-19	Pool Bath House Improvements -	35,000
01-31-19	Platform Tennis Court Improvements	15,000
01-31-19	Traffic Safety (Road Improvements)	65,000
01-31-19	Road Rehabilitation/Paving	475,000
01-31-19	Vehicles and Equipment (2% escalation assumed)	468,180
01-31-19	LPR Cameras, Software & Computer	40,000
01-31-19	Traffic Safety - Equipment	65,000
01-31-19	Additional Police Station Building Renovations	2,300,000
01-31-19	Town House - Basement Renovations-	25,000
01-31-19	Improvements to Post Office Building	10,000
01-31-19	Improvements to Court/Board Room-Phase II	30,000
01-31-19	Town House - Window Replacement	64,000
		\$8,321,325

### ***Optional Redemption***

**Call Provisions.** The Bonds maturing on or before April 1, 2026 will not be subject to redemption prior to maturity. The Bonds maturing on or after April 1, 2027 will be subject to redemption prior to maturity at the option of the Town, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity) on any date on or after April 1, 2026 at par, plus accrued interest to the date of redemption.

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

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

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal

debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](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 ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

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

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

Source: The Depository Trust Company

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

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

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

### **NATURE OF OBLIGATION**

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

Holders of any series of notes or bonds of the Town 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 Town and will contain a pledge of the faith and credit of the Town 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 Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town subject to such taxation by the Town, subject to the applicable provisions of Chapter 97 of the Laws of 2011.

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

### ***Tax Levy Limit Law***

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

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

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

Aside from the State United Teachers lawsuit, as of the date hereof, the Town, without diligence, is unaware of any action threatened or pending in a court of competent jurisdiction to challenge the constitutionality or validity of the TLLL, or any administrative proceeding noticed or scheduled by a committee of the Legislature or a State agency to gather evidence and determine whether corrective legislative action is required to ensure that the TLLL is a valid general law. In the opinion of bond counsel, under current law, the limitations imposed by TLLL on real property tax levies do not diminish the prior lien on the first revenues of the Town set forth in the New York State

Constitution and established by the aforesaid pledge of the Town's faith and credit requiring the Town to raise the necessary moneys and to exceed normal real estate tax limitations to pay the principal of and interest on the Bonds. Bond counsel expresses no opinion on the validity of Chapter 97 of the Laws of 2011 under the applicable provisions of Article VIII of the New York Constitution.

## **SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT**

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

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

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

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

No current state law purports to create any priority for holders of the Bonds should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal from the Town could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Town (including the Bonds) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder

of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

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

## MARKET FACTORS

The financial and economic condition of the Town as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Town’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 Town to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

There can be no assurance that the State appropriation for State aid to the Town will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the Town 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 Town can be paid only if the State has such monies available therefor. (See “State Aid” herein).

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

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

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

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



## *Cybersecurity*

The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

## **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 Town 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 Town are subject to periodic compliance reviews by OSC to ascertain whether the District has complied with the requirements of various State and federal statutes. OSC has not conducted an audit of the Town on the last five years.

## **LITIGATION**

The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. The Town does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town.

The Town is a defendant in numerous tax certiorari proceedings, the results of which cannot be determined at the present time. Any future refunds resulting from adverse settlements will be funded in the year in which the payments are made.

## TAX MATTERS

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

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

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

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

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

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

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

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

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

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

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

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

### ***Original Issue Discount and Original Issue Premium***

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

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

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

## **DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS**

### ***Legal Matters***

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

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

## *Closing Certificates*

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

### **DISCLOSURE UNDERTAKING**

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

(1) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement anticipated to be dated April 3, 2019 of the Town relating to the Bonds under the headings “Litigation” and in Appendix A under the headings “The Town”, “Financial Factors”, “Real Property Taxes”, “Town Indebtedness” and “Economic and Demographic Data” and Appendix B by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ended December 31, 2018, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ended December 31, 2018; such audit (prepared in accordance with the accounting principles the Town may be required to employ pursuant to State law or regulation), if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Town of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

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

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit

enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a "financial obligation" (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the Town, any of which affect bondholders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Town, if any such event reflects financial difficulties..

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

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

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

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

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

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

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

## **MUNICIPAL ADVISOR**

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

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

## **RATING**

The Town has applied to S&P Global Ratings (“S&P”) for a rating of the Bonds. Such application is pending at this time.

The Town’s underlying rating by S&P is currently “AAA.”

Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from S&P at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041. 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 S&P 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 Abraham Zambrano, Town Comptroller, 425 Cherry Street, Bedford Hills, New York 10507, (914) 864-3725, e-mail: [azambrano@bedfordny.gov](mailto:azambrano@bedfordny.gov), or from the Town’s Municipal Advisor, Capital Markets Advisors, LLC, 822 Route 82, Suite 310, Hopewell Junction, New York 12533, (845) 227-8678.

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

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at [www.capmark.org](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. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Town nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the Town 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 Town and may not be reproduced or used in whole or in part for any other purpose.

Squire Patton Boggs (US) LLP expresses no opinion on the accuracy or completeness of any documents prepared by or on behalf of the Town for the use in connection with the offer and sale of the Bonds.

TOWN OF BEDFORD,  
WESTCHESTER COUNTY, NEW YORK

By: \_\_\_\_\_  
Chris Burdick  
Town Supervisor

DATED: March 25, 2019



**APPENDIX A**

**THE TOWN**

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## **THE TOWN**

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

### ***General Information***

The Town traces its origins to a land transaction, which occurred on December 23, 1680. It was on that date that 22 Puritan men from Stamford, Connecticut purchased land of roughly three miles square known as the "Hopp Ground." The lands were brought from the native Mohegan Indian Chiefs for an assortment of coats, blankets and wampum totaling "46 pounds 16 shillings and ten pence." A copy of the original deed is displayed in the Town House lobby.

The Town is situated in the northern portion of Westchester County, approximately 35 miles north of New York City and encompasses the hamlets of Bedford Village, Bedford Hills and Katonah. Primarily residential in character, the Town encompasses a land area of approximately 40 square miles. Residential development primarily consists of single family homes, yet there are some town-houses, apartment complexes and several large estates.

The Metro-North commuter railway (Metropolitan Transportation Authority) affords the Town's residents with quick, easy access to New York City where many of the Town's residents are employed. Employment opportunities are also available throughout Westchester County.

Major road arteries within the Town include Interstate 684, the Saw Mill River Parkway and State Routes 22 and 35. There is also an extensive network of Town and County roads throughout the Town.

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

The chief executive officer of the Town is the Town Supervisor who is elected to a term of two years and is eligible to serve successive terms. The Town Supervisor is also a member of the Town Board. In addition to the Town Supervisor, there are four members of the Town Board who are elected for four year terms. There is no limitation as to the number of terms which may be served by members of the Town Board. Both the Town Supervisor and Board members are elected at large.

The Town Supervisor is the chief fiscal officer and Budget Officer of the Town. The duties of the Town Supervisor include, among other things, administration of the Town's daily functions, general supervision of all Town accounting and bookkeeping functions, Town departmental operations, and preparation of the tentative Town budget.

### ***Services***

Electric and gas service are provided by Con Edison and New York State Electric and Gas and local telephone service is provided by Verizon. Local water service is provided by Town water districts as well as private wells. Police protection is provided by the Town, while fire protection is provided by local volunteer fire departments.

## ***Employees***

The number of persons employed by the Town, the collective bargaining units which represent them, if any, and the dates of the expiration of the various collective bargaining agreements are as follows:

<u>Employees Represented</u>	<u>Bargaining Agent</u>	<u>Contract Expiration Date</u>
39	PBA	12-31-21
39	Teamsters (blue collar)	12-31-20
27	Teamsters (white collar)	12-31-18 <sup>(1)</sup>
14	Non-Affiliated	N/A

(1) In negotiation.

## ***Employee Benefits***

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

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

Police officers and firefighters who are members of PFRS are divided into four tiers. As with ERS, retirement benefit plans available under PFRS are most liberal for Tier 1 employees. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. Police officers and firefighters that were hired between July 1, 2009 and January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. Police officers and firefighters hired after January 9, 2010 are in Tier 5 which also requires a 3% employee contribution from members. Police officers and firefighters hired after April 1, 2012 are in Tier 6, which also originally had a 3% contribution requirement for members for FY 12-13; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: \$45,000.00 or less contributes 3%; \$45,000.01 to \$55,000.00 contributes 3.5%; \$55,000.01 to \$75,000.00 contributes 4.5%; \$75,000.01 to \$100,000.00 contributes 5.75%; and more than \$100,000.00 contributes 6%.

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

The New York State Retirement System allows municipalities to make employer contribution payments in December of each year, at a discount, or the following February, as required. The Town generally opts to make its pension payments in December in order to take advantage of the discount and this payment was made in December 2016 for the current year.

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

On September 1, 2017, the State Comptroller announced for Fiscal Year 2018-19, the average contribution rates for ERS will decrease from 15.5% to 14.9%, and the average contribution rate for PFRS will decrease from 24.4% to 23.5%. Projections of required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among the six retirement tiers.

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

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>PFRS</u>
2014	\$1,288,835	\$1,306,501
2015	1,349,016	1,176,785
2016	1,153,068	1,227,311
2017	1,145,199	1,252,257
2018 (Budget)	1,096,045	1,160,001
2019 (Budget)	1,364,087	1,190,313

See "Notes to Financial Statements- Note D" in the audited financial statements.

### ***Other Postemployment Benefits***

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

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

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

GASB 45 does not require that the unfunded liabilities actually be funded, only that the Town account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation is required every two years for the Town. The Town’s funding policy is to contribute the current annual premium (net of employee contributions) for retired participants (i.e. pay-as-you-go). Current New York State law does not permit municipalities to pre-fund retiree medical benefit obligations. For the 2016 fiscal year the Town contributed \$1,500,000.

The Town is in compliance with the requirements of GASB 45. The Town has determined that its unfunded actuarial accrued liability (“UAAL”) for OPEB as of January 1, 2017 was \$61,330,000. For the year ended December 31, 2017, the Town's ARC was \$4,960,000. The Town’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Town’s finances and could force the Town to reduce services, raise taxes or both.

Legislation has previously been proposed to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. 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 are no limits on how much a local government can deposit into the trust. Such legislation was not enacted in the last two legislative sessions. The Town cannot predict at this time whether such proposed legislation will be reintroduced and enacted into law.

## **FINANCIAL FACTORS**

### ***Budgetary Procedure***

At the end of August, departmental heads begin preparing budgets for their respective departments, and in September they are sent to the Town Comptroller for review. By the beginning of October, the budget is reviewed by the Town Board, which holds a public meeting thereon in December. Subsequent to the public hearing, revisions (if any) are made and the budget is then adopted by the Town Board as its final budget for the ensuing fiscal year. The budget is not subject to referendum.

### ***Independent Audits***

The Town retained the firm of PKF O'Connor Davies, LLP to audit its financial statements for the fiscal year ended December 31, 2017. Appendix B, attached hereto, presents excerpts from the Town’s most recent audited reports covering the last five fiscal years. Appendix C contains a link to the last fiscal year audit.

In addition, the Town is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. See “The State Comptroller’s Fiscal Stress Monitoring System and Compliance Reviews” herein.

## ***Investment Policy***

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

**Authorized Investments.** The Town has designated four banks or trust companies located and authorized to conduct business in the State to receive deposits of money. The Town is permitted to invest in special time deposits or certificates of deposit.

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

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

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The Town's security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection of such deposits in the event of a default. Securities not registered or inscribed in the name of the Town must be delivered, in a form suitable for transfer or with an assignment in blank, to the Town or its designated custodial bank. The custodial agreements used by the Town provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

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

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

## Revenues

The Town derives its revenues, primarily from real property taxes and special assessments, State aid and departmental fees and charges. A summary of such revenues for the years 2013-2017 is presented in Appendix B, hereto. Information for said fiscal years has been excerpted from the Town's audited financial reports, however, such presentation has not been audited.

**Property Taxes.** The Town derives a major portion of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B.) Property taxes accounted for 56.2% of total general fund and other governmental funds revenues for the fiscal year ended December 31, 2017.

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

### **Fund Revenues & Real Property Taxes<sup>(1)</sup>**

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Taxes to Revenues</u>
2013	\$19,539,319	\$11,168,969	57.2%
2014	20,265,813	12,050,850	59.5
2015	19,539,126	11,632,497	59.5
2016	21,004,429	12,157,078	57.9
2017	21,455,094	12,060,998	56.2
2018 (Budget)	21,187,815	12,564,009	59.3
2019 (Budget)	22,080,845	12,564,009	59.3

(1) General Fund.  
Source: Audited Financial Statements and Adopted Budget of the Town. The above summary itself is not audited.

**State Aid.** The Town receives financial assistance from the State. State Aid accounted for approximately 5.0% of the total general fund revenues of the Town in the 2017 fiscal year. A substantial portion of the State aid received is directed to be used for specific programs. 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 Town, in any year or future years, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, 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 Town. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "MARKET FACTORS," herein.)



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

**Fund Revenues & State Aid Revenues** <sup>(1)</sup>

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2013	\$19,539,319	\$1,296,139	6.6%
2014	20,265,813	1,201,063	5.9
2015	19,539,126	1,007,318	5.2
2016	21,004,429	1,294,736	6.2
2017	21,455,094	1,082,820	5.0
2018 (Budget)	21,187,815	1,134,500	5.4
2019 (Budget)	22,080,845	1,134,500	5.4

(1) General Fund.  
Source: Audited Financial Statements and Adopted Budget of the Town. The above summary itself is not audited.

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

In July 1991, the State Legislature authorized an additional 1% sales tax for the County to impose in localities other than cities which have their own sales tax. The additional 1% sales tax is to be apportioned between the County (33 1/3%), school districts in the County (16 2/3%) and towns, villages and cities in the County which have imposed sales taxes (50%). The County imposes this additional tax in localities other than cities which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991 and has been extended through May 31, 2020.

In February of 2004, the State Legislature authorized an increase of ½% to the additional 1991 1% sales tax. The County retains 70% of this additional 2004 1/2% point increase, the municipalities 20% and the school districts 10%. This increase became effective March 1, 2004 and expires on May 31, 2020.

The following table sets forth total General Fund revenues and sales taxes received for each of the past five fiscal years ended December 31 and the amounts budgeted for two most recent fiscal years.

**General Fund Revenues & Sales Tax** <sup>(1)</sup>

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenues</u>	<u>Sales Tax</u>	<u>Sales Tax to Revenues</u>
2013	\$19,539,319	\$2,438,478	12.5%
2014	20,265,813	2,524,134	12.5
2015	19,539,126	2,507,028	12.2
2016	21,004,429	2,531,146	12.1
2017	21,455,094	2,644,887	12.3
2018 (Budget)	21,187,815	2,512,000	11.9
2019 (Budget)	22,080,845	2,642,000	12.5

(1) Total revenues are not inclusive of other financing sources.  
Source: Audited Financial Statements and the Adopted Budget of the Town. The above summary itself is not audited.

**REAL PROPERTY TAXES**

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

***Assessed and Full Valuations***

**Taxable Assessed and Full Valuations**  
**Fiscal Year Ending December 31:**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Taxable Assessed					
Valuation	\$577,191,217	\$579,408,674	\$583,083,374	\$581,781,974	\$589,828,133
State Equalization Rate	11.43%	10.22%	10.50%	10.24	10.90
Full Valuation	5,049,791,925	5,669,360,802	5,553,174,990	5,681,464,589	5,411,267,275

***Tax Collection Procedures***

The Town collects all Town, County, fire district, water districts, paramedic district and school district taxes. The Town receives warrants from the respective jurisdictions for the collection of such real property taxes. According to Westchester County law, the Town is required to remit in full the amount of such warrants whether or not such taxes are actually received. Town and County taxes bills are mailed out at the end of March and are due by April 30th for the year which the taxes are levied.

The following table sets forth the Town’s gross tax levies and the current tax collection record.

**Tax Levy and Collection Record**

<u>Fiscal Years</u> <u>Ended</u> <u>December 31:</u>	<u>Taxes</u> <u>Levied</u> <u>For Year</u>	<u>Taxes</u> <u>Collected</u>	<u>Current</u> <u>Taxes</u> <u>To Levy</u>
2014	\$45,472,505	\$45,130,682	99.4%
2015	47,102,526	46,850,403	99.5
2016	46,944,900	46,503,960	99.6
2017	46,638,597	46,146,106	98.9
2018	47,577,167	47,240,260	99.0

*Ten of the Largest Taxpayers*

**2018**

<u>Name</u>	<u>Property Use</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation (1)</u>
City of New York	Government	\$10,061,150	1.71%
Private Residence	Private Residence	3,561,580	0.60
Private Residence	Private Residence	2,813,560	0.48
Con Edison of New York	Utility	2,691,186	0.46
NYSEG	Utility	2,329,190	0.39
Bedford Green LLC	Commercial	2,239,380	0.38
Private Residence	Private Residence	1,995,000	0.34
Private Residence	Private Residence	1,905,700	0.32
Private Residence	Private Residence	1,777,750	0.30
Private Residence	Private Residence	1,444,200	0.24
<b>Total</b>		<b>\$30,818,696</b>	<b>5.23%</b>

(1) Total assessed valuation for 2018 is \$589,828,133.

(2) Tax certiorari pending.

Source: Town Assessor's Office.

**TOWN INDEBTEDNESS**

***Constitutional Requirements***

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

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

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

**Payment and Maturity.** Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which it is contracted. No installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town determines to issue a particular debt obligation amortizing on the basis of substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

**Debt Limit.** The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Town, 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 is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the rate which

such assessed valuation bears to the full valuation as determined by the State Office of Real Property Tax Services (the “ORPTS”). The State Legislature is required to prescribe the manner by which such rate shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

There is no constitutional limitation on the amount of real property taxes which may be levied in any fiscal year to pay the principal of and interest on the Bonds. Further, the New York Constitution prohibits the State Legislature from restricting the power of the Town to levy real estate taxes for the payment of principal of and interest on indebtedness authorized and issued under the Local Finance Law. However, Chapter 97 of the Laws of 2011 imposes a statutory limit on the Town’s power to increase its annual real property tax levy, including such taxes to pay the principal of and interest on the Bonds. See “Legal Matters,” “Market Factors,” and “Tax Levy Limit Law,” herein.

### ***Statutory Procedure***

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

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

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

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

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

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

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

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

ORPTS annually establishes State equalization rates for all assessing units in the State, including the Town, which are determined by statistical sampling of market/assessment studies. The equalization rates are used in the calculation and distribution of certain state aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The Town is not subject to a constitutional real property taxing limitation but has a debt contracting limitation equal to seven percent (7%) of average full valuation (See “Constitutional Requirements, Debt Limit,” herein). See “Tax Levy Limit Law” herein as to statutory limitations.

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

The following table sets forth the Town's debt-contracting limitation.

**Computation of Debt Contracting Limitation  
As of March 16, 2019**

For Fiscal Year Ended December 31:	Assessed Valuations	Equalization Rate (1)	Full Valuations
2014	\$577,191,217	11.43%	\$5,049,791,925
2015	579,408,674	10.22	5,669,360,802
2016	583,083,374	10.50	5,553,174,990
2017	581,781,974	10.24	5,681,464,589
2018	589,828,133	10.90	<u>5,411,267,275</u>
Total Five-Year Full Valuation			<u>27,365,059,583</u>
Five-Year Average Full Valuation			<u>5,473,011,916</u>
Debt Contracting Limitations: 7% of Five-Year Average Full Valuation			<u><u>\$383,110,834</u></u>

(1) ORPTS.

***Statutory Debt Limit and Net Indebtedness***

The following table presents the debt-incurring power of the Town and shows that the Town is within its constitutional debt limit

**Statutory Debt Limit and Net Indebtedness  
As of March 16, 2019**

	Amount	Percentage
Debt Contracting Limitation	<u>\$383,110,834</u>	<u>100.00%</u>
Gross Indebtedness:		
Serial Bonds	35,380,000	9.23
Bond Anticipation Notes	<u>0</u>	<u>0.00</u>
Total Gross Debt	35,380,000	
Less:		
Water Debt	17,180,124	4.48
Current Unexpended Appropriations for Principal Debt Service (Non-Exempt)	<u>1,591,891</u>	<u>0.42</u>
Total Deductions	18,772,015	4.90
Net Indebtedness	<u>16,607,985</u>	<u>4.34</u>
Debt-Contracting Margin	<u><u>\$366,502,849</u></u>	<u><u>95.60%</u></u>

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

The Town had no bond anticipation notes outstanding on March 16, 2019.

### ***Tax and Revenue Anticipation Notes***

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

### ***Trend of Capital Debt***

#### **Debt History**

Fiscal Year Ended December 31:	Bonds	Bond Anticipation Notes	Total
2014	\$30,675,000	\$3,539,621	\$34,214,621
2015	36,994,627	0	36,994,627
2016	33,090,000	0	33,090,000
2017	39,545,575	0	39,545,575
2018 (Unaudited)	35,895,000	0	35,895,000

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

#### **Statement of Direct and Overlapping Indebtedness As of March 16, 2019**

Gross Direct Indebtedness	\$35,380,000
Exclusions and Deductions	<u>18,772,015</u>
Net Direct Indebtedness	<u>\$16,607,985</u>

Overlapping Units	Date of Report	Net Overlapping Debt	Percentage Applicable	Applicable Net Overlapping Debt
Westchester County	12-31-18	\$743,980,136	3.39%	\$ 25,220,927
Bedford Central School District	06-16-18	66,730,908	49.19	32,824,934
Byram Hills Central School District	06-30-18	25,090,000	0.39	97,851
Katonah-Lewisboro Union Free School District	06-30-18	12,130,000	34.83	4,224,879
Total				<u>\$62,368,591</u>

### ***Debt Ratios***

The following table presents certain debt ratios relating to the Town's Indebtedness.

#### **Direct and Overlapping Debt Ratios As of March 16, 2019**

	Amount	Debt Per Capita <sup>(1)</sup>	Debt to Estimated Full Value <sup>(2)</sup>
Net Direct Debt	\$16,607,985	\$925	0.31%
Net Direct & Overlapping Debt	78,976,575	4,399	1.46

(1) The estimated population of the Town (U.S. Department of Commerce, Bureau of the Census American FactFinder) is 17,955.

(2) The full valuation of taxable property for the 2018 fiscal year is \$5,411,267,275.

***Authorized But Unissued Debt***

After the issuance of the Bonds, the Town will have \$66,667 authorized but unissued debt for the acquisition of street lighting improvements, authorized on February 6, 2018.. The Town does borrow annually to fund its capital and equipment needs.

***Debt Service Schedule***

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

**Schedule of Debt Service Requirements**

<u>Ending December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Cumulative % Principal Paid</u>
2019 (1)	3,470,000	1,182,839	4,652,839	9.67%
2020	2,900,000	1,083,177	3,983,177	17.75
2021	2,540,000	995,031	3,535,031	24.82
2022	2,580,000	912,631	3,492,631	32.01
2023	2,355,000	825,000	3,180,000	38.57
2024	2,390,000	745,414	3,135,414	45.23
2025	2,230,000	668,799	2,898,799	51.44
2026	2,140,000	593,857	2,733,857	57.04
2027	2,175,000	518,033	2,693,033	63.46
2028	2,210,000	438,737	2,648,737	69.62
2029	2,090,000	358,002	2,448,002	
2030	2,130,000	276,387	2,406,387	
2031	2,035,000	196,532	2,231,532	
2032	640,000	148,306	788,306	
2033	495,000	130,406	625,406	
2034	495,000	114,106	609,106	
2035	495,000	97,388	592,388	
2036	335,000	83,238	418,238	
2037	340,000	71,800	411,800	
2038	340,000	60,088	400,088	
2039	340,000	48,188	388,188	
2040	340,000	36,238	376,238	
2041	345,000	24,144	369,144	
2042	345,000	11,769	356,769	
2043	45,000	4,644	49,644	
2044	45,000	2,900	47,900	
2045	50,000	1,000	51,000	
	<u><u>\$35,895,000</u></u>	<u><u>\$9,628,654</u></u>	<u><u>\$45,523,654</u></u>	

(1) As of March 16, 2019, the Town has paid \$515,000 in principal and \$149,913 in interest due on serial bonds for the fiscal year ending December 31, 2019.

## ECONOMIC AND DEMOGRAPHIC DATA

### *Population*

	<u>Population</u>			<u>% Change</u>	
	<u>2000</u>	<u>2010</u>	<u>2017</u>	<u>2000-2010</u>	<u>2010-2017</u>
Town	18,133	17,335	17,955	(4.4)%	3.6%
County	923,459	949,113	975,321	2.8	2.8
State	18,976,457	19,378,102	19,798,228	2.1	2.2

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

### *Income*

	<u>Per Capita Money Income</u>		
	<u>2010</u>	<u>2017</u>	<u>% Change</u>
Town	65,577	73,830	12.5%
County	47,814	52,049	8.9
State	30,948	35,752	15.5

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

### Median Income of Families 2017

Median Income	<u>Income Groups - % of Families</u>					
	<u>Under \$25,000</u>	<u>\$25,000 -49,999</u>	<u>\$50,000 -74,999</u>	<u>\$75,000 -99,999</u>	<u>\$100,000 Or More</u>	
Town	\$154,526	5.7%	14.0%	9.6%	7.1%	63.6%
County	114,923	8.9	12.9	11.7	10.2	56.3
State	77,141	14.6	18.1	16.1	13.1	38.1

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

### *Employment*

### Average Employed Civilian Labor Force 2000 - 2017

				<u>% Change</u>	
	<u>2000</u>	<u>2010</u>	<u>2017</u>	<u>2000-2010</u>	<u>2010-2017</u>
County	445,400	443,500	462,100	(0.4)	4.2
State	8,718,700	8,769,700	9,249,200	0.6	5.5

Source: New York State Department of Labor.



**Average Unemployment Rates**

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2013	6.3%	7.7%	7.4%
2014	5.1	6.3	6.2
2015	4.5	5.3	5.3
2016	4.3	4.8	4.9
2017	4.6	4.7	4.4
2018: <sup>(1)</sup>			
Jan	4.9	5.1	4.5
Feb	5.2	5.1	4.4
Mar	4.7	4.8	4.1
Apr	4.2	4.3	3.7
May	3.8	3.7	3.6
Jun	4.1	4.2	4.2
Jul	4.1	4.2	4.1
Aug	4.1	4.1	3.9
Sep	3.6	3.8	3.6
Oct	3.3	3.6	3.5
Nov	3.2	3.5	3.5
Dec	3.4	3.8	3.7

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

***Housing Data***

**Median Housing Values and Rents  
2017**

	<u>% Constructed 2010-2017</u>	<u>Median Value Owner Occupied Units</u>	<u>Median Rents Renter Occupied Units</u>	<u>Occupancy Status</u>		
				<u>Owner Occupied</u>	<u>Renter Occupied</u>	<u>Vacant</u>
Town	2.6%	\$733,300	1,585	62.5%	24.2%	13.3%
County	1.1	513,300	1,444	57.0	35.7	7.3
State	1.7	293,000	1,194	47.8	40.7	11.5

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

**Major Private Sector Employers in the County**

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

Source: The 2016 Comprehensive Annual Financial Report of Westchester County. Info was compiled by the Westchester Business Journal as of April 2017.

**END OF APPENDIX A**

**APPENDIX B**

**UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS**

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**TOWN OF BEDFORD  
GENERAL FUND  
BALANCE SHEET  
UNAUDITED PRESENTATION**

AS OF DECEMBER 31:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>ASSETS</b>					
Cash	\$ 20,154,761	\$ 22,093,321	\$ 22,079,074	\$ 23,639,301	\$ 47,252,313
Taxes Receivable	32,072,367	29,241,527	29,596,555	29,717,601	18,544,056
Other Receivables:					
Accounts	225,409	540,397	1,031,432	168,906	446,829
Due From Other Governments	755,857	789,650	786,449	852,551	875,761
Due From Other Funds	868,281	63,060	209,029	173,926	4,215
Prepaid Expenditures	469,393	506,138	446,526	463,471	461,299
<b>Total Assets</b>	<b><u>\$ 54,546,068</u></b>	<b><u>\$ 53,234,093</u></b>	<b><u>\$ 54,149,065</u></b>	<b><u>\$ 55,015,756</u></b>	<b><u>\$ 67,584,473</u></b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$ 615,793	\$ 539,274	\$ 577,804	\$ 502,840	\$ 1,217,783
Dut To School Districts	43,719,101	41,383,963	42,341,208	41,925,314	43,013,912
Due To Other Governments	72,464	127,052	131,431	60,683	170,824
Due To Other Funds	507,995	859,579	2,064	263,226	139,806
Unearned Revenues	8,835	8,835	734,450	615,474	260,264
Taxes Collected In Advance	0	0	0	0	10,700,059
<b>Total Liabilities</b>	<b><u>44,924,188</u></b>	<b><u>42,918,703</u></b>	<b><u>43,786,957</u></b>	<b><u>43,367,537</u></b>	<b><u>55,502,648</u></b>
Deferred Tax Revenues	1,372,838	975,806	1,246,038	1,034,818	1,111,171
Fund Balance:					
Nonspendable	469,393	506,138	446,526	463,471	461,299
Restricted	2,386,788	2,273,430	2,178,583	2,472,240	2,462,290
Committed	0	0	0	0	0
Assigned	261,006	66,864	281,837	351,306	233,231
Unassigned	5,131,855	6,493,152	6,209,124	7,326,384	7,813,834
<b>Total Fund Balance</b>	<b><u>8,249,042</u></b>	<b><u>9,339,584</u></b>	<b><u>9,116,070</u></b>	<b><u>10,613,401</u></b>	<b><u>10,970,654</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 54,546,068</u></b>	<b><u>\$ 53,234,093</u></b>	<b><u>\$ 54,149,065</u></b>	<b><u>\$ 55,015,756</u></b>	<b><u>\$ 67,584,473</u></b>

TOWN OF BEDFORD  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
UNAUDITED PRESENTATION

YEARS ENDED DECEMBER 31:

	2013	2014	2015	2016	2017
<b>REVENUES:</b>					
Real Property Taxes	\$ 11,168,969	\$ 12,050,850	\$ 11,632,497	\$ 12,157,078	\$ 12,060,998
Other Tax Items	701,651	775,585	576,049	694,711	656,131
Non-Tax Items	2,790,201	2,865,049	2,867,259	2,906,857	3,042,434
Departmental Income	2,482,867	2,505,256	2,405,315	2,533,956	2,613,280
Intergovernmental Charges	0	0	15,550	118,976	355,210
Use Of Money And Property	92,307	68,005	49,987	157,976	182,799
Licenses and Permits	135,274	112,467	155,861	150,176	113,693
Fines and Forfeitures	686,688	653,781	680,295	698,132	786,992
Sale Of Property And Compensation For Loss	48,794	1,997	27,613	19,241	9,525
State Aid	1,296,139	1,201,063	1,007,318	1,294,736	1,082,820
Federal Aid	49,698	0	0	70,339	451,002
Miscellaneous	86,731	31,760	121,382	202,251	100,210
<b>Total Revenues</b>	<b>19,539,319</b>	<b>20,265,813</b>	<b>19,539,126</b>	<b>21,004,429</b>	<b>21,455,094</b>
<b>EXPENDITURES:</b>					
Current:					
General Government Support	3,044,677	3,130,325	3,188,449	3,071,555	3,453,228
Public Safety	5,654,327	5,820,294	6,397,881	6,407,712	6,518,529
Health	33,627	39,739	39,838	28,338	43,935
Transportation	481,047	478,341	465,500	485,241	539,555
Economic Opportunity and Development	3,852	5,669	6,618	3,782	4,083
Culture And Recreation	2,249,200	2,310,138	2,402,294	2,395,414	2,459,420
Home And Community	485,341	507,501	537,176	683,763	1,280,719
Employee Benefits	5,193,851	5,522,098	5,573,636	5,477,667	5,877,810
Debt Service	3,442	17,866	5,327	0	0
<b>Total Expenditures</b>	<b>17,149,364</b>	<b>17,831,971</b>	<b>18,616,719</b>	<b>18,553,472</b>	<b>20,177,279</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,389,955</b>	<b>2,433,842</b>	<b>922,407</b>	<b>2,450,957</b>	<b>1,277,815</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Insurance Recoveries	55,350	88,945	62,061	67,883	76,879
Transfers In	0	0	0	344,506	0
Transfers Out	(1,207,101)	(1,432,245)	(1,207,982)	(1,366,015)	(997,441)
<b>Total Other Financing Uses</b>	<b>(1,151,751)</b>	<b>(1,343,300)</b>	<b>(1,145,921)</b>	<b>(953,626)</b>	<b>(920,562)</b>
<b>Net Change in Fund Balances</b>	<b>1,238,204</b>	<b>1,090,542</b>	<b>(223,514)</b>	<b>1,497,331</b>	<b>357,253</b>
Fund Balance - Beginning of Year	7,010,838	8,249,042	9,339,584	9,116,070	10,613,401
<b>Fund Balance - End of Year</b>	<b>\$ 8,249,042</b>	<b>\$ 9,339,584</b>	<b>\$ 9,116,070</b>	<b>\$ 10,613,401</b>	<b>\$ 10,970,654</b>

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

TOWN OF BEDFORD  
HIGHWAY FUND  
BALANCE SHEET  
UNAUDITED PRESENTATION

AS OF DECEMBER 31:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>ASSETS</b>					
Cash	\$ 2,351,412	\$ 1,558,229	\$ 1,572,409	\$ 2,263,939	\$ 2,581,907
Receivables:					
Accounts	12,200	22,068	14,535	15,568	84,661
Due From Other Governments	0	0	0	10,702	16,064
Due From Other Funds	12,183	14,156	50,582	0	0
Prepaid Expenditures	108,216	94,180	102,639	79,644	80,661
<b>Total Assets</b>	<b>\$ <u>2,484,011</u></b>	<b>\$ <u>1,688,633</u></b>	<b>\$ <u>1,740,165</u></b>	<b>\$ <u>2,369,853</u></b>	<b>\$ <u>2,763,293</u></b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$ 492,232	\$ 265,890	\$ 337,568	\$ 306,499	\$ 443,741
Retainage Payable	34,476	0	0	0	0
Due To Other Funds	200,131	796	402	75,888	641
<b>Total Liabilities</b>	<b><u>726,839</u></b>	<b><u>266,686</u></b>	<b><u>337,970</u></b>	<b><u>382,387</u></b>	<b><u>444,382</u></b>
Fund Balance:					
Nonspendable	108,216	94,180	102,639	79,644	80,661
Restricted	0	0	0	155,534	155,923
Committed	0	0	0	0	0
Assigned	1,648,956	1,327,767	1,299,556	1,752,288	2,082,327
Unassigned	0	0	0	0	0
<b>Total Fund Balance</b>	<b><u>1,757,172</u></b>	<b><u>1,421,947</u></b>	<b><u>1,402,195</u></b>	<b><u>1,987,466</u></b>	<b><u>2,318,911</u></b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>2,484,011</u></b>	<b>\$ <u>1,688,633</u></b>	<b>\$ <u>1,740,165</u></b>	<b>\$ <u>2,369,853</u></b>	<b>\$ <u>2,763,293</u></b>

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**TOWN OF BEDFORD  
HIGHWAY FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
UNAUDITED PRESENTATION**

	YEARS ENDED DECEMBER 31:				
	2013	2014	2015	2016	2017
<b>REVENUES:</b>					
Real Property Taxes	\$ 6,534,426	\$ 6,675,663	\$ 6,788,355	\$ 7,081,346	\$ 7,355,250
Intergovernmental Charges	45,112	21,949	10,392	53,018	35,213
Use Of Money And Property	10,093	11,208	4,465	8,669	12,797
Sale Of Property And Compensation For Loss	6,203	108,643	24,959	62,121	104,515
State Aid	285,687	291,207	429,642	318,645	367,747
Federal Aid	189,056	287,070	0	0	0
Miscellaneous	90,821	40,145	47,608	111,947	85,417
	<u>7,161,398</u>	<u>7,435,885</u>	<u>7,305,421</u>	<u>7,635,746</u>	<u>7,960,939</u>
<b>EXPENDITURES:</b>					
Current:					
General Government Support	97,996	65,438	95,120	84,773	90,350
Transportation	5,142,354	4,839,301	4,593,996	4,425,489	4,871,386
Employee Benefits	1,497,675	1,574,291	1,636,533	1,567,270	1,605,125
Interest	0	17,207	7,603	0	0
	<u>6,738,025</u>	<u>6,496,237</u>	<u>6,333,252</u>	<u>6,077,532</u>	<u>6,566,861</u>
Total Expenditures					
Excess of Revenues Over Expenditures	<u>423,373</u>	<u>939,648</u>	<u>972,169</u>	<u>1,558,214</u>	<u>1,394,078</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	0	0	0	155,534	0
Transfers Out	(1,193,809)	(1,274,873)	(991,921)	(1,128,477)	(1,062,633)
	<u>(1,193,809)</u>	<u>(1,274,873)</u>	<u>(991,921)</u>	<u>(972,943)</u>	<u>(1,062,633)</u>
Total Other Financing Uses					
Net Change in Fund Balances	(770,436)	(335,225)	(19,752)	585,271	331,445
Fund Balances - Beginning of Year	<u>2,527,608</u>	<u>1,757,172</u>	<u>1,421,947</u>	<u>1,402,195</u>	<u>1,987,466</u>
<b>Fund Balances - End of Year</b>	<u>\$ 1,757,172</u>	<u>\$ 1,421,947</u>	<u>\$ 1,402,195</u>	<u>\$ 1,987,466</u>	<u>\$ 2,318,911</u>

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**TOWN OF BEDFORD  
SPECIAL DISTRICTS (1)  
BALANCE SHEET  
UNAUDITED PRESENTATION**

AS OF DECEMBER 31:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>ASSETS</b>					
Cash	\$ 2,580,239	\$ 2,422,877	\$ 2,900,725	\$ 3,442,188	\$ 3,816,427
Receivables:					
Accounts	317,891	333,511	354,855	392,295	344,067
State and Federal Aid	558,929	633,768	229,325	0	0
Due from Other Governments	0	0	0	0	229,918
Due From Other Funds	385,389	12,621	17,069	370,798	0
Prepaid Expenditures	<u>84,999</u>	<u>69,911</u>	<u>76,377</u>	<u>59,958</u>	<u>67,509</u>
Total Assets	<u>\$ 3,927,447</u>	<u>\$ 3,472,688</u>	<u>\$ 3,578,351</u>	<u>\$ 4,265,239</u>	<u>\$ 4,457,921</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$ 146,485	\$ 214,439	\$ 307,836	\$ 223,356	\$ 231,355
Due To Other Funds	484,632	263,028	243,604	403,468	391
Unearned Revenues	<u>102,277</u>	<u>14,418</u>	<u>21,240</u>	<u>27,135</u>	<u>32,110</u>
Total Liabilities	<u>733,394</u>	<u>491,885</u>	<u>572,680</u>	<u>653,959</u>	<u>263,856</u>
Fund Balance:					
Nonspendable	84,999	69,911	76,377	59,958	67,509
Restricted	0	0	0	322,936	323,744
Assigned	3,109,054	2,910,892	2,929,294	3,228,386	3,802,812
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>3,194,053</u>	<u>2,980,803</u>	<u>3,005,671</u>	<u>3,611,280</u>	<u>4,194,065</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 3,927,447</u>	<u>\$ 3,472,688</u>	<u>\$ 3,578,351</u>	<u>\$ 4,265,239</u>	<u>\$ 4,457,921</u>

(1) Special Districts includes: water, parks, lighting, fire protection, ambulance, refuse and garbage.

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**TOWN OF BEDFORD  
SPECIAL DISTRICTS (1)  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
UNAUDITED PRESENTATION**

	YEARS ENDED DECEMBER 31:				
	2013	2014	2015	2016	2017
<b>REVENUES:</b>					
Real Property Taxes	\$ 4,246,375	\$ 4,345,256	\$ 4,416,852	\$ 4,432,460	\$ 4,409,503
Departmental Income	1,650,859	1,783,327	1,768,754	3,032,938	2,995,736
Use Of Money And Property	20,012	25,680	17,425	21,411	26,743
Federal Aid	1,138,364	257,170	0	0	0
Miscellaneous	786,230	681,397	1,153,170	57,209	118,410
Total Revenues	7,841,840	7,092,830	7,356,201	7,544,018	7,550,392
<b>EXPENDITURES:</b>					
Current:					
General Government Support	55,457	46,843	64,907	49,133	55,371
Public Safety	72,566	66,388	69,693	71,162	64,825
Health	317,318	343,491	342,945	350,025	364,552
Transportation	95,205	95,981	114,229	91,564	81,526
Culture And Recreation	1,402,513	1,333,470	1,393,186	1,359,626	1,394,102
Home And Community Services	2,535,307	2,008,906	2,133,630	1,918,619	1,839,560
Employee Benefits	772,447	768,170	818,308	818,339	853,989
Debt Service	2,962	10,471	3,318	0	0
Total Expenditures	5,253,775	4,673,720	4,940,216	4,658,468	4,653,925
Excess of Revenues Over Expenditures	2,588,065	2,419,110	2,415,985	2,885,550	2,896,467
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfer In	0	0	0	322,936	0
Transfers Out	(2,398,686)	(2,632,360)	(2,391,117)	(2,602,877)	(2,313,682)
Total Other Financing Uses	(2,398,686)	(2,632,360)	(2,391,117)	(2,279,941)	(2,313,682)
Net Change in Fund Balances	189,379	(213,250)	24,868	605,609	582,785
Fund Balances - Beginning of Year	3,004,674	3,194,053	2,980,803	3,005,671	3,611,280
<b>Fund Balances - End of Year</b>	<b>\$ 3,194,053</b>	<b>\$ 2,980,803</b>	<b>\$ 3,005,671</b>	<b>\$ 3,611,280</b>	<b>\$ 4,194,065</b>

(1) Special Districts includes: water, parks, lighting, fire protection, ambulance, refuse and garbage.

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**TOWN OF BEDFORD  
2018 OPERATING BUDGET**

	General Fund	Highway Fund	Consolidated Water Districts
<b>REVENUES:</b>			
Real Property Taxes	\$ 12,564,009	\$ 7,495,953	\$ 1,379,412
Other Tax Items	662,666	0	0
Non-Property Tax Items	2,895,000	0	0
Departmental Income	2,717,625	90,500	1,354,479
Intergovernmental Charges	12,000	0	0
Use Of Money And Property	163,840	8,000	2,500
Licenses And Permits	20,425	0	0
Fines And Forfeitures	718,250	0	0
Sale Of Property And Compensation For Loss	180,000	51,400	0
Miscellaneous	116,500	18,000	1,183,961
State Aid	1,134,500	259,440	0
Federal Aid	3,000	0	0
<b>Total Revenues</b>	<b>21,187,815</b>	<b>7,923,293</b>	<b>3,920,352</b>
<b>EXPENDITURES:</b>			
General Government Support	3,481,179	159,981	48,642
Education	1,500	0	0
Public Safety	6,728,785	0	0
Health	101,911	0	0
Transportation	549,197	5,214,197	0
Economic Assistance And Opportunity	10,425	0	0
Culture And Recreation	2,600,930	0	0
Home And Community Services	480,162	0	1,992,053
Employee Benefits	6,284,226	1,821,263	449,378
Debt Service	18,000	39,000	0
<b>Total Expenditures</b>	<b>20,256,315</b>	<b>7,234,441</b>	<b>2,490,073</b>
Excess (Deficiency) Of Estimated Revenues Over Appropriations	931,500	688,852	1,430,279
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers - In	200,000	150,000	181,985
Operating Transfers - Out	(1,131,500)	(870,352)	(1,612,264)
<b>Total Other Financing Sources (Uses)</b>	<b>(931,500)</b>	<b>(720,352)</b>	<b>(1,430,279)</b>
Excess (Deficiency) of Estimated Revenues and Other Financing Sources Sources Over Appropriations and Other Financing Uses	0	(31,500)	0
<b>APPROPRIATED FUND BALANCE</b>	<b>\$ 0</b>	<b>\$ 31,500</b>	<b>\$ 0</b>

**TOWN OF BEDFORD  
2019 OPERATING BUDGET**

	General Fund	Highway Fund	Consolidated Water Districts
<b>REVENUES:</b>			
Real Property Taxes	\$ 13,012,139	\$ 7,792,146	\$ 1,314,145
Other Tax Items	662,666	0	0
Non-Property Tax Items	3,025,000	0	0
Departmental Income	2,982,525	0	1,458,314
Intergovernmental Charges	12,000	122,000	0
Use Of Money And Property	163,840	8,000	2,500
Licenses And Permits	20,425	0	0
Fines And Forfeitures	768,250	0	0
Sale Of Property And Compensation For Loss	180,000	51,400	0
Miscellaneous	116,500	18,000	1,183,961
State Aid	1,134,500	259,440	0
Federal Aid	3,000	0	0
<b>Total Revenues</b>	<b>22,080,845</b>	<b>8,250,986</b>	<b>3,958,920</b>
<b>EXPENDITURES:</b>			
General Government Support	3,921,499	121,981	74,675
Education	1,500	0	0
Public Safety	6,645,195	0	0
Health	127,911	0	0
Transportation	641,863	5,356,820	0
Economic Assistance And Opportunity	10,425	0	0
Culture And Recreation	2,712,956	0	0
Home And Community Services	486,070	0	2,004,429
Employee Benefits	6,779,206	1,943,825	546,044
Debt Service	1,204,220	978,360	0
<b>Total Expenditures</b>	<b>22,530,845</b>	<b>8,400,986</b>	<b>2,625,148</b>
Excess (Deficiency) Of Estimated Revenues Over Appropriations	(450,000)	(150,000)	1,333,772
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers - In	450,000	150,000	286,244
Operating Transfers - Out	0	0	(1,620,016)
<b>Total Other Financing Sources (Uses)</b>	<b>450,000</b>	<b>150,000</b>	<b>(1,333,772)</b>
Excess (Deficiency) of Estimated Revenues and Other Financing Sources Sources Over Appropriations and Other Financing Uses	0	0	0
<b>APPROPRIATED FUND BALANCE</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**APPENDIX C**

**INDEPENDENT AUDITORS' REPORT  
FOR THE FISCAL YEAR ENDED  
DECEMBER 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/ES1171366-ER890178-ES1316588.pdf>

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

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

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