

RENEWAL ISSUE**BOND ANTICIPATION NOTES**

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

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

**VILLAGE OF LIBERTY
SULLIVAN COUNTY, NEW YORK****\$1,030,000****BOND ANTICIPATION NOTES, 2021 (RENEWALS)
(the "Notes")****Date of Issue: October 27, 2021****Maturity Date: October 27, 2022**

The Notes are general obligations of the Village of Liberty, Sullivan County, New York (the "Village"), and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Village, subject to applicable statutory limitations. (See "*Nature of Obligation*" and "*Tax Levy Limitation Law*," herein.)

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

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

If the Notes are issued registered in the name of the successful bidder, 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 rates. Principal of and interest on such Notes will be payable in Federal Funds by the Village to the registered owner.

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

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the final approving opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey or as otherwise agreed with the purchaser on or about October 27, 2021.

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

Dated: October __, 2021

**VILLAGE OF LIBERTY
SULLIVAN COUNTY, NEW YORK**

**Ronald Stabak
Mayor**

Robert Mir.....Trustee
Daniel WrightTrustee
Joan Stoddard.....Trustee
Ernest Feasel.....Trustee

Judy Zurawski..... Village Clerk/Treasurer
Angela Giacalone..... Village Clerk
Gary Silver, Esq.Village Attorney

BOND COUNSEL

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

MUNICIPAL ADVISOR



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Hudson Valley * Long Island * Southern Tier * Western New York
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No person has been authorized by the Village of Liberty 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. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any of the Notes any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village of Liberty since the date hereof.

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OFFICIAL STATEMENT
VILLAGE OF LIBERTY
SULLIVAN COUNTY, NEW YORK

relating to
\$1,030,000
BOND ANTICIPATION NOTES, 2021 (RENEWALS)
(the “Notes”)

This Official Statement (the “Official Statement”), which includes the cover page and appendices hereto, presents certain information relating to the Village of Liberty, in the County of Sullivan, in the State of New York (the “Village,” “County,” and “State,” respectively), in connection with the sale of \$1,030,000 Bond Anticipation Notes, 2021 (Renewals) (the “Notes”).

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

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*” and “*Impacts of COVID-19*” herein.)

THE NOTES

Description

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

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

The Notes will be issued in registered form registered to Cede & Co, as the partnership nominee for DTC. The Village will act as Paying Agent for the Notes. The Village contact information is as follows: Judy Zurawski, Village Clerk/Treasurer, 167 North Main Street, Liberty, NY 12754, Phone: (845) 292-2250 x113, E-mail: libertyvillageclerk@verizon.net.

Authority for and Purpose of the Notes

The Notes are issued pursuant to the State Constitution and statutes of the State and bond resolutions duly adopted by the Village Board of Trustees on January 8, 2018 and August 30, 2018 for the purposes of replacing a sewer main on Columbia Street in and for the Village. The proceeds from the sale of the Notes, together with \$10,000 in available funds, will be used to redeem the Village’s \$1,040,000 Bond Anticipation Notes, 2020 (Renewals) at maturity.

Book-Entry-Only System

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

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

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company

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

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

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

NATURE OF OBLIGATION

Each Note, when duly issued and paid for, will constitute a contract between the Village and the holder thereof. Holders of any series of notes or bonds of the Village may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village subject to such taxation by the Village, subject to applicable statutory limitations. (See “*Tax Levy Limitation Law*” herein.)

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

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

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

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

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977), the Court of Appeals described the pledge as a direct

constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the noteholders are constitutionally protected against an attempt by the State to deprive the City of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the City to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

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

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

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

Tax Levy Limitation Law

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

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

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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

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; 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.

RISK FACTORS

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

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

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

If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. In

addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

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

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

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 Village’s receipt of State aid may be delayed as a result of the State’s failure to adopt its budget timely and/or to appropriate State aid to municipalities. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State’s economy and financial condition due to the novel coronavirus (“COVID-19”) outbreak and other circumstances, including State fiscal stress. 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.)

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 has taken 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 in some areas and there have been recent 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 on the Village’s operations and finances as a result of COVID-19 is extremely difficult to predict due to uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurface later in the year could have a material adverse effect on the State and municipalities, including the Village. The Village is continuously monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See “*Impact of COVID-19*” herein.)

THE STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM AND COMPLIANCE REVIEWS

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

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

The most current applicable report, for 2020 data, of the State Comptroller designates the Village as "No Designation" with a fiscal score of 0.0% and an environmental score of 60.0%.

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

LITIGATION

The Village is subject to a number of lawsuits in the ordinary conduct of its affairs. However, there is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Village, threatened against or affecting the Village to restrain or enjoin the issuance, sale or delivery of the Notes or any proceedings or authority of the Village taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the Village.

TAX MATTERS

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

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

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

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

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

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

LEGAL MATTERS

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

DISCLOSURE UNDERTAKING

This Official Statement is in a form "deemed final" by the Village for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Notes, the Village will provide an executed copy of its "Undertaking to Provide Notice of Certain Material Events" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Village for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, timely notice not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Notes:

- (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Village; (xiii) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (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 Village (as defined in the Rule), if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect Note holders, if material; and (xvi) default, event of acceleration, termination event,

modification of terms or other similar events under a financial obligation of the Village, if any such event reflects financial difficulties.

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

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

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

With respect to events (xv) and (xvi) above, the term “Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

The Village’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Village, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Village to comply with the Undertaking will not constitute a default with respect to the Notes.

The Village reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in consultation with nationally recognized bond counsel in a manner consistent with Rule as then in effect.

Compliance History

The audited financial statements for the fiscal year ended May 31, 2020 were not posted in a timely manner. Such audited financial statements were since posted on June 23, 2020, and a related notice has been filed.

MUNICIPAL ADVISOR

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

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Village to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a

law firm and does not provide legal advice with respect to this or any debt offerings of the Village. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

RATING

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

The Village's underlying rating by Moody's Investors Service ("Moody's") is "Baa1."

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

ADDITIONAL INFORMATION

Additional information may be obtained from the Village Clerk/Treasurer at (845) 292-2250 x113 or from the Village's Municipal Advisor, Capital Markets Advisors, LLC at (516) 364-6363.

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

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

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

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

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

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

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

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

VILLAGE OF LIBERTY
SULLIVAN COUNTY, NEW YORK

By: /s/
Judy Zurawski
Village Clerk/Treasurer

DATED: October __, 2021

APPENDIX A

THE VILLAGE

THE VILLAGE

General Information

The Village, which was incorporated in 1870, encompasses approximately 1.6 square miles within the Town of Liberty and is located in the central portion of the County about 90 miles northwest of the City of New York. The Village is primarily residential in nature with single-family homes as well as apartment complexes. Population in the Village was estimated to be 4,113 according Village officials.

Form of Government

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

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

The Village has combined the offices of Clerk and Treasurer. The Village Clerk/Treasurer is appointed by the Mayor, subject to confirmation by the Board to serve a two-year term. The responsibilities of the Clerk/Treasurer are many and varied. The Clerk/Treasurer has custody of the corporate seal, books, records, and papers of the Village, and all the official reports and communications of the Board, and is clerk to the Board and each board of village officers and keeps the records of their proceedings. The Clerk/Treasurer is responsible for maintaining the Village code of laws and ordinances as it relates to the codes for building, plumbing, electric, zoning, vehicle and traffic regulations, and general ordinances. In addition, the Clerk/Treasurer is the Chief Fiscal Officer (the “CFO”) of the Village. As such, duties of the CFO include: maintaining the Village's accounting systems and records, which includes the responsibility to prepare and file an annual financial report with the State Comptroller, custody and investment of Village funds, and debt management.

Services

The Village provides its residents with many of the services traditionally provided by village governments. Other services are provided to Village residents by the county. A list of these services provided by the Village are as follows: police protection and law enforcement; fire protection; water and sewage collection services; highway and public facilities maintenance; a local justice court that is responsible for enforcing provisions of the State's Vehicle and Traffic Law and local ordinances as well as having jurisdiction over certain civil and criminal matters; cultural and recreational activities; building code enforcement; and planning and zoning administration.

Pursuant to State law, the County is responsible for funding and providing various social service and health care programs such as Medicaid, aid to families with dependent children, home relief and mental health programs. The County is also responsible for certain sewer services for which purpose special districts have been established. In addition, the County operates a two-year community college which offers associate degrees in various fields of study.

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Employees

The Village employs approximately 42 full-time and 7 part-time employees. Employees are represented by the following collective bargaining organizations.

<u>Bargaining Unit</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
Liberty Police Benevolent Assoc.	19	05/31/21 ⁽¹⁾
Civil Service Employee Assoc.	17	05/31/21 ⁽¹⁾

(1) Under negotiation.

Source: Village Officials.

Employee Benefits

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

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

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

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

The New York State Retirement System allows municipalities to make employer contribution payments in December of each year, at a discount, or the following February, as required. The Village generally opts to make its pension payments in December in order to take advantage of the discount rate.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contributions for the State's Retirement System continue to be higher than the minimum contribution rate established by Chapter 49. Legislation was enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts that amortize their pension obligations pursuant to the regulation to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. For the 2019 fiscal year the Village amortized ERS and PFRS contributions in the amounts of \$37,599 and \$50,600, respectively. The total unpaid liability at May 31, 2021 was \$240,476 to the ERS and \$317,359 to the PFRS, for a total of \$557,835, which is reported in the statement of net position as a long term liability. The Village will consider the amortization of future contributions.

In Spring 2013, the State and ERS approved a Stable Contribution Option ("SCO"), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage spikes in Actuarially Required Contribution rates ("ARCs"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount. The Village anticipates participating in the program.

For the State Fiscal Year 2018-19, the average contribution rates decreased. ERS decreased from 15.3% of payroll to 14.9% and the average contribution rate for PFRS decreased from 24.4% to 23.5% of payroll. Projections of required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among the six retirement tiers.

ERS and PFRS Contributions. The retirement expenditures presented in the Village's audited financial statements for the fiscal years 2016 through 2020, the unaudited amounts for the 2021 fiscal year, and the amounts budgeted for the 2022 fiscal year are shown in the below table:

Fiscal Year Ended May 31:	ERS	PFRS
2016	\$226,450	\$247,738
2017	243,000	293,663
2018	240,522	267,756
2019	242,028	271,911
2020	239,609	284,747
2021 (Unaudited)	255,000	315,587
2022 (Budgeted)	260,000	409,000

Source: The audited and unaudited financial statements, the 2022 adopted budget and Village officials.

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Other Postemployment Benefits

The Village implemented GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), which replaces GASB Statement No. 45 as of fiscal year ended May 31, 2019. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

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

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

The Village’s total OPEB liability as of May 31, 2020 was \$11,946,973 using a discount rate of 2.48% and actuarial assumptions and other inputs as described in the Village’s May 31, 2020 audited financial statements.

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

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

Legislation has been introduced 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.

FINANCIAL FACTORS

Impact of COVID-19

The Village has incurred certain expenses associated with the COVID-19 pandemic, including but not limited to, costs for cleaning supplies and equipment, the aggregate cost of which total approximately \$3,000. The Village has paid such costs from budgetary appropriations and/or available funds. The Village’s State Aid for the 2021 fiscal year was not reduced and the Village does not expect a reduction in State aid during the 2022 fiscal year. The Village has also experience revenue losses from interest earnings, permit fees, fines and various recreation revenues due to the COVID-19 pandemic. The Village does not believe that the increased costs or the potential reductions in State aid or other revenues described above will have a material adverse impact on the finances of the Village.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021. Included in this bill was \$350 billion in direct aid to state and local governments. Payments to local governments will be made in two tranches, the first half 60 days after enactment and the second half one year later. The funding is available through, and must be spent by, the end of calendar year 2024.

Specifically, eligible uses of the aid include: (i) revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency; (ii) premium pay for essential workers; (iii) assistance to small businesses, households, and hard-hit industries, and economic recovery; and (iv) investments in water, sewer and broadband infrastructure. The bill also contains two restrictions on eligible uses: (i) funds cannot be used to directly or indirectly offset tax reductions or delay a tax increase; and (ii) funds cannot be deposited into any pension fund.

Currently, the Village is eligible to receive \$430,665.37 and received the first tranche of funding on August 23, 2021 in the amount of \$215,332.69. The Village is awaiting additional guidance from the Federal Government on how to utilize these funds. Once this guidance is received, the Board will be able to determine how these funds will be utilized.

Budgetary Procedure

The head of each administrative unit of the Village is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the Budget Officer (the Village Clerk/Treasurer) on or before March 1st of each year. After reviewing these estimates, the Budget Officer prepares a tentative budget which includes his recommendations. The tentative budget is filed with the Village Clerk/Treasurer not later than March 20th. Subsequently, the Village Clerk/Treasurer presents the tentative budget to the Board at a regular or special meeting. Review and preliminary alteration of the tentative budget by the Board must be completed by March 31st. Following this review process, the tentative budget and such modifications, if any, as approved by the Board become the preliminary budget. A public hearing on the preliminary budget, notice of which must be given at least five (5) days prior to the hearing, must be held not later than April 15th. After the public hearing, the Board may further change and revise the preliminary budget. The Board must adopt the preliminary budget as submitted or amended by May 1st, at which time the preliminary budget becomes the annual budget of the Village for the ensuing fiscal year. Budgetary control is the responsibility of the Village Clerk/Treasurer.

Summaries of the adopted budgets for the fiscal years 2020-2021 and 2021-2022 are presented in Appendix B of this Official Statement.

Independent Audits

The Village retained the firm of Cooper Arias, LLP (the “Auditor”) to audit its financial statements for the fiscal year ending May 31, 2020. A five-year history of certain financial statements is presented, in summary form, in Appendix B hereto. The data presented in these summaries are derived from the Village’s audited financial statements. However, the summaries are not complete presentations in that the notes to the financial statements and the auditors' report thereon have not been included. Accordingly, such statements are not considered as audited under accounting principles generally accepted in the United States of America. Copies of the Village's audited financial statements will be made available upon request to the Village or its Municipal Advisor.

In addition, the Village is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. There are presently no audits reported on the States website. (See “*The State Comptroller’s Fiscal Stress Monitoring System,*” herein.)

Investment Policy

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

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

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

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

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

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

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

Revenues

The Village derives its revenues, primarily from real property taxes and special assessments, State aid and departmental fees and charges. A summary of such revenues for the years 2016 through 2020 is presented in Appendix B, hereto. Information for said fiscal years has been excerpted from the Village’s audited financial reports, however, such presentation has not been audited.

Property Taxes. The Village derives a major portion of its revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix B.) Real property taxes accounted for approximately 76.1% of total General Fund revenue, including other financing sources, for the fiscal year ended May 31, 2020.

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

Total General Fund Revenue & Real Property Taxes

<u>Fiscal Year Ended May 31:</u>	<u>Total Revenues ⁽¹⁾</u>	<u>Real Property Taxes</u>	<u>Taxes to Revenues</u>
2016	\$3,663,362	\$2,874,751	78.5%
2017	3,818,431	2,955,392	77.4
2018	4,208,031	3,295,191	78.3
2019	4,050,385	3,100,660	76.6
2020	4,126,235	3,138,022	76.1
2021 (Budget)	4,037,788	3,069,818	76.0
2022 (Budget)	4,211,058	3,106,474	73.8

(1) Inclusive of other financing sources.

Source: The audited financial statements and the 2021 and 2022 adopted budgets of the Village. The summary itself is not audited.

State Aid. The Village receives financial assistance from the State. Including other financing sources, State Aid of \$189,905 accounted for approximately 4.6% of total General Fund revenue, including other financing sources, during the 2020 fiscal year. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in any year or future years, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid.

The State 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 State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Village, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

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

Total General Fund Revenue & State Aid

Fiscal Year Ended May 31:	Total Revenue ⁽¹⁾	State Aid	State Aid to Revenues
2016	\$3,663,362	\$237,266	6.5%
2017	3,818,431	226,257	5.9
2018	4,208,031	167,516	4.0
2019	4,050,385	252,285	6.2
2020	4,126,235	189,905	4.6
2021 (Budget)	4,037,788	477,554	11.8
2022 (Budget)	4,211,058	435,934	10.4

(1) Inclusive of other financing sources.

Source: The audited financial statements and the 2021 and 2022 adopted budgets of the Village. The summary itself is not audited.

REAL PROPERTY TAXES

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

The Village received approximately 76.1% of its total General Fund revenue from real property taxes and assessments for the year ended May 31, 2020. The following table shows the trend during the last four years and the budget for the current year for real property assessments, real property tax and assessment levies and general-purpose tax rates at the end of each year.

Real Property Tax Assessments

Assessment Roll Date	Tax Levy Year:	Taxable Assessed Valuation	State Equalization Rate ⁽¹⁾	Full Valuation
07-01-2016	2018	\$136,767,374	77.80%	\$175,793,540
07-01-2017	2019	136,566,105	78.50	173,969,561
07-01-2018	2020	135,382,636	75.00	180,510,181
07-01-2019	2021	133,259,889	77.34	172,303,968
07-01-2020	2022	133,726,778	74.00	180,711,862

(1) Final equalization rates as established by the ORPTS.

Source: The Statement of Constitutional Tax Limit for the fiscal year ending May 31, 2021 and Village Officials.

Real Property Tax Levy, Collections and Rates

Fiscal Year Ending May 31:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022⁽³⁾</u>
Real Property Tax Levy ⁽¹⁾	\$3,058,051	\$3,090,353	\$3,094,847	\$3,062,675	\$3,106,474
Collections:	2,957,122	2,858,872	2,890,216	2,474,613	2,483,452
Percent Collected ⁽²⁾	96.69%	92.50%	93.39%	80.80%	85.54%

(1) Tax levy includes amount relieved for unpaid water and sewer charges.

(2) Inclusive of current year and prior year collections.

(3) As of September 15, 2021.

Source: Village Officials.

Tax Collection Procedures

The Village Board of Trustees levies real property taxes pursuant to resolution and such taxes become a lien on the first day of June. Taxes are due on June 1 and may be paid without penalty through June 30. Payments made after the due dates must include a 5% penalty for the first month thereafter up to a maximum of 12%.

Delinquent real property taxes are enforced by the Village through annual tax sales. A notice is sent in September of each year to all property owners who have not paid their taxes for the current year. Subsequent delinquency notices are sent in February of the following year, if necessary. A tax lien sale is held on the second Friday of March in the year of the tax levy.

Ten of the Largest Taxpayers

The following table presents the taxable assessments of the Village's larger taxpayers.

Larger Taxpayers in the Village For the Collection of 2021-2022 Taxes

<u>Taxpayer's Name</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation ⁽¹⁾</u>
Pepsi Co - Ideal Snacks	Food Manufacturer	\$ 7,726,100	5.78%
DSEL Liberty LLC	Shopping Center	5,403,450	4.04
170 Lake Street LLC	Nursing Home	4,042,200	3.02
NYS Gas & Electric	Utility	2,140,634	1.60
MNA Hospitality	Motel	1,900,000	1.42
NUAY Realty	Plumbing & Heating	1,833,200	1.37
S&S Waverly	Shopping Center	1,439,300	1.08
Conifer Realty	Apartments	1,033,900	0.77
Dev Real Estate LLC	Shopping Center	1,018,700	0.76
Liberty Luxury LLC	Townhouses	992,640	0.74
		\$ 27,530,124	20.59%

(1) According to Village officials, the total taxable assessed valuation for the 2021-22 fiscal year is \$133,726,778.

Source: Village Officials.

VILLAGE INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which it is contracted. No installment may be more than fifty per centum in excess of the smallest prior installment, unless the Village determines to issue a particular debt obligation amortizing 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 such required annual installments on its notes.

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 percentum of the average full valuation of taxable real estate of the Village, subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the rate which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Tax Services (the "ORPTS"). The State Legislature is required to prescribe the manner by which such rate shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedure

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

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

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal

(Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

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

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

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

Constitutional Debt-Contracting Limitation

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

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

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

Computation of Debt Contracting Limitation As of October 6, 2021

<u>Assessment Roll Date</u>	<u>Year Ending May 31:</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization Rate ⁽¹⁾</u>	<u>Full Valuation</u>
07-01-2016	2018	\$136,767,374	77.80%	\$175,793,540
07-01-2017	2019	136,566,105	78.50	173,969,561
07-01-2018	2020	135,382,636	75.00	180,510,181
07-01-2019	2021	133,259,889	77.34	172,303,968
07-01-2020	2022	133,726,778	74.00	180,711,862
Total Five-Year Full Valuation				<u>\$883,289,112</u>
Five-Year Average Full Valuation				<u>176,657,822</u>
Debt Contracting Limitation: 7% of Five-Year Average Full Valuation				<u><u>\$ 12,366,048</u></u>

(1) The Office of Real Property Tax Services (the “ORPTS”). Final Equalization rates for the fiscal years 2016 through 2020.

Statutory Debt Limit and Net Indebtedness

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

Statement of Debt Limit and Net Indebtedness As of October 6, 2021

	<u>Amount</u>	<u>Percentage</u>
Debt Contracting Limitation	<u>\$12,366,048</u>	<u>100.00%</u>
Gross Indebtedness:		
Serial Bonds	4,973,000	40.21
Bond Anticipation Notes	<u>1,040,000</u>	<u>8.41</u>
Gross Indebtedness	<u>6,013,000</u>	<u>48.63</u>
Less:		
Water Debt ⁽¹⁾	3,228,000	26.10
Current Unexpended Appropriations for Principal Debt Service (Non-Exempt)	<u>0</u>	<u>0.00</u>
Total Exclusions	<u>3,228,000</u>	<u>26.10</u>
Net Indebtedness	<u>2,785,00</u>	<u>22.52</u>
Debt-Contracting Margin	<u><u>\$9,581,048</u></u>	<u><u>77.48%</u></u>

(1) Excluded pursuant to State Constitution.

Bond Anticipation Notes

Pursuant to the Local Finance Law, the Village is authorized to issue short-term indebtedness, in the form of notes, to finance both capital and operating purposes.

Bond anticipation notes may be sold to provide moneys for capital projects once a bond resolution has been adopted. Generally, bond anticipation notes are issued in the anticipation of the sale of bonds at some future date and may be renewed from time-to-time but, in general, may not be renewed beyond the fifth anniversary of their original issuance. However, bond anticipation notes issued in anticipation of the sale of bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reduction for the entire period of probable usefulness for which such notes were originally issued. Bond anticipation notes may not be renewed after the second year unless there is a principal payment on such notes from a source other than the proceeds of the bonds. Bond anticipation notes may not be renewed after the sale of bonds in anticipation of which the notes were originally issued.

The Village currently has \$1,040,000 Bond Anticipation Notes, 2020 (Renewals) outstanding, which mature on October 28, 2021. Proceeds from the Notes, together with \$10,000 in available funds, will be used to redeem said outstanding bond anticipation notes at maturity. (See "*Authority for and Purpose of the Notes*", herein.)

Tax and Revenue Anticipation Notes

The Village is authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash to pay operating expenditures. Borrowings for this purpose are restricted by formulas contained in the Local Finance Law and regulations issued under the Internal Revenue Code of 1986, as amended. Such notes may be renewed from time to time but generally not beyond three years, in the case of revenue anticipation notes, and five years for tax anticipation notes. Budget notes may be issued to finance current operating expenditures for which there is no

appropriation or the amount so appropriated is not sufficient. Generally, the amount of budget notes issued may not exceed 5% of the budget and must be redeemed in the next fiscal year.

The Village has not issued tax or revenue anticipation notes in the past year and does not plan to issue for such purposes in the foreseeable future.

Trend of Capital Debt

The following table sets forth the gross amount of bonded debt outstanding at the end of each of the last five audited fiscal years. Installment purchase debt has not been included.

Bonded Debt History

Years Ended May 31:	Bonded Debt
2016	\$6,198,000
2017	5,960,000
2018	5,722,000
2019	5,692,453
2020	5,226,000

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 various school districts situated in the Village. 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 value. The following table presents the amount of overlapping debt and the Village's share of this debt as of the dates indicated; authorized but unissued debt has not been included.

**Overlapping Indebtedness
As of October 6, 2021**

Village Gross Direct Indebtedness	\$6,013,000
Village Exclusions and Deductions	<u>3,228,000</u>
 Village Net Direct Indebtedness	 <u>\$2,785,000</u>

Issuer	Date of Report	Total Net Underlying Debt	Applicable Percentage	Net Applicable Debt
Sullivan County	06-10-21	\$134,350,333	2.98%	\$4,003,640
Town of Liberty	12-31-18	3,371,704	30.47	1,027,358
Liberty Central School District	12-29-20	12,725,000	25.00	<u>3,181,250</u>
 Total				 <u><u>\$8,212,248</u></u>

Source The Office of the NY State Comptroller, School District officials, and the Municipal Securities Rulemaking Board.

Debt Ratios

The following table presents certain ratios relative to the Village's capital indebtedness as of October 6, 2020.

Direct and Overlapping Debt Ratios

	<u>Amount</u>	<u>Per Capita ⁽¹⁾</u>	<u>Ratio To Full Value ⁽²⁾</u>
Net Direct Debt	\$ 2,785,000	\$ 677.12	1.54%
Net Direct and Overlapping Debt	10,997,248	2,673.78	6.09

(1) The population of the Village is 4,113 according to Village estimates.

(2) According to the Statement of Constitutional Tax Limit for the fiscal year ending May 31, 2022 estimated full valuation of the Village is \$180,711,862.

Authorized but Unissued Debt

The Village does not currently have any authorized but unissued debt.

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Debt Service Schedule

The following table shows the debt service requirements to maturity on the outstanding bonds of the Village.

Schedule of Debt Service Requirements

<u>Fiscal Years Ending May 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Cumulative % Principal Paid</u>
2022 ⁽¹⁾	241,000	126,182	367,182	5.25%
2023	252,000	120,043	372,043	10.73
2024	247,000	113,657	360,657	16.11
2025	242,000	107,596	349,596	21.38
2026	242,000	101,297	343,297	26.65
2027	252,000	94,986	346,986	32.14
2028	257,000	88,350	345,350	37.73
2029	267,000	81,388	348,388	43.54
2030	272,000	74,115	346,115	49.47
2031	277,000	66,628	343,628	55.50
2032	287,000	59,042	346,042	61.75
2033	298,000	51,257	349,257	68.23
2034	308,000	43,063	351,063	74.94
2035	313,000	34,555	347,555	81.75
2036	223,000	25,782	248,782	86.61
2037	118,000	19,171	137,171	89.18
2038	123,000	14,782	137,782	91.86
2039	128,000	10,056	138,056	94.64
2040	133,000	4,986	137,986	97.54
2041	8,000	2,316	10,316	97.71
2042	8,000	2,146	10,146	97.89
2043	8,000	1,976	9,976	98.06
2044	8,000	1,806	9,806	98.24
2045	9,000	1,626	10,626	98.43
2046	9,000	1,434	10,434	98.63
2047	9,000	1,243	10,243	98.82
2048	9,000	1,052	10,052	99.02
2049	9,000	861	9,861	99.22
2050	9,000	669	9,669	99.41
2051	9,000	478	9,478	99.61
2052	9,000	287	9,287	99.80
2053	9,000	96	9,096	100.00
Total	<u><u>\$5,080,000</u></u>	<u><u>\$1,385,160</u></u>	<u><u>\$6,224,160</u></u>	

(1) For entire fiscal year.

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ECONOMIC AND DEMOGRAPHIC DATA

The Village is situated in the east central portion of the County. The Village encompasses approximately 39 square miles and is primarily suburban residential in nature. The estimated population, according to Village officials is 4,113. Unemployment, population and income statistics are not maintained for the Village; however, Village officials believe that unemployment and per capita money income in the Village are both less than the County's. Unemployment has drastically increased since mid-March due to the COVID-19 global pandemic.

Population

Population Trends 2000-2020

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>% Change</u>	
				<u>2000-2010</u>	<u>2010-2020</u>
County	73,966	77,547	78,624	4.8%	1.4%
State	18,976,457	19,378,102	20,201,249	2.1	4.2

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

Income

Per Capita Money Income

	<u>2010</u>	<u>2019</u>	<u>% Change</u>
County	\$23,422	30,446	30.0%
State	30,948	39,326	27.1%

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

Employment

Average Employed Civilian Labor Force

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>% of Change</u>	
				<u>2000-2010</u>	<u>2010-2020</u>
County	31,500	33,200	35,800	5.4%	7.8%
State	8,718,700	8,769,700	9,289,200	0.6	5.9

Source: The New York State Department of Labor.

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Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2016	4.8%	4.9%
2017	4.9	4.7
2018	4.1	4.1
2019	4.0	4.0
2020	8.8	10.0
2021 ⁽¹⁾		
Jan	7.0	9.4
Feb	7.2	9.7
Mar	6.6	8.4
Apr	5.7	7.7
May	5.2	7.0
Jun	5.3	7.2
Jul	5.2	7.4
Aug	5.0	7.1
Sep ⁽²⁾		
Oct ⁽²⁾		

(1) Monthly rates.

(2) Figures not available as of the date of this Official Statement.

Source: The New York State Department of Labor and U.S. Bureau of Labor Statistics.

Major Employers in the County

<u>Name of Organization</u>	<u>Industry or Business</u>	<u>Number of Employees⁽¹⁾</u>
SDTC Center for Discovery	Retail	1,651
Resorts World Catskills	Hotel/Gaming	1,571
NYSARC Inc.	Non-Profit	1,050
Sullivan County	County Government	1,048
Monticello Central School District	Public School	718
Catskill Regional Medical Center	Hospital	674
New Hope Community, Inc.	Non-Profit	663
Bethel Woods Center for the Arts	Non-Profit	465
Sullivan Correctional Facility	Correctional Facility	438
Woodbone Correctional Facility	Correctional Facility	438

(1) Some employment figures include part-time positions.

Source: Sullivan County Official Statement (Dated July 30, 2020).

Transportation

The Village maintains its own interior road network. Several exterior highway systems serve the Village including State Route 52 and U.S. Route 17, a four lane highway providing access to the New York City metropolitan area and western portion of the State. Bus service is available by the Short Line. Air service is provided by Stewart Airport in Newburgh (Orange County).

Utilities

New York State Electric and Gas and Verizon provide the Village's basic utilities. In addition, water and sewer services are provided by the Village's municipal systems.

END OF APPENDIX A

APPENDIX B

UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

VILLAGE OF LIBERTY
BALANCE SHEET
GENERAL FUND
AS OF MAY 31:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
ASSETS					
Cash	\$ 643,812	\$ 824,029	\$ 1,122,735	\$ 1,034,125	\$ 896,611
Taxes Receivable	980,072	934,962	723,516	635,855	470,011
Other Receivables:					
Accounts	33,511	22,447	31,149	34,940	48,426
Due From Other Funds	59,580	59,580	59,580	59,580	59,580
Due From State And Federal Aid	0	0	0	0	0
Due From Other Governments	16,895	31,037	47,555	78,652	125,874
 Total Assets	 <u>\$ 1,733,870</u>	 <u>\$ 1,872,055</u>	 <u>\$ 1,984,535</u>	 <u>\$ 1,843,152</u>	 <u>\$ 1,600,502</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 28,643	\$ 43,697	\$ 109,417	\$ 13,035	\$ 35,334
Accrued Liabilities	67,485	68,430	76,603	44,803	18,079
Escrow Liabilities	133,381	148,607	201,634	200,254	0
Due To Employee Retirement System	64,053	64,053	64,053	64,053	64,053
Due To Other Funds	61,648	61,648	61,648	61,648	61,648
Unearned Revenues	12,541	42,211	24,855	17,178	4,653
Deferred Loans	916,657	889,051	632,669	518,945	435,010
 Total Liabilities	 <u>1,284,408</u>	 <u>1,317,697</u>	 <u>1,170,879</u>	 <u>919,916</u>	 <u>618,777</u>
Fund Balance:					
Restricted	0	0	0	0	0
Assigned	0	0	0	0	0
Appropriated	111,784	135,756	154,545	197,244	215,738
Unassigned	337,678	418,602	659,111	725,992	765,987
 Total Fund Balance	 <u>449,462</u>	 <u>554,358</u>	 <u>813,656</u>	 <u>923,236</u>	 <u>981,725</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,733,870</u>	 <u>\$ 1,872,055</u>	 <u>\$ 1,984,535</u>	 <u>\$ 1,843,152</u>	 <u>\$ 1,600,502</u>

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

VILLAGE OF LIBERTY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND
FISCAL YEAR ENDED MAY 31:

	2016	2017	2018	2019	2020
REVENUES:					
Real Property Taxes	\$ 2,874,751	\$ 2,955,392	\$ 3,295,191	\$ 3,100,660	\$ 3,138,022
Other Tax Items	223,811	256,114	390,489	305,960	292,933
Non-Property Taxes	75,829	75,762	92,731	92,952	93,039
Departmental Income	3,729	9,202	4,511	3,415	1,972
Intergovernmental Charges	80,766	86,691	82,487	165,497	266,559
Use Of Money And Property	2,135	2,242	2,640	2,737	2,734
Licenses And Permits	37,847	128,691	61,487	61,731	59,656
Fines and Forfeitures	18,362	15,424	18,120	25,335	9,190
Sale Of Property And Compensation For Loss	36,384	12,610	21,961	26,337	19,414
State Aid	237,266	226,257	167,516	252,285	189,905
Federal Aid	0	0	0	0	0
Miscellaneous	57,482	15,046	35,898	13,476	52,811
Total Revenues	<u>3,648,362</u>	<u>3,783,431</u>	<u>4,173,031</u>	<u>4,050,385</u>	<u>4,126,235</u>
EXPENDITURES:					
Current:					
General Government Support	364,416	323,473	354,929	362,276	374,457
Public Safety	1,545,228	1,485,259	1,626,129	1,667,011	1,800,506
Health	0	0	0	0	0
Transportation	649,691	692,167	707,057	661,077	643,125
Culture And Recreation	1,731	731	1,583	0	1,393
Home And Community Services	18,195	1,318	1,340	1,525	2,224
Employee Benefits	1,021,795	1,126,263	1,174,611	1,194,769	1,214,288
Debt Service	62,387	84,324	83,084	89,147	96,003
Total Expenditures	<u>3,663,443</u>	<u>3,713,535</u>	<u>3,948,733</u>	<u>3,975,805</u>	<u>4,131,996</u>
Excess of Revenues Over Expenditures	<u>(15,081)</u>	<u>69,896</u>	<u>224,298</u>	<u>74,580</u>	<u>(5,761)</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers - In	15,000	35,000	35,000	35,000	35,000
Operating Transfers - Out	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(81)	104,896	259,298	109,580	29,239
Fund Balances - Beginning of Year	449,543	449,462	554,358	813,656	923,236
Change Due to Restatement in Fund Balance	0	0	0	0	29,250
Fund Balances - End of Year	<u>\$ 449,462</u>	<u>\$ 554,358</u>	<u>\$ 813,656</u>	<u>\$ 923,236</u>	<u>\$ 981,725</u>

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

**VILLAGE OF LIBERTY
FINAL ADOPTED BUDGET FOR OPERATING FUNDS
YEAR ENDING MAY 31, 2021**

	General Fund	Water Fund	Sewer Fund	Sanitation Fund	Total Budget
ESTIMATED REVENUES:					
Real Property Taxes	\$ 3,069,818	\$ -	\$ -	\$ -	\$ 3,069,818
Other Tax Items	294,716	-	-	-	294,716
Non-Property Tax Items	50,000	-	-	-	50,000
Departmental Income	9,200	952,158	1,205,555	973,601	2,166,913
Intergovernmental Charges	3,500	-	-	-	3,500
Use Of Money and Property	2,300	-	-	-	2,300
Licenses And Permits	41,500	-	-	-	41,500
Fines and Forfeitures	21,000	-	-	-	21,000
Sale Of Property and Compensation For Loss	13,200	-	-	-	13,200
State Aid	477,554	-	-	-	477,554
Interfund Revenues	35,000	-	-	-	35,000
Miscellaneous	20,000	-	-	-	20,000
	Total Estimated Revenues	\$ 952,158	\$ 1,205,555	\$ 973,601	\$ 6,195,501
APPROPRIATIONS:					
Current:					
General Government Support	\$ 438,685	\$ 64,350	\$ 54,250	\$ 25,000	\$ 557,285
Public Safety	1,765,238	-	-	-	1,765,238
Public Health	3,000	-	-	-	3,000
Transportation	686,148	-	-	-	686,148
Economic Development And Opportunity	-	-	-	-	-
Culture and Recreation	2,000	-	-	-	2,000
Home and Community Services	5,000	673,208	804,073	745,023	1,482,281
Employee Benefits	1,260,477	149,339	188,392	179,872	1,598,208
Debt Service	92,978	256,515	242,129	10,000	591,622
	Total Appropriations	\$ 1,143,412	\$ 1,288,844	\$ 959,895	\$ 6,685,782
OTHER FINANCING SOURCES (USES):					
Transfers - In	0	0	0	0	0
Transfers - Out	0	0	0	0	0
	Total Other Financing Sources (Uses)	0	0	0	0
Appropriation of Fund Balance	\$ 215,738	\$ 191,254	\$ 83,289	\$ (13,706)	\$ 490,281

**VILLAGE OF LIBERTY
FINAL ADOPTED BUDGET FOR OPERATING FUNDS
YEAR ENDING MAY 31, 2022**

	General Fund	Water Fund	Sewer Fund	Sanitation Fund	Total Budget
ESTIMATED REVENUES:					
Real Property Taxes	\$ 3,106,474	\$ -	\$ -	\$ -	\$ 3,106,474
Other Tax Items	277,250	-	-	-	277,250
Non-Property Tax Items	50,000	-	-	-	50,000
Departmental Income	14,200	972,473	1,198,004	1,030,997	2,184,677
Intergovernmental Charges	3,500	-	-	-	3,500
Use Of Money and Property	2,500	-	-	-	2,500
Licenses And Permits	43,500	-	-	-	43,500
Fines and Forfeitures	13,000	-	-	-	13,000
Sale Of Property and Compensation For Loss	11,700	-	-	-	11,700
State Aid and Federal Aid	635,934	-	-	-	635,934
Interfund Revenues	35,000	-	-	-	35,000
Miscellaneous	18,000	-	-	-	18,000
	<u>\$ 4,211,058</u>	<u>\$ 972,473</u>	<u>\$ 1,198,004</u>	<u>\$ 1,030,997</u>	<u>\$ 6,381,535</u>
APPROPRIATIONS:					
Current:					
General Government Support	478,687	\$ 70,365	\$ 60,165	\$ 35,000	\$ 609,217
Public Safety	1,872,911	-	-	-	1,872,911
Public Health	3,000	-	-	-	3,000
Transportation	441,832	-	-	-	441,832
Economic Development And Opportunity	-	-	-	-	-
Culture and Recreation	2,000	-	-	-	2,000
Home and Community Services	5,000	579,640	871,634	891,509	1,456,274
Employee Benefits	1,478,212	186,788	171,410	183,681	1,836,410
Debt Service	104,271	235,075	213,304	10,000	552,650
	<u>\$ 4,385,913</u>	<u>\$ 1,071,868</u>	<u>\$ 1,316,513</u>	<u>\$ 1,120,190</u>	<u>\$ 6,774,294</u>
OTHER FINANCING SOURCES (USES):					
Transfers - In	0	0	0	0	0
Transfers - Out	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Appropriation of Fund Balance	<u>\$ 174,855</u>	<u>\$ 99,395</u>	<u>\$ 118,509</u>	<u>\$ 89,193</u>	<u>\$ 392,759</u>

APPENDIX C

**LINK TO
INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
MAY 31, 2020**

**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/P11580835.pdf>

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

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

APPENDIX D

FORM OF BOND COUNSEL'S OPINION

FORM OF BOND COUNSEL'S OPINION

October 27, 2021

Village of Liberty
County of Sullivan
State of New York

Re: Village of Liberty, County of Sullivan, State of New York
\$1,030,000 Bond Anticipation Notes, 2021 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$1,030,000 Bond Anticipation Notes, 2021 (Renewals) (the "Obligation"), of the Village of Liberty, Sullivan County, New York (the "Obligor"), dated October 27, 2021, numbered _____, of the denomination of \$[_____], bearing interest at the rate of [_____] % per annum, payable at maturity, and maturing October 27, 2022.

We have examined:

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

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

In our opinion:

- (a) The Obligation have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor for which the obligor has validly pledged its faith and credit for the payment thereof. All the taxable real property within the obligor is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations. The enforceability (but not the validity) of the Obligation: (i) may be limited

by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

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

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

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

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

Very truly yours,

/s/ Orrick, Herrington & Sutcliffe LLP