

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 16, 2020

**NEW ISSUES
BOOK-ENTRY-ONLY BONDS**

**RATING: SEE "RATING" HEREIN
SERIAL BONDS AND BOND ANTICIPATION NOTES**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds and the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel to the Village, under existing statutes, interest on the Bonds and the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "TAX MATTERS" herein.

The Village WILL designate the Bonds or the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

**VILLAGE OF MOUNT KISCO
WESTCHESTER COUNTY, NEW YORK**

**\$3,600,000*
PUBLIC IMPROVEMENT SERIAL BONDS – 2020
(the "Bonds")**

Date of Issue: Date of Delivery

Maturity Dates: October 1, 2021 – 2035

**\$4,000,000
BOND ANTICIPATION NOTES – 2020 SERIES B
(the "Notes")**

Date of Issue: October 6, 2020

Maturity Date: October 6, 2021

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

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable on October 1, 2021 and semiannually thereafter on April 1 and October 1 in each year until maturity. The Bonds shall mature on October 1 in each year in the principal amounts specified on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity. (See "Optional Redemption" herein.)

The Notes are dated their Date of Issue and bear interest from that date until the Maturity Date, at the annual rate(s) as specified by the purchaser(s) of the Notes. The Notes will not be subject to redemption prior to maturity.

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

If the Notes are issued registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Village, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

DTC will act as Securities Depository for the Bonds and for those Notes issued as book-entry notes. Individual purchases of such Bonds and Notes may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds and those Notes issued as book-entry notes. Payment of the principal of and interest on such Bonds and Notes will be made by the Village to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Bonds and Notes as described herein. (See "Book-Entry-Only System" herein.)

Capital Markets Advisors, LLC has served as the Municipal Advisor to the Village in connection with the issuance of the Bonds and the Notes.

The Bonds and the Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds and the Notes will be available for delivery through the offices of DTC on or about October 6, 2020.

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

September __, 2020

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction.

The Bonds will mature on October 1, subject to option redemption, in the following years and principal amounts:

<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>	<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>
2021	\$125,000				2029**	\$265,000			
2022	190,000				2030**	265,000			
2023	200,000				2031**	270,000			
2024	210,000				2032**	275,000			
2025	220,000				2033**	280,000			
2026	230,000				2034**	285,000			
2027	240,000				2035**	290,000			
2028	255,000								

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

** Subject to optional redemption prior to maturity. (See “*Optional Redemption*” herein).

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

**VILLAGE OF MOUNT KISCO
WESTCHESTER COUNTY, NEW YORK**

**Gina D. Picinich
Mayor**

Jean M. Farber.....Deputy Mayor

David J. Squirrell..... Trustee

Peter F. Grunthal Trustee

Karen B. Schleimer Trustee

Edward W. Brancati Village Manager/Village Clerk

Kenneth L. Famulare.....Assistant Village Manger/Deputy Village Clerk

Robert A. Wheeling..... Village Treasurer

Alexandra Graniero Deputy Village Treasurer

Whitney Singleton, Esq..... Village Attorney

BOND COUNSEL

HAWKINS DELAFIELD & WOOD LLP
New York, New York

MUNICIPAL ADVISOR

CAPITAL MARKETS ADVISORS, LLC
*Hudson Valley * Long Island * New York City * Southern Tier * Western New York*
(516) 487-9818

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

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OFFICIAL STATEMENT

VILLAGE OF MOUNT KISCO WESTCHESTER COUNTY, NEW YORK

Relating To

\$3,600,000*

PUBLIC IMPROVEMENT SERIAL BONDS – 2020

and

\$4,000,000

BOND ANTICIPATION NOTES – 2020 SERIES B

This Official Statement including the cover page and appendices thereto has been prepared by the Village of Mount Kisco, Westchester County, New York (the “Village”, “County”, and “State” respectively) and presents certain information relating to the Village’s \$3,600,000* Public Improvement Serial Bonds – 2020 (the “Bonds”) and \$4,000,000 Bond Anticipation Notes – 2020 Series B (the “Notes”).

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the Village’s overall economic situation and outlook (and all of the specific Village-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. (See “*Risk Factors Affecting Financings of the State and Municipalities of the State*” and “*Impacts of COVID-19*” herein.)

THE BONDS

Description of the Bonds

The Bonds will be dated the date of delivery, will bear interest from such date payable October 1, 2021 and semiannually thereafter on each April 1 and October 1 until maturity and will mature on October 1 in the years and amounts as set forth on the inside cover page hereof. The Bonds will be subject to optional redemption prior to maturity as described herein. (See “*Optional Redemption*” herein.)

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds.

* Preliminary, subject to change.

Principal of and interest on the Bonds will be made by the Village 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 Village referred to therein.

The record date for payment of principal of and interest on the Bonds will be the fifteenth day (whether or not a business day) of the calendar month immediately preceding each interest payment date.

Authority for and Purpose of the Bonds

The Bonds are issued pursuant to the Constitution and Laws of the State, including, among others, the Local Finance Law and a bond resolution duly adopted by the Board of Trustees of the Village on September 16, 2019 for the construction of improvements to various Village buildings and sites. The proceeds from the sale of the Bonds will be used to provide original financing for this project.

THE NOTES

Description of the Notes

The Notes will be dated and will mature, without option of prior redemption, as stated on the cover page hereof.

The Village will act as Paying Agent for any Notes issued in book-entry form and the purchaser(s) will serve as paying agent for the Notes registered in the name of the purchaser(s). Paying agent fees, if any, will be paid by the purchaser(s). The Village's contact information is as follows: Robert A. Wheeling, Village Treasurer, 104 N. Main Street, Mount Kisco, NY, 10549, Phone: (914) 864-0004, Email: rwheeling@mountkisco.ny.gov.

Authority for and Purpose of the Notes

The Notes shall be issued pursuant to the Constitution and laws of the State of New York and a bond resolution adopted by the Board of Trustees of the Village on September 5, 2019 for the construction of water system improvements. The proceeds from the sale of the Notes will provide original financing for this project.

THE BONDS AND THE NOTES

Optional Redemption

The Bonds maturing on or before October 1, 2028 are not subject to redemption prior to maturity. The Bonds maturing on or after October 1, 2029 will be subject to redemption prior to maturity, at the option of the Village, on any date on or after October 1, 2028, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

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

The Notes will not be subject to redemption prior to maturity.

Nature of Obligation

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

The Bonds and the Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Bonds and the Notes, the Village has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Village, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See “*Tax Levy Limit Law*” herein.)

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and the Notes, and the State is specifically precluded from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Village’s power to increase its annual tax levy. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village is subject to statutory limitations set forth in Tax Levy Limit Law, unless the Village complies with certain procedural requirements to permit the Village to levy certain year-to-year increases in real property taxes. (See “*Tax Levy Limit Law*” herein.)

REMEDIES UPON DEFAULT

Neither the Bonds, the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds or the Notes should the Village default in the payment of principal of or interest on the Bonds or the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds or the Notes upon the occurrence of any such default. The Bonds and the Notes are general obligation contracts between the Village and the owners for which the faith and credit of the Village are pledged and while remedies for enforcement of payment are not expressly included in the Village’s contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder’s and/or noteholder’s remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Bonds or the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Village. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. 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. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such Bonds or Notes from funds lawfully available therefor or, in the absence thereof, to order the Village to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Village and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Bonds or the Notes, the owners of such Bonds or Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Village to assess, levy and collect an ad valorem tax, upon all taxable property of the Village subject to taxation by the Village sufficient to pay the principal of and interest on the Bonds or the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds or the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds or the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State’s highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Bond or Noteholders, there can be no assurance as

to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Village.

Pursuant to Article VIII, Section 2 of the State Constitution, the Village is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "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. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt

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

MUNICIPAL BANKRUPTCY

The undertakings of the Village should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants

priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the Village could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Village after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds or Notes. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the “indubitable equivalent”. The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Bonds or Notes, and the obligations incurred by the Village, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor’s rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds or Notes to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any 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. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a finance control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the Village in the future cannot be assured.

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

The above references to the Bankruptcy Act are not to be construed as an indication that the Village is currently considering or expects to resort to the provisions of the Bankruptcy Act.

Financial Control Boards

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the Cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and in certain cases approve or disapprove collective bargaining agreements. Implementation is generally 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, upon the issuance of a certificate of necessity of the Governor reciting facts which in the judgment of the 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 a 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 in the finances and operations of entities such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Village has not applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

DESCRIPTION OF BOOK-ENTRY SYSTEM

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

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

Purchases of the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes 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 and the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds and the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 and the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

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

There are certain potential risks associated with an investment in the Bonds and the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The Village's credit rating could be affected by circumstances beyond the Village's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of Village property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Village's credit rating could adversely affect the market value of the Bonds and the Notes.

If and when an owner of any of the Bonds and the Notes should elect to sell all or a part of the Bonds and the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds and the Notes. The market value of the Bonds and the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Bonds and the Notes are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds and the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Village to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds and the Notes, could be adversely affected.

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefore. Should the Village fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Village is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Village will have market access for any such borrowing on a cost effective basis. (See also "*State Aid*" herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds and the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "*Tax Matters*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Village, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Bonds and the Notes. (See "*The Tax Levy Limit Law*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the Village could impair the financial condition of such entities, including the Village and the ability of such entities, including the Village to pay debt service on their respective obligations.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Village's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally

and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus and there have been efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the Village's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence later in the year could have a material adverse effect on the State and municipalities and school districts located in the State, including the Village. The Village is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*Impacts of COVID-19*" and "*State Aid*" herein.)

CYBERSECURITY

The Village, 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 Village 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 Village invests in various forms of cybersecurity and operational controls, including using an outside vendor for IT services to monitor the systems and have the necessary firewalls in place. Backup tapes are removed from the premises on a daily basis. For bank accounts, the Village has set up "positive pay", sending the bank a file before checks are issued; when checks are presented, the bank matches payee, check number, and dollar amount. 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 Village digital networks and systems and the costs of remedying any such damage could be substantial.

LITIGATION

The Village is subject to a number of lawsuits in the ordinary conduct of its affairs. The Village 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 Village.

Child Victim's Act Claim - A notice has been served on the Village's Recreation Commission by counsel for an unidentified male individual who asserts that said individual intends to pursue claims under the Child Victim's Act. While no lawsuit has been served upon the Village as of the drafting of this disclosure, the potential claimant alleges that when he was a "student" at the summer camp in the municipality (1984-1987), a camp coordinator repeatedly sexually abused him. There is no express demand for damages in this matter at this time. Should the plaintiff be successful in the action against the Village, any liability is expected to be funded either through budgetary appropriations, the issuance of bonds or insurance liability coverage. The Village has reached out to the insurance agent during this particular time period and is in the process of contacting the claims person for the successor insurance company to the now superseded Continental Insurance Company. There are apparently going to be multiple defendants, at least one of which shares the same underwriter as the Village, thereby making confirmation of coverage easier.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds and the Notes (collectively, the “Tax-Exempt Obligations”) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Tax-Exempt Obligations is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificate of the Village (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Tax-Exempt Obligations, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Village and others in connection with the Tax-Exempt Obligations, and Bond Counsel has assumed compliance by the Village with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Tax-Exempt Obligations from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Village, under existing statutes, interest on the Tax-Exempt Obligations is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Tax-Exempt Obligations, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Tax-Exempt Obligations in order that interest on such Tax-Exempt Obligations be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Tax-Exempt Obligations, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Tax-Exempt Obligations to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Village, in executing the Tax Certificate, will certify to the effect that the Village will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Tax-Exempt Obligations from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Tax-Exempt Obligations. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Tax-Exempt Obligation. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Tax-Exempt Obligations.

Prospective owners of the Tax-Exempt Obligations should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned

income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Tax-Exempt Obligations may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Tax-Exempt Obligation (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Tax-Exempt Obligations. In general, the issue price for each maturity of the Tax-Exempt Obligations is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Tax-Exempt Obligation having OID (a “Discount Obligation”), OID that has accrued and is properly allocable to the owners of the Discount Obligation under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Tax-Exempt Obligations.

In general, under Section 1288 of the Code, OID on a Discount Obligation accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Obligation. An owner’s adjusted basis in a Discount Obligation is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Obligation. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Obligation even though there will not be a corresponding cash payment.

Owners of Discount Obligations should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Obligations.

Bond Premium

In general, if an owner acquires an obligation for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the obligation after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that obligation (a “Premium Obligation”). In general, under Section 171 of the Code, an owner of a Premium Obligation must amortize the bond premium over the remaining term of the Premium Obligation, based on the owner’s yield over the remaining term of the Premium Obligation, determined based on constant yield principles (in certain cases involving a Premium Obligation callable prior to its stated maturity date, 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 such Premium Obligation). An owner of a Premium Obligation must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Obligation, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Obligation may realize a taxable gain upon disposition of the Premium Obligation even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Obligations should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Obligations.

Information Reporting and Backup Withholding

Information reporting requirements will apply to interest on tax-exempt obligations, including the Tax-Exempt Obligations. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy

the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Tax-Exempt Obligation through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Tax-Exempt Obligations from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Tax-Exempt Obligations under federal or state law or otherwise prevent beneficial owners of the Tax-Exempt Obligations from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Tax-Exempt Obligations.

Prospective purchasers of the Tax-Exempt Obligations should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and the Notes are subject to the respective approving legal opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. The respective opinions of Bond Counsel will be in substantially the forms attached hereto in Appendix D.

DISCLOSURE UNDERTAKING

Disclosure Undertaking for the Bonds

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”) with respect to the Bonds, the Village will execute a Certificate to Provide Continuing Disclosure, the form of which is attached hereto as Appendix E.

Disclosure Undertaking for the Notes

In order to assist the purchasers in complying with Rule 15c2-12 with respect to the Notes, the Village will execute a Certificate to Provide Notices of Events, the form of which is attached hereto as Appendix F.

Compliance History

For the fiscal year ended May 31, 2019, the Village did not file audited financial statements or updated unaudited numbers within 180 days of the close of the fiscal year. For the fiscal years ending May 31, 2015, 2016 and 2017, the Village filed unaudited numbers within 180 days of the close of the fiscal year, but did not file audited financial statements within 30 days of the release of those statements. For the fiscal year ending May 31, 2018, the Village did not file audited financial statements or updated unaudited numbers within 180 days of the close of the fiscal year and filed audited financial statements more than one year after the end of the fiscal year.

RATING

The Village has applied to Moody's Investor Service, Inc ("Moody's") for a rating on the Bonds and the Notes. Such applications are pending at this time.

Moody's currently assigns the uninsured outstanding bonded indebtedness of the Village a rating of "Aa2".

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

MUNICIPAL ADVISOR

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

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

ADDITIONAL INFORMATION

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

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

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

Estimates and Forecasts. The statements contained in this Official Statement and the appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases,

by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “illustrate,” “example,” and “continue,” or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the Village assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material.

Additional information may be obtained upon request from Capital Markets Advisors, LLC, (516) 487-9818 or from the Village’s Treasurer, (914) 864-0004.

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

VILLAGE OF MOUNT KISCO
WESTCHESTER COUNTY, NEW YORK

By: _____
Robert A. Wheeling
Village Treasurer

DATED: September __, 2020

APPENDIX A
THE VILLAGE

THE VILLAGE

General Information

The Village was incorporated in 1875 and is located in northern Westchester County approximately 25 miles north of New York City. The Village encompasses an area of approximately 3.0 square miles and has a population of 10,994 according to the 2017 American Community Survey 5-Year Estimates. The Village serves as the commercial and service center for the surrounding towns of Bedford and New Castle. Outside of the commercial center, the Village is composed of residential suburban neighborhoods as well as apartment complexes and condominiums. In addition to employment opportunities within the Village, residents travel to jobs throughout Westchester County and New York City.

Change in Municipal Status

In 1977, the Legislature of the State of New York, pursuant to voter approval, passed an act to create the Village/Town of Mount Kisco (the "Village"). The act provided that the Town of Bedford and the Town of New Castle be divided along the existing boundary line between the Village of Mount Kisco and the remainder of the two Towns, with the boundaries of the new town to be exactly the same as and coterminous with the boundaries of the Village of Mount Kisco. This change formally took effect on January 1, 1978. The Village operates under a Board of Trustees form of government in accordance with New York State Village and Town Law. Members of the Board of Trustees (the "Board of Trustees") serve as the Town Board as well. The receipt and disbursement of funds, the assessing of real property in connection with the levy and collection of Village property taxes, and the issuance of obligations are operated under the Village government. The Village Treasurer, acting in his capacity as Town Receiver, is responsible for the collection of Village, County and school district tax levies.

Form of Government

The Village operates under the Council-Manager form of government. This form provides for an appointed Chief Administrative Officer (Village Manager), who directs day-to-day Village operations and serves at the pleasure of the Mayor and the Board of Trustees (the "Board").

The Mayor is the chief executive officer of the Village. She is elected for a term of two years and is eligible to succeed herself. She is also a member of the Board of Trustees. In addition to the Mayor, there are four trustees who are elected for two-year terms.

Elected and Appointed Officials

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

The Village Manager also serves as the Village Clerk. The Village Clerk is appointed by the Mayor, subject to confirmation by the Board, and serves at the pleasure of the Board. The Clerk acts as the custodian of the Village's record as well as the clerk to the Board. Duties of this office include: custody of the corporate seal, books, records and papers of the Village and all reports, communications and minutes of meetings of the Village boards and commissions, issuing certain licenses and permits, and coordinating Village elections.

The Village Treasurer is appointed by and serves at the pleasure of the Village Manager. The Village Treasurer is the chief fiscal officer of the Village responsible for maintaining Village accounting records, collection of taxes, personnel records, and investment of Village funds, and debt management.

Employees

The Village provides services through approximately 67 full-time employees, some of whom are represented by the following units of organized labor. Pursuant to an inter-municipal agreement between the Village and Westchester County, effective June 1, 2015, police services are provided by the County pursuant to an agreement between the Village and the County. The Village employs a retired Chief as a part-time Chief to oversee the parking enforcement officers (non-PBA).

<u>Number of Employees</u>	<u>Contract Organization</u>	<u>Contract Expiration Date</u>
20	Village Administration Group	05/31/21
5	United Federation of Police Officers	05/31/21
31	Westchester Teamsters Local 456	05/31/21
7	Mt. Kisco Public Library	N/A
4	Management	N/A

Source: Village Officials

Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS") (herein referred to as the "Retirement System"). 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 System 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 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 ERS members hired on or after July 27, 1976 through and including December 31, 2009, must contribute 3% of gross annual salary toward the cost of retirement programs until they attain ten years in the Retirement System, at such time contribution become voluntary. ERS members hired after January 1, 2010 must contribute 3%, or more of their gross annual salary toward the cost of retirement programs for the duration of their employment.

Pension reform enacted by New York State changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Village. Under the previous method, the Village was not provided with the required payment until after its budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Village is notified of and can include the actual cost of the employer contribution in its budget. The law also requires a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. The pension payment date for all local governments was changed from December 15 to February 1.

On December 10, 2009, a new Tier V was signed into law, which was effective for ERS employees hired after January 1, 2010 and before April 2, 2012. Tier V ERS employees will contribute 3% of their salaries and there is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier VI for employees hired after April 1, 2012. The new pension tier has progressive contribution rates

between 3% and 6%; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

The New York State Retirement System has advised the Village that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Village has prepaid its employer contributions each December since the option was made available in 2004.

Due to significant capital market declines in the past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State's Retirement System continues to be higher than the minimum contribution rate established in the past. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by past legislation. To mitigate the expected increases in the employer contribution rate, various forms of legislation have been enacted that permit local governments to borrow a portion of their required payments from the State pension plan. To date, the Village has not found it necessary to amortize any payments to the Retirement System.

Other Post Employment Benefits

The Village is subject to GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board. ("GASB"), which replaces GASB Statement No. 75 and No. 45.

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

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

The Village has retained an actuarial firm to complete actuarial and disclosure requirements for its OPEB plan in conformity with GASB 75 beginning with the fiscal year 2019 valuation. The Village's total OPEB liability as of May 31, 2019 was \$27,863,362 using a discount rate of 3.64% and actuarial assumptions and other inputs as described in the Village May 31, 2019 audited financial statements.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The Village projects that its annual payments for fiscal year 2020-21, as provided for in the adopted budget, are \$832,634. The actual costs for 2019-20 were \$754,229.

Legislation has been introduced from time to time to create an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. Such legislation would generally 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. In addition, there would be no limits on how much a local government can deposit into the trust. The Village cannot predict whether such legislation will be enacted into law in the foreseeable future.

Investment Policy and Permitted Investments

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the Village is generally permitted to deposit moneys in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The Village may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Village; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the Village pursuant to law, in obligations of the Village.

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

FINANCIAL FACTORS

Budgetary Procedure

Annually, the Village Manager prepares a tentative budget for the ensuing fiscal year. On or about January 15, budget requests are sent to department heads, whose estimates are returned to the Village Manager by February 15.

During February, the Village Manager and the department heads review their requests. On or about March 15, the Village Manager files the tentative budget with the Village Clerk, who submits it to the Board of Trustees. A public budgetary hearing is held on or before April 15. Prior to May 1, the Board of Trustees adopts the budget which is subsequently made available to the public.

Chapter 97 of the New York Laws of 2011, as amended, (the "Tax Levy Limit Law") imposes a limitation on increases in the real property tax levy of the Village, subject to certain exceptions outlined in the law. All budgets of the Village adopted in accordance with the procedure discussed herein must comply with the requirements of the Tax Levy Limit Law.

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

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

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

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

The most current applicable report of the State Comptroller designates the Village as “not filed.”

The financial affairs of the Village are subject to periodic compliance reviews by OSC to ascertain whether the Village has complied with the requirements of various State and federal statutes.

See the State Comptroller’s official website for more information regarding the foregoing. Reference to this website implies no warranty of accuracy of information therein. References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Independent Audits

The financial statements of the Village were audited by the firm of PKF O’Connor Davies, LLP, independent certified public accountants for the fiscal years ended May 31, 2012 through 2016, inclusive. The financial statements of the Village were audited by the firm of Drescher & Malecki, LLP, independent certified public accountants for the fiscal years ended May 31, 2017 through 2019, inclusive. The audited financial statements for the fiscal year ended May 31, 2020 are expected to be completed by December 2020.

Fund Structures and Accounts

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

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

The Village maintains the following governmental funds: General Fund, Library Fund, Section 8 Housing Program Fund, Debt Service Fund and Capital Projects Fund. The Village maintains the following proprietary enterprise funds: Water Fund and Sewer Fund.

Basis of Accounting

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

Effective June 1, 2003, as part of the Village’s compliance with reporting its operations in accordance with the provisions of the Governmental Accounting Standards Board, Statement 34 (GASB 34), the Village changed the reporting of its Water and Sewer Fund operations to an enterprise fund, full accrual basis of accounting.

Recent Operating Results

2014/2015 Audited Results For the fiscal year ended May 31, 2015, based on audited results, General Fund revenues and other sources were approximately \$21,211,027 and General Fund Expenditures and other uses were \$20,747,162, which resulted in an operating surplus of \$463,865 and a cumulative General Fund surplus of \$9,345,812.

2015/2016 Audited Results For the fiscal year ended May 31, 2016, based on audited results, General Fund revenues and other sources were approximately \$21,544,660 and General Fund Expenditures and other uses were \$20,525,369, which resulted in an operating surplus of \$1,019,291 and a cumulative General Fund surplus of \$10,365,103.

2016/2017 Audited Results For the fiscal year ended May 31, 2017, General Fund revenues and other sources were approximately \$23,720,087 and General Fund Expenditures and other uses were \$21,104,023, which resulted in an operating surplus of \$2,616,064 and a cumulative General Fund surplus of \$12,981,167.

2017/2018 Audited Results For the fiscal year ended May 31, 2018, General Fund revenues and other sources were approximately \$23,637,016 and General Fund Expenditures and other uses were \$22,971,791, which resulted in an operating surplus of \$665,225 and a cumulative General Fund surplus of \$13,646,392.

2018/2019 Audited Results For the fiscal year ended May 31, 2019, General Fund revenues and other sources were approximately \$22,441,177 and General Fund Expenditures and other uses were \$20,691,723, which resulted in an operating surplus of \$1,749,454 and a cumulative General Fund surplus of \$15,395,846.

2019/2020 Adopted Budget For the fiscal year ending May 31, 2020, based on the Village's adopted budget, General Fund revenues are budgeted at \$23.3 million and General Fund Expenditures and other uses are budgeted at \$23.3 million.

2020/2021 Adopted Budget For the fiscal year ending May 31, 2021, based on the Village's adopted budget, General Fund revenues are budgeted at \$23.3 million and General Fund Expenditures and other uses are budgeted at \$23.3 million.

Real Property Taxes

The Village derives a major portion of its revenues from a tax on real property. Property taxes accounted for 68.7% of total General Fund revenues for the fiscal year ended May 31, 2019, while State aid accounted for 2.75%.

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

General Fund Revenues & Real Property Taxes

Fiscal Year <u>Ended May 31:</u>	Total <u>Revenues</u> ⁽¹⁾	Real Property <u>Taxes</u>	Real Property Taxes to <u>Revenues</u>
2015	\$21,195,490	\$14,112,208	66.6%
2016	21,554,660	14,520,581	67.4
2017	23,720,087	16,597,433	70.0
2018	23,617,516	15,146,493	64.1
2019	22,441,177	15,426,464	68.7
2020 (Adopted Budget)	23,281,328	14,976,662	64.3
2021 (Adopted Budget)	23,303,674	15,387,377	66.0

(1) General Fund.

Source: Audited Financial Statements and Adopted Budgets of the Village.

State Aid

The Village receives financial assistance from the State. In its adopted budget for the 2020-2021 fiscal year, approximately 1.6% of the total general fund revenues of the Village is estimated to be received in the form of State aid.

If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in this year or future years, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained in the future. Due to the outbreak of COVID-19, the State has declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or the delay, elimination or substantial reduction in payments to municipalities, school districts or other recipients of State aid in the State. Reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "*Risk Factors Affecting Financings of the State and Municipalities of the State*" and "*Impacts of COVID-19*" herein.)

The State's 2020-2021 Adopted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation ... and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically.

On August 13, 2020, the New York State Division of the Budget released the fiscal year ending 2021 First Quarterly State Budget Financial Plan Update, which projects a \$14.5 billion General Fund revenue decline and a 15.3% decline in tax receipts from prior budget forecasts. The State further projects a total revenue loss of \$62 billion through the State's fiscal year ending 2024 as a direct consequence of the COVID-19 pandemic. The State has announced that in the absence of Federal funding to offset this revenue loss, the State has begun to take steps to reduce spending, including but not limited to, temporarily holding back aid payments to local governments and school districts. According to the State, all or a portion of such temporary reductions in aid payments may be converted to permanent reductions, depending on the size and timing of any new Federal aid. Such reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State. (See also "*Impacts of COVID-19*" and "*Risk Factors Affecting Financings of the State and Municipalities of the State*" herein).

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

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

General Fund Revenues & State Aid Revenues

Fiscal Year <u>Ended May 31:</u>	Total <u>Revenues⁽¹⁾</u>	General Fund <u>State Aid</u>	State Aid <u>To Revenues</u>
2015	\$21,195,490	\$303,138	1.4%
2016	21,544,660	512,906	2.4
2017	23,720,087	558,492	2.4
2018	23,617,516	649,111	2.7
2019	22,441,177	417,017	1.9
2020 (Adopted Budget)	23,281,328	370,398	1.6
2021 (Adopted Budget)	23,303,674	370,398	1.6

(1) General Fund.

Source: Audited Financial Statements and Adopted Budgets of the Village.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State’s 2019-2020 Enacted Budget continues authorization for a process by which the State would manage significant reductions in federal aid during federal fiscal year 2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by \$850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by \$850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State’s General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

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

Sales Tax

The County presently imposes a 2-1/2% County-wide sales and use tax on all retail sales. This, in addition to the present 4% State sales tax and 3/8 of 1% sales tax levied in the Metropolitan Transportation Authority District, provides a minimum combined sales tax in the County of 6-7/8%. In addition, 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 2% in the City of White Plains, at 2.5% in Mount Vernon and New Rochelle and at 3% in Yonkers.

In July 1991, the State Legislature authorized an additional 1% sales tax for the County to impose in localities other than cities which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991. The

additional 1% sales tax is to be apportioned between the County (33.33%), school districts in the County (16.66%) and towns, villages, and cities in the County which have not imposed sales taxes (50%).

Effective March 2004, the State Legislature authorized an additional ½ of 1% sales tax for the County to impose in localities other than cities which have their own sales tax. The additional ½ of 1% sales tax is to be apportioned between the County (70%), school districts in the County (10%), and towns, villages, and cities in the County which have not imposed sales taxes (20%).

Effective April 2019, 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 ½ of 1% sales tax is to be apportioned between the County (70%), school districts in the County (10%), and towns, villages, and cities in the County which have not imposed sales taxes (20%).

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

General Fund Revenues & Sales Tax

Fiscal Year Ended May 31:	Total Revenues ⁽¹⁾	Sales Tax	Sales Tax to Revenues
2015	\$21,195,490	\$1,556,207	7.3%
2016	21,847,812	1,584,010	7.3
2017	23,720,087	2,084,878	8.8
2018	23,617,516	2,299,458	9.7
2019	22,441,177	2,265,075	10.1
2020 (Adopted Budget)	23,281,328	1,660,000	7.1
2021 (Adopted Budget)	23,303,674	1,750,000	7.5

(1) General Fund.

Source: Audited Financial Statements and Adopted Budgets of the Village.

For the fiscal year ended May 31, 2020, the Village anticipates sales tax revenue of approximately \$2.1 million, exceeding the amount budgeted by approximately \$489,000 because of the County’s 1% sales tax increase being instituted after the Village’s budget was adopted. For the fiscal year ending May 31, 2021, the Village again did not budget for the increased sales tax rate to account for potential reductions due to COVID-19. (See also “*Impacts of COVID-19*” herein). As a result, the Village currently expects to meet its budgeted sales tax figure.

Impacts of COVID-19

The COVID-19 pandemic has impacted the Village’s parking fines and fees, summer camp fees and pool fees. However, due to corresponding reductions in expenses associated with the summer camps and the pool, as of the date of this Official Statement, the Village has experienced a net positive impact in these areas.

The Village has not experienced any reduction in state aid receipts due to COVID-19 and does not expect any reduction at this time. In addition, the Village exceeded the amount budgeted for sales tax for the fiscal year ended May 31, 2019 and expects to meet the amount budgeted for the fiscal year ending May 31, 2020.

TAX INFORMATION

Real Estate Tax Levying Limitation

The Village is responsible for levying taxes for Village purposes. The Village's real property tax levying powers, other than for debt service and certain other enumerated purposes, are limited by the State Constitution to two

percent of the five-year average full valuation of taxable real property of the Village. (See also “*Tax Levy Limit Law*” herein).

The following table sets forth the computation of the Village's real estate tax levying limitation and the determination of its tax margin for the fiscal year ending May 31, 2021.

Real Property Tax Assessment and Rates

<u>Assessment Year</u>	<u>Fiscal Year Ending May 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Ratio</u>	<u>Full Valuation</u>
2016	2017	\$149,163,419	8.46%	\$1,763,160,981
2017	2018	147,729,313	8.22	1,797,193,589
2018	2019	146,736,713	8.30	1,767,912,205
2019	2020	146,747,401	7.87	1,864,642,961
2020	2021	146,452,366	7.45	<u>1,965,803,570</u>
			TOTAL:	<u>\$9,158,713,306</u>
Five-Year Average Valuation				1,831,742,661
Tax Levying Limitation: 2% of Average Five-Year Full Valuation:				36,634,853
Exclusions Added Thereto:				<u>3,650,125</u>
Maximum Taxing Power				40,284,978
Real Estate Tax Levy for 2020/2021				<u>15,387,377</u>
Constitutional Net Tax Margin				\$ 24,897,601
Percent of Tax Limitation Exhausted				<u>38.20%</u>

Source: Village of Mt. Kisco, Village Treasurer, and the New York State Office of Real Property Services.

Valuations and Tax Data

The Village derives its power to levy an ad valorem real property tax from Article 8, Section 10 of the Constitution of the State of New York. The Village is responsible for levying taxes for operating purposes and debt service.

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

Valuations and Tax Data

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assessed Value	\$149,163,419	\$147,729,313	\$146,736,713	\$146,747,401	\$146,452,366
Equalization Ratio	8.46%	8.22%	8.30%	7.87%	7.45%
Full Value	1,763,160,981	1,797,193,589	1,767,912,504	1,864,642,961	1,965,803,570
Tax Levy	14,669,625	14,623,025	14,769,884	14,976,662	15,387,377
Tax Rates ⁽¹⁾ :	\$98.35	\$98.99	\$100.65	\$102.06	\$105.06

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

Source: New York State Office of Real Property Services and Village Officials.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the New York Laws of 2011, as amended, (the "Tax Levy Limit Law"), all the taxable real property within the Village has been subject to the levy of ad valorem taxes to pay the bonds and notes of the Village and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Village for any fiscal year commencing after January 1, 2012, without providing an exclusion for debt service on obligations issued by the Village. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village for Village purposes, including the payment of bonds and notes of the Village and interest thereon, is subject to statutory limitations imposed by the Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Village, subject to certain exceptions. The Tax Levy Limit Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Board of Trustees first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the Village, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Village or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

Tax Collection Procedures

The assessment and collection of real property taxes is governed by the Westchester County Tax Law as well as by the Real Property Tax Law of the State. The Village, acting in its capacity as a Town, collects all County, school and special district taxes. The Village receives warrants for the collection of taxes from the County and from the Bedford School District. The Village then remits the amount of the County and school district warrants at times set forth in the Westchester County Charter and Code. The Village is required to remit the full amount of each warrant presented by the County and school district, whether or not these sums are actually collected by the Village. The Village has the responsibility for uncollected taxes and for conducting tax lien sales.

Village taxes are due on June 1, with the first half payable without penalty until June 30, after which the penalty is 2% during July and 1% for each month thereafter up to the date of the tax lien sale. Second half Village taxes are payable without penalty until December 31, after which the penalty is 2% during January and 1% each month thereafter up to the date of the tax lien sale.

County, State judicial and special district taxes for the period from January 1 to December 31 are due in a single payment on April 1. Payment may be made without penalty until April 30, after which the penalty is 2% during May, 5% during June and July, 7% during August and September, 10% during October, November and December and 12% thereafter to the date of the tax lien sale.

School taxes for the period from July 1 to June 30 are due on September 1, with the first half payable without penalty until September 30th, after which the penalty is 2% during October, 5% during November, 7% during December and January, 10% during February and March, and 12% thereafter to the date of the tax lien sale. Second half school taxes are payable without penalty until January 31, after which the penalty is 10% during February and March, and 12% thereafter to date of the tax lien sale.

The following table sets forth the Village’s Real Property Tax Levies and Collections at the end of the last five fiscal years.

Real Property Tax Levies and Collections

<u>Fiscal Year Ended May 31:</u>	<u>Gross Tax Levy⁽¹⁾</u>	<u>Current Taxes Collected</u>	<u>Percentage Current Taxes Collected</u>
2017	\$14,828,806	\$14,633,091	98.7%
2018	14,623,025	14,579,586	99.7
2019	14,938,541	14,832,898	99.3
2020	14,976,662	14,945,195	99.8
2021 ⁽²⁾	15,424,897	8,072,299	52.3

(1) Amount includes unpaid water/sewer rents added on tax roll.

(2) As of September 16, 2020.

Source: Village Officials.

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Ten of the Largest Taxpayers

The following table presents the taxable assessments of the Village’s ten largest taxpayers for the fiscal year ended May 31, 2021:

<u>Taxable Assessments</u>			
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation ⁽¹⁾</u>	<u>Percentage of Total Assessed Valuation</u>
Diamond Properties (DP)	Shopping Center	\$ 6,330,100	4.32%
Consolidated Edison Corp.	Public Utility	3,636,872	2.48
Larstrand Corp.	Real Estate	3,152,000	2.15
Urban Edge Property	Real Estate	3,150,000	2.15
Hammes Partners II	Real Estate	2,658,600	1.82
200 Diplomat Drive Corporation	Property Management	1,840,600	1.26
Verizon	Public Utility	1,100,000	0.75
Bedford Plaza Tenants Corp	Housing	1,098,102	0.75
Foresight Affordable Housing	Housing	1,090,000	0.74
Tennis Equities	Recreation	<u>1,000,000</u>	<u>0.68</u>
	Totals	<u>\$25,056,174</u>	<u>17.10%</u>

(1) The Village’s total assessed value for the 20120-21 fiscal year is \$146,452,366.

Source: Village Officials.

VILLAGE INDEBTEDNESS

Constitutional and Statutory Requirements

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

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

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

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

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

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

There is no constitutional limitation on the amount that may be raised by the Village by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the Village to increase its annual tax levy unless the Village complies with certain procedural requirements to permit the Village to levy certain year-to-year increases in real property taxes.

Statutory Procedure

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

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Village Board, the finance board of the Village. Certain such resolutions may be subject to permissive referendum, or may be submitted to the Village voters at the discretion and (3/5) three-fifths vote of the Board of Trustees.

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

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.

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

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

Constitutional Debt-Contracting Limitation

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

The following table sets forth the current debt-contracting limitation of the Village.

<u>Debt Contracting Limitation</u>			
Fiscal Year Ended <u>May 31:</u>	<u>Assessed Valuation</u>	State Equalization <u>Ratio⁽¹⁾</u>	Full <u>Valuation</u>
2017	\$149,163,419	8.46%	\$1,763,160,981
2018	147,729,313	8.22	1,797,193,589
2019	146,736,713	8.30	1,767,912,205
2020	146,747,401	7.87	1,864,642,961
2021	146,452,366	7.45	<u>1,965,803,570</u>
Total Five-Year Full Valuation			\$9,158,713,306
Average Five-Year Full Valuation			1,831,742,661
Debt Contracting Limitation - 7% of Average Full Valuation			<u>\$ 128,221,986</u>

(1) Equalization rates are established by the New York State Board of Equalization and Assessment.

Source: New York State Board of Equalization and Assessment.

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Statutory Debt Limit and Net Indebtedness

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

<u>Statement of Debt-Contracting Power</u>		
(As of September 16, 2020)		
Debt-Contracting Limitation:		\$128,221,986
Gross Direct Indebtedness:		
Bonds:		
General Purpose	\$15,672,791	
Water ⁽¹⁾	<u>2,927,209</u>	
	\$18,600,000	
Bond Anticipation Notes:		
General Purpose	\$ 0	
Sewer	1,080,000	
Water	<u>10,500,000</u>	
	\$11,580,000	
Total Gross Direct Indebtedness		<u>\$ 30,180,000</u>
Less Exclusions and Deductions:		
Water and Sewer Debt:	\$14,507,209	
Appropriations for Non-Exempt Indebtedness During Current Fiscal Year	<u>\$ 755,000</u>	
Total Exclusions:		<u>\$ 15,262,209</u>
Total Net Direct Indebtedness		<u>\$ 14,917,791</u>
Debt-Contracting Margin		<u>\$113,304,195</u>
Percentage of Debt-Contracting Power Exhausted		<u>11.63%</u>

(1) Inclusive of bonds issued by the New York State Environmental Facilities Corporation on behalf of the Village.

Tax and Revenue Anticipation Notes

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

Trend of Capital Indebtedness

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

	<u>Direct Capital Indebtedness Outstanding</u>				
	(fiscal year ended May 31:)				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽¹⁾</u>
Bonds:	\$17,080,000	\$14,805,000	\$12,845,000	\$23,405,300	\$20,685,000
Bond Anticipation Notes:	<u>1,320,000</u>	<u>1,260,000</u>	<u>10,500,000</u>	<u>11,640,000</u>	<u>11,640,000</u>
Total:	<u>\$18,400,000</u>	<u>\$16,065,000</u>	<u>\$23,345,000</u>	<u>\$35,045,300</u>	<u>\$32,325,000</u>

(1) Unaudited.

Source: Audited Financial Statements of the Village. Summary itself is not audited.

Overlapping and Underlying Debt

The real property taxpayers of the Village are responsible for a proportionate share of outstanding debt obligations of the County and school district. Such taxpayers' share of this overlapping debt is based upon the amount of the Village's equalized property values taken as a percentage of each separate units' total values. The table below sets forth both the total outstanding principal amount of debt issued by the Village and the approximate magnitude of the burden on taxable property in the Village of the debt issued and outstanding by such overlapping entities.

Statement of Direct and Overlapping Indebtedness

Gross Direct Indebtedness	\$ 30,180,000
Exclusions and Deductions	<u>15,262,209</u>
Net Direct Indebtedness	<u>\$ 14,917,791</u>

Overlapping Debt

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of:</u>	<u>Village Share</u>	<u>Amount Applicable To Village</u>
Westchester County	\$810,526,569	04/14/20	1.56%	\$ 12,644,214
Bedford CSD	56,364,647	01/14/20	17.46	<u>9,841,267</u>
Total Net Overlapping Debt				\$ 22,485,481
Total Net Direct Debt				<u>14,917,791</u>
Total Net Direct and Overlapping Debt				<u>\$ 37,403,272</u>

Source: County and School District Officials.

Debt Ratios

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

Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Debt to Full Value ⁽²⁾</u>
Net Direct Debt	\$ 14,917,791	\$ 1,357	0.76%
Net Direct and Overlapping Debt	37,403,272	3,402	1.90

(1) The population of the Village is 10,994 according to the 2017 American Community Survey 5-Year Estimates.

(2) The full valuation of real property located in the Village for the 2020-2021 fiscal year is \$1,965,803,570.

Authorized and Unissued Indebtedness

Following the issuance of the Bonds and the Notes, the Village will have authorized but unissued indebtedness of \$4,265,000 firehouse improvements, \$4,000,000 for water system improvements and replacements, \$9,500,000 for sewer improvements and \$5,000,000 for streetscape improvements.

Bond Anticipation Notes

On December 19, 2019, the Village issued \$10,500,000 Bond Anticipation Notes – 2019 Series B, which matures on December 18, 2020. The Village expects to redeem these notes with financing obtained through the New York State Environmental Facilities Corporation.

On March 12, 2020, the Village issued \$1,080,000 Bond Anticipation Notes – 2020 Series A (Federally Taxable), which mature on March 12, 2021.

Debt Service Schedule

The following table shows the debt service requirements to maturity on the Village’s outstanding bonded general obligation indebtedness, exclusive of the Bonds and economically defeased obligations.

Bond Principal and Interest Maturity Table

Fiscal Year			
<u>Ending May 31:</u>	<u>Principal</u>	<u>Interest⁽¹⁾</u>	<u>Total⁽²⁾</u>
2021 ⁽³⁾	\$ 2,840,000	\$ 810,125	\$ 3,650,125
2022	2,955,000	665,689	3,620,689
2023	1,805,000	551,463	2,356,463
2024	1,795,000	470,113	2,265,113
2025	1,885,000	401,294	2,286,294
2026	1,430,000	349,888	1,779,888
2027	1,475,000	302,113	1,777,113
2028	845,000	260,000	1,105,000
2029	870,000	226,200	1,096,200
2030	895,000	191,400	1,086,400
2031	925,000	155,600	1,080,600
2032	955,000	118,600	1,073,600
2033	990,000	80,400	1,070,400
2034	<u>1,020,000</u>	<u>40,800</u>	<u>1,060,800</u>
Totals:	<u>\$20,685,000</u>	<u>\$4,623,682</u>	<u>\$25,308,682</u>

- (1) Inclusive of two bonds issued by the New York State Environmental Facilities Corporation on behalf of the Village. These bonds receive a 50% and 33% interest rate subsidy, respectively, as part of the New York State Drinking Water Revolving Fund Program. The interest rate subsidy is not reflected above.
- (2) Off slightly due to rounding.
- (3) For entire fiscal year.

Source: Audited Financial Statements of the Village and Village Officials.

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ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table presents population trends for the Village, County and State, based upon recent census data.

	<u>Population Trend</u>			Percentage Change
	<u>2000</u>	<u>2010</u>	<u>2017</u>	<u>2010/2017</u>
Village	9,983	10,877	10,994	1.08%
County	923,459	949,113	975,321	2.76
State	18,976,457	19,378,102	19,798,228	2.17

Source: New York State Department of Commerce; New York State Department of Economic Development.

Income

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

	<u>Median Household Income</u>		
	<u>2000</u>	<u>2010</u>	<u>2017</u>
Village	\$55,420	\$63,929	\$77,801
County	63,582	79,619	89,968
State	43,393	55,603	62,765

Source: New York State Department of Commerce; New York State Department of Economic Development.

Employment and Unemployment

The following tables provide information concerning employment and unemployment in the County and State. Data provided for the County and State in the following tables is not necessarily representative of the Village.

Major Manufacturers Located in the Village

<u>Employers</u>	<u>Number of Employees</u>	<u>Product or Service</u>
Curtis Instrument, Inc.	150	Instruments, gauges, battery controllers
Multiplier Industries Corp.	80	Dry primary and rechargeable batteries
Zierick Manufacturing Corp.	75	Electronic hardware and connectors
RLC Electronics Corp.	65	Passive microwave components
Zumbach Electronics Corp.	55	Instruments to measure electricity

Source: Dun & Bradstreet Regional Business Directory.

Major Service and Retail Employers Located in the Village

<u>Employers</u>	<u>Number of Employees</u>	<u>Product or Service</u>
Northern Westchester Hospital Center	1000 ⁽¹⁾	General medical & surgical hospital
Mount Kisco Medical Group, P.C.	500	Offices & clinics of medical doctors
Visiting Nurse Association of Hudson Valley, Inc.	420	Home health care services
Target Corp. (Target store)	200	Merchandise retailer
Tennis Equities, Inc. (Saw Mill River Club)	150	Exercise & health club
Village/Town of Mount Kisco	150	Local government services
New York State Assoc. for Retarded Children, Inc.	120	Job training & vocational rehab. services
Bedford Central School District	100	Elementary school
Northeast Radiology P.C.	100	Offices & clinics of medical doctors
Great Atlantic & Pacific Tea Co. (A&P Supermarket)	100	Grocery store

(1) Plus an additional 450 affiliated doctors.

Source: Dun & Bradstreet Regional Business Directory.

Civilian Labor Force

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
County	481,200	481,000	484,100	484,300	484,400
State	9,644,600	9,668,700	9,704,700	9,574,700	9,514,400

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

Yearly Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2015	4.5	5.3%
2016	4.3	4.9
2017	4.5	4.7
2018	3.9	4.1
2019	3.8	4.0

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

Monthly Unemployment Rates

<u>Month</u>	<u>County</u>	<u>State</u>
July 2019	3.8%	4.1%
August	4.1	4.2
September	3.7	3.7
October	3.7	3.9
November	3.4	3.6
December	3.8	3.7
January 2020	4.0	4.1
February	3.9	3.9
March	4.0	4.2
April	14.1	15.1
May	11.1	14.2
June	12.5	15.5
July	14.2	16.0

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

Utilities

The residents of the Village receive electricity and natural gas from the Consolidated Edison. The Village operates its own water system for all areas of the Village. Most Village residents receive sanitary sewer services from the Village, which owns the sewer lines and pumping stations in the Village, and from the County, which owns and operates the trunk lines and wastewater treatment plants. Those residents (approximately 60) not connected to the sanitary sewer system have privately-owned septic tanks.

Transportation

The Village is served by a transportation network consisting of all major forms of transportation. Several primary State and U.S. highways including Interstate 684 and the Saw Mill River Parkway run near or through the Village. The Metropolitan Transportation Authority provides passenger rail service. Air transportation is provided by the Westchester County Airport, as well as the three major New York Tri-State airports (Kennedy, LaGuardia and Newark), and the Stewart International Airport in Newburgh.

End of Appendix A

APPENDIX B

FINANCIAL STATEMENT SUMMARIES

VILLAGE OF MOUNT KISCO
Statement of Budgeted Revenues and Expenditures - General Fund
Fiscal Year Ending May 31:

	Adopted Budget <u>2020</u>	Adopted Budget <u>2021</u>
Revenues		
Real Property Taxes	\$14,976,662	\$15,387,377
Other Tax Items	366,500	366,500
Non-Property Tax Items	2,235,000	2,305,000
Departmental Income	18,250	17,250
Public Safety	478,500	478,500
Transportation	865,000	865,000
Culture & Recreation	528,750	510,800
Home & Community Services	21,500	21,500
Intergovernmental Charges	1,085,873	1,060,548
Use of Money & Property	477,738	485,535
Licenses & Permits	101,750	101,750
Fines and Forfeitures	527,500	552,500
Sale of Property and Compensation for Loss	12,500	12,500
Miscellaneous	35,000	31,000
State Aid	370,398	370,398
Federal Aid	72,000	85,200
Appropriated Fund Balance and Reserves	<u>1,108,407</u>	<u>652,316</u>
 Total Revenues	 <u><u>\$23,281,328</u></u>	 <u><u>\$23,303,674</u></u>
Expenditures		
General Government Support	\$2,174,226	\$2,171,333
Public Safety	9,273,383	9,016,238
Health	378,671	388,113
Transportation	962,443	972,291
Economic Assistance and Opportunity	336,723	342,000
Culture & Recreation	1,268,921	1,446,179
Home & Community Service	1,337,892	1,322,231
Town Functions	711,052	746,628
Employee Benefits	3,336,989	3,271,775
Debt Service	1,258,028	1,273,886
Interfund Transfers	<u>2,243,000</u>	<u>2,353,000</u>
 Total Expenditures	 <u><u>\$23,281,328</u></u>	 <u><u>\$23,303,674</u></u>

Source: Adopted Budgets of the Village.

VILLAGE OF MOUNT KISCO
Comparative Balance Sheets - General Fund
Fiscal Year Ended May 31:

	<u>2018</u>	<u>2019</u>
Assets:		
Cash and Equivalents	\$14,728,219	\$11,541,975
Taxes Receivable	633,202	0
Restricted Cash and Cash Equivalents	1,376,682	1,506,848
Investments	0	4,040,681
Other Receivables		
Accounts	592,151	673,520
State & Federal Aid	0	330,219
Due From Other Governments	1,363,060	0
Intergovernmental Receivables	0	1,396,753
Real Estate Acquired For Resale	1,794,149	1,851,578
Due From Other Funds	69	1,412
Prepaid Expenditures	29,043	34,382
	<u> </u>	<u> </u>
Total Assets	<u>\$20,516,575</u>	<u>\$21,377,368</u>
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	\$358,883	\$2,588,520
Accrued Liabilities	2,378,645	357,682
Due to Retirement Systems	0	125,011
Due to Other Governments	3,553,973	2,489,261
Deferred Revenues	320,452	0
Unearned Revenue	258,230	277,578
	<u> </u>	<u> </u>
Total Liabilities	<u>\$6,870,183</u>	<u>\$5,838,052</u>
Deffered Inflows of Resources	\$0	\$143,470
Fund Balance		
Nonspendable	\$1,823,192	\$1,885,960
Restricted	1,118,452	1,229,270
Committed	2,223,103	2,234,281
Assigned	716,691	1,089,570
Unassigned	7,764,954	8,956,765
	<u> </u>	<u> </u>
Total Fund Balance	<u>\$13,646,392</u>	<u>\$15,395,846</u>
Total Liabilities and Fund Balance	<u>\$20,516,575</u>	<u>\$21,377,368</u>

Source: Audited Financial Statements of the Village.

VILLAGE OF MOUNT KISCO
Statement of Revenues, Expenditures and Changes in Fund Balance
Fiscal Year Ended May 31:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Revenues:</u>					
Real Property Taxes	\$14,112,208	\$14,520,581	\$16,597,433	\$15,146,493	\$15,426,464
Other Tax Items	382,680	357,098	0	0	0
Non-Property Taxes	2,119,075	2,060,236	2,084,878	2,299,458	2,265,075
Departmental Income	2,021,128	2,010,633	2,140,160	2,067,781	1,900,554
Intergovernmental Charges	734,112	670,916	683,749	711,947	701,777
Use of Money and Property	389,965	437,103	417,926	368,042	631,203
Licenses and Permits	123,182	99,348	147,639	115,027	131,023
Fines and Forfeitures	493,380	430,607	639,908	656,387	666,235
Sale of Property and Compensation for Loss	249,923	54,570	78,409	1,387,420	38,838
Miscellaneous	63,821	187,641	199,006	39,776	117,085
State Aid	303,138	512,906	558,492	649,111	417,017
Federal Aid	202,878	203,021	172,487	176,074	145,906
Total Revenues	<u>\$21,195,490</u>	<u>\$21,544,660</u>	<u>\$23,720,087</u>	<u>\$23,617,516</u>	<u>\$22,441,177</u>
<u>Expenditures</u>					
General Government Support	\$2,342,955	\$2,383,236	\$1,702,963	\$1,966,225	\$2,514,736
Public Safety	5,604,705	7,480,297	8,197,005	8,525,894	8,406,080
Health	407,424	420,534	454,698	424,997	450,898
Transportation	1,060,966	914,623	873,898	919,782	927,036
Economic Assistance	283,151	281,710	301,655	305,233	509,439
Culture and Recreation	1,031,393	1,102,532	1,084,539	1,094,457	972,178
Home and Community Services	1,096,255	1,199,339	1,801,795	2,084,760	1,281,603
Employee Benefits	6,033,312	3,630,468	3,412,089	3,289,155	3,087,945
Debt Service	0	0	0	1,625	37,687
Total Expenditures	<u>\$17,860,161</u>	<u>\$17,412,739</u>	<u>\$17,828,642</u>	<u>\$18,612,128</u>	<u>\$18,187,602</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,335,329</u>	<u>4,131,921</u>	<u>5,891,445</u>	<u>5,005,388</u>	<u>4,253,575</u>
<u>Other Financing Sources (Uses):</u>					
Insurance Recoveries	\$15,537	\$0	\$0	\$0	\$0
Proceeds From Capital Lease	0	0	0	19,500	0
Operating Transfers Out	(2,887,001)	(3,112,630)	(3,275,381)	(4,359,663)	(2,504,121)
Total Other Financing Sources (Uses)	<u>(2,871,464)</u>	<u>(3,112,630)</u>	<u>(3,275,381)</u>	<u>(4,340,163)</u>	<u>(2,504,121)</u>
Excess (Def) of Revenues Over Expenditures and Other Uses	463,865	1,019,291	2,616,064	665,225	1,749,454
Fund Balance-Beginning of Year	8,881,947	9,345,812	10,365,103	12,981,167	13,646,392
Prior Period Adjustment	0	0	0	0	0
Fund Balance-End of Year	<u>\$9,345,812</u>	<u>\$10,365,103</u>	<u>\$12,981,167</u>	<u>\$13,646,392</u>	<u>\$15,395,846</u>

Source: Audited Financial Statements of the Village.

APPENDIX C
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2019

**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/ES1453116.pdf>

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

*** Drescher & Malecki, LLP, Certified Public Accountants has not commented on or approved this Official Statement, has not been requested to perform any procedures on the information in its included report since its date and has not been asked to consent to the inclusion of its report in this Official Statement.**

APPENDIX D

FORMS OF APPROVING LEGAL OPINION OF BOND COUNSEL

FORM OF OPINION OF BOND COUNSEL - BONDS

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

October 6, 2020

The Village Board of the
Village of Mount Kisco, in the
County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Mount Kisco (the “Village”), in the County of Westchester, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the Village’s \$3,600,000 Public Improvement Serial Bonds-2020 (the “Bonds”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Concurrently with the issuance of the Bonds, the Village is issuing its \$4,000,000 Bond Anticipation Note-2020 (the “Note”). The Bonds are treated, together with the Note, as a single issue for federal tax purposes. We have served as Bond Counsel with respect to the issuance of the Note. On the date hereof, we have rendered our opinion with respect to the exclusion of interest on the Note from gross income for federal income tax purposes subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on the Note and the Bonds to become subject to federal income taxation retroactive to the dates of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the Village for which the Village has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Village is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the Village will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Village represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the Village's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the Village with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Bonds or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Village, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

FORM OF OPINION OF BOND COUNSEL - NOTES

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

October 6, 2020

The Village Board of the
Village of Mount Kisco, in the
County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Mount Kisco (the “Village”), in the County of Westchester, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$4,000,000 Bond Anticipation Note-2020 Series B (the “Notes”) of the Village, dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Concurrently with the issuance of the Notes, the Village is issuing its \$3,600,000 Public Improvement Serial Bonds–2020 (the “Bonds”). The Notes are treated, together with the Bonds, as a single issue for federal tax purposes. We have served as bond counsel with respect to the issuance of the Bonds. On the date hereof, we have rendered our opinion with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on the Bonds and the Notes to become subject to federal income taxation retroactive to the respective dates of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Notes are a valid and legally binding general obligation of the Village for which the Village has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Village is subject to the levy of ad valorem real estate taxes to pay the Notes and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal

Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Notes in order that the interest on the Notes be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Notes, restrictions on the investment of proceeds of the Notes prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Notes to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Notes, the Village will execute a Tax Certificate relating to the Notes containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Village represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Notes will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the Village’s representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Notes, and (ii) compliance by the Village with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Notes or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Village, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Notes.

Very truly yours,
Hawkins Delafield & Wood LLP

APPENDIX E

**FORM OF DISCLSOURE UNDERTAKING
FOR THE BONDS**

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the Village of Mount Kisco, in the County of Westchester, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Village Treasurer as of September 24, 2020.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s \$3,600,000 Public Improvement Serial Bonds-2020, dated October 6, 2020, maturing in various principal amounts on October 1 in each of the years 2021 through 2035, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, to the EMMA System:

- (i) (A) no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending May 31, 2021, the Annual Information relating to such fiscal year, and (B) no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending May 31, 2021, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and

then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one year (1) after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with 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; and

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) 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 Issuer 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 Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation, of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the heading "LITIGATION" and in Appendix A under the headings: "THE VILLAGE", "FINANCIAL FACTORS", "TAX INFORMATION", "VILLAGE INDEBTEDNESS" and "ECONOMIC AND DEMOGRAPHIC DATA" and in Appendix B.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **October 6, 2020**.

VILLAGE OF MOUNT KISCO

By _____
Village Treasurer and Chief Fiscal Officer

APPENDIX F

**FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS
FOR THE NOTES**

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the **Village of Mount Kisco**, in the County of Westchester, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution(s) referred to in the Certificate of Determination, executed by the Village Treasurer as of September 24, 2020.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the Issuer’s \$4,000,000 Bond Anticipation Notes-2020 Series B, dated October 6, 2020 maturing on October 6, 2021, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021 to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (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 Securities, or other events affecting the tax status of the Securities;
- (vii) modifications to rights of Securities holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (xii): For the purposes of the event identified in clause (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 Issuer 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 Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

- (xv) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of October 6, 2020.

VILLAGE OF MOUNT KISCO, NEW YORK

By _____
VILLAGE TREASURER