

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 16, 2021

**REFUNDING ISSUE
SERIAL BONDS**

RATING – S&P GLOBAL RATINGS: “ ”
See “Bond Rating”, herein

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

The Village will designate the Bonds as “qualified tax-exempt obligations” pursuant to the provision of Section 265 of the Code.

**VILLAGE OF SOUTH BLOOMING GROVE
ORANGE COUNTY, NEW YORK
(the “Village”)**

**\$1,975,000* REFUNDING SERIAL BONDS - 2021
(the “Bonds”)**

**BOND MATURITY SCHEDULE
(See Inside Front Cover)**

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

At the option of the purchaser, the Bonds may be either (i) registered to the purchaser or (ii) registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry bonds.

For bonds registered in the name of the purchaser, a single bond certificate shall be issued for each maturity and principal of and interest on such Bonds will be payable in Federal Funds by the Village, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

The Bonds maturing on April 15, 2029 and thereafter are subject to redemption, at the option of the Village, prior to maturity, in any order of maturity and in any amount within a maturity, on any date on or after April 15, 2028 in accordance with the terms described herein. See “Optional Redemption” under “THE BONDS,” herein.

The Bonds issued in book-entry form will be registered in the name of Cede & Co., as the partnership nominee for DTC, which will act as securities depository for the Bonds. Beneficial owners will not receive certificates representing their respective interests in the Bonds. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single bond certificate will be issued for each maturity of any book-entry Bonds. Principal of and interest on book-entry Bonds 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 (as herein after defined) for subsequent distribution to the beneficial owners of the Bonds as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) 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 Direct Participants (as hereinafter defined) to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. (See “DESCRIPTION OF BOOK-ENTRY SYSTEM” herein).

Sealed bids for the Bonds will be received at 11:00 A.M. (Prevailing Time) on March 24, 2021, in accordance with the Notice of Sale dated March 16, 2021.

The Bonds are offered subject to the respective final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Village, and certain other conditions. It is expected that delivery of the Bonds and in book-entry form will be made through the facilities of DTC in New York, New York, or as otherwise agreed to by the Village and the Purchaser, on or about April 14, 2021 in New York, New York.

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

*Preliminary, subject to change.

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

**VILLAGE OF SOUTH BLOOMING GROVE
ORANGE COUNTY, NEW YORK**

\$1,975,000* REFUNDING SERIAL BONDS - 2021

BOND MATURITY SCHEDULE

Dated: April 14, 2021

**Principal Due: April 15, 2022-2033, inclusive
Interest Due: October 15, 2021 and semiannually
thereafter in each year to maturity**

<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
2022	\$150,000			
2023	150,000			
2024	155,000			
2025	160,000			
2026	155,000			
2027	165,000			
2028	165,000			
2029	170,000***			
2030	175,000***			
2031	175,000***			
2032	175,000***			
2033	180,000***			

*Preliminary, subject to change.

**Amounts are subject to adjustment by the Village following the sale, pursuant to the terms of the Notice of Sale relating to the Bonds, to achieve substantial level or declining annual debt service as provided in Section 58.00 (c)(2) of the Local Finance Law.

***Subject to prior redemption

**VILLAGE OF SOUTH BLOOMING GROVE
ORANGE COUNTY, NEW YORK**

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VILLAGE OFFICIALS

George Kalaj, Mayor

Trustees

Johnny Belfort
John L. Ross

Yitzchok Feldman
Abraham Weiss

Holly Brown, Village Treasurer
Kerry Dougherty, Village Clerk
Scott B. Ugell, Esq., Village Attorney

* * *

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

* * *

MUNICIPAL ADVISOR

MUNISTAT SERVICES, INC.

Municipal Finance Advisory Service

12 Roosevelt Avenue
Port Jefferson Station, NY 11776
(631) 331-8888

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

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OFFICIAL STATEMENT

VILLAGE OF SOUTH BLOOMING GROVE ORANGE COUNTY, NEW YORK

\$1,975,000* REFUNDING SERIAL BONDS - 2021

This Official Statement and appendices thereto presents certain information relating to the Village of South Blooming Grove, Orange County, New York (the "Village", "County" and "State," respectively) in connection with the sale of \$1,975,000* Refunding Serial Bonds - 2021 (the "Bonds").

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

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 "*IMPACT OF COVID-19*" herein.

THE BONDS

Description of the Bonds

The Bonds will be dated date of delivery, and will mature in the principal amounts on April 15, in each of the years 2022 to 2033, inclusive, as set forth on the inside cover page. Interest on the Bonds will be payable October 15, 2021 and semi-annually thereafter on April 15 and October 15 in each year until maturity.

At the option of the purchaser, the Bonds may be either registered in the name of the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds. Individual purchases of the Bonds may be made in denominations of \$5,000 or integral multiples thereof. For Bonds issued as book-entry bonds through DTC, Bondholders will not receive certificates representing their respective interests in the Bonds purchased (See "*DESCRIPTION OF BOOK-ENTRY SYSTEM*," herein).

The Record Date of the Bonds will be the last day (whether or not a business day) of the calendar month immediately preceding each interest payment date.

The Village will act as Fiscal Agent for the Bonds. Paying agent fees, if any, will be paid by the purchaser. The Village's contact information is as follows: Holly Brown, Village Treasurer, Village of South Blooming Grove, 811 Route 208, PO Box 295, Blooming Grove, New York 10914, Phone (845) 782-2600, Fax (845) 782-2601, email: treasurer@villageofsouthbloomington.com.

Optional Redemption

The Bonds maturing on or before April 15, 2028 will not be subject to redemption prior to maturity. The Bonds maturing on April 15, 2029 and thereafter, will be subject to redemption, at the option of the Village, prior to maturity, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after April 15, 2028, a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

*Preliminary, subject to change.

Authorization and Purpose

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, and the Local Finance Law, and the refunding bond resolution duly adopted by the Board of Trustees of the Village on February 22, 2021 (the “Refunding Bond Resolution”), authorizing the refunding of all or a part of the Public Improvement Serial Bonds – 2013 (the “2013 Bonds”), maturing in each of the years 2022 to 2033, (the “Refunded Bonds”). The 2013 Bonds were originally issued in the principal amounts of \$2,700,000.

Summary of Refunded Bonds* (the “Refunded Bonds”)

<u>Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate (%)</u>	<u>Call Date</u>	<u>Call Price (%)</u>	<u>CUSIP Numbers</u>
04/15/2022	\$ 125,000	3.250	05/14/2021	100	836690AM9
04/15/2023	130,000	3.250	05/14/2021	100	836690AN7
04/15/2024	135,000	3.250	05/14/2021	100	836690AP2
04/15/2025	140,000	3.250	05/14/2021	100	836690AQ0
04/15/2026	140,000	4.000	05/14/2021	100	836690AR8
04/15/2027	150,000	4.000	05/14/2021	100	836690AS6
04/15/2028	155,000	4.000	05/14/2021	100	836690AT4
04/15/2029	160,000	4.000	05/14/2021	100	836690AU1
04/15/2030	170,000	4.000	05/14/2021	100	836690AV9
04/15/2031	175,000	4.125	05/14/2021	100	836690AW7
04/15/2032	180,000	4.250	05/14/2021	100	836690AX5
04/15/2033	<u>190,000</u>	4.250	05/14/2021	100	836690AY3
Total:	<u>\$1,850,000</u>				

*Preliminary, subject to change.

The Refunding Bond Resolution authorizes the issuance of the Bonds to provide the funds necessary to effect the refunding of all or a portion of the Refunded Bonds.

For further information regarding bond authorizations of the Village for capital purposes and other matters relating thereto. (See “*Indebtedness of the Village*,” herein.)

Refunding Financial Plan

Pursuant to the Village’s Refunding Financial Plan, as referred to in the Refunding Bond Resolution, the Bonds are being issued to effect the refunding of the Refunded Bonds maturing on their principal payment dates as set forth above. The Refunding Financial Plan will permit the Village to realize, as a result of the issuance of the Bonds, cumulative dollar and present-value debt service savings.

The net proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance relating to the Bonds), will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the “Government Obligations”) which, together with remaining cash proceeds from the sale of the Bonds, will be placed in an irrevocable trust fund (the “Escrow Fund”) to be held by Manufacturers and Traders Trust Company (the “Escrow Holder”), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the Village and the Escrow Holder, dated as of the delivery date of the Bonds (the “Escrow Contract”). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, interest on and applicable redemption premiums, if any, of the Refunded Bonds on the dates of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the Refunding Bond Resolution of the Village and Escrow Contract, to pay the Refunded Bonds at maturity or at the earliest date on which the Refunded Bonds may be called for redemption prior to maturity.

The holders of the Refunded Bonds will have a first lien on all cash on deposit in the Escrow Fund. Upon payment by the Escrow Holder to the fiscal agent for the Refunded Bonds of amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds to be paid from the Escrow Fund, including interest and redemption premium, if any, payable with respect thereto, and payment of all expenses incidental to the issuance of the Bonds, such Escrow Contract shall terminate.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the Village and will continue to be payable from *ad valorem* taxes on all taxable real property in the Village. However, inasmuch as the funds held in the Escrow Fund together with interest earnings thereon and cash held in the Escrow Fund shall be sufficient to meet all required payments of principal of, and interest on the Refunded Bonds, it is not anticipated that other sources of payment will be utilized.

The New York State Local Finance Law provides that upon placement in Escrow Fund of proceeds of the Bonds sufficient to provide for the payment of the principal and interest of the Refunded Bonds are no longer counted in computing the Village's debt for statutory debt limitations purposes.

Sources and Uses of Bond Proceeds

Sources:

Par Amount of Bonds	\$ _____
Original Issue Premium/Discount	_____
Total.....	\$ _____

Uses:

Escrow Deposit.....	\$ _____
Underwriter's Discount	_____
Allowance for Costs of Issuance and Contingency	_____
Total.....	\$ _____

DESCRIPTION OF BOOK-ENTRY SYSTEM

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

DTC, the world's largest depository, is 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 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"). Effective August 9, 2011, Standard & Poor's assigns a rating of "AA+" to DTC. 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers

of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them or notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

Source: The Depository Trust Company, New York, New York.

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OR ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; OR (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

THE VILLAGE CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Village and discharging its responsibilities with respect thereto under applicable law, or the Village may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, and a replacement book-entry securities depository is not appointed, the Bonds will be issued in registered form in denominations of \$5,000, or integral multiples thereof. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the Village as the fiscal agent; certificated Bonds may be transferred or exchanged at no cost to the owner of such bonds at any time prior to maturity at the corporate trust office of the fiscal agent for bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the certificate of the Village Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law.

Nature of Obligation

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

The Bonds will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the Village has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Village, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. (See "*Tax Levy Limit Law*", herein).

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the Village to levy taxes on real estate therefor. However, Chapter 97 of the New York Laws of 2011, as amended (the "*Tax Levy Limit Law*"), imposes a limitation upon the Village's power to increase its annual tax levy. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village is subject to statutory limitations set forth in the Tax Levy Limit Law, unless the Village complies with certain procedural requirements to permit the Village to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*," herein).

RISK FACTORS

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

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

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

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received (“State Aid”). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State’s economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefor. 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, the Village is authorized pursuant to the Local Finance Law (“LFL”) to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid; however, there can be no assurance that, in such event, the Village will have market access for any such borrowing on a cost effective basis. (See also “*State Aid*” herein.)

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

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

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

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 spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, 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 affecting economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has 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 nonessential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the Village’s operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including 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 continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the Village. The Village is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See “*Revenues - State Aid*” herein.)

REMEDIES UPON DEFAULT

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

Upon default in the payment of principal of or interest on the Bonds, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Village. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such Bonds from funds lawfully available therefor or, in the absence thereof, to order the Village to take all lawful action to or Bonds obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Village and the availability and adequacy of other remedies. Upon any default in

the payment of the principal of or interest on a Bond, the owner of such Bond could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Village to assess, levy and collect an *ad valorem* tax, upon all taxable property of the Village subject to taxation by the Village, sufficient to pay the principal of and interest on the Bonds as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds of the Village, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

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

Pursuant to Article VIII, Section 2 of the State Constitution, the Village is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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

MUNICIPAL BANKRUPTCY

The undertakings of the Village should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the

purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

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

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

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

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

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

Financial Control Boards

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

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

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

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

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

No Past Due Debt

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

VILLAGE OF SOUTH BLOOMING GROVE

There follows in this Statement a brief description of the Village, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures and general and specific funds.

General Information

The Village, which was incorporated on July 14, 2006, encompasses about 5 square miles and has a population of 3,148 according to the 2019 U.S. Census, is located in the southeastern portion of the County approximately 50 miles from New York City. The Village enjoys a diversified economic base of light-industrial, commercial and residential properties. Residential properties consist of single-family homes, condominiums; light retail & commercial enterprises are located along the major village thoroughfare, New York State Route 208.

In addition to employment opportunities in the Village, residents commute to New York City, Middletown, Newburgh, Goshen (the County Seat), to Rockland County, New York and Bergen County, New Jersey.

Commuter bus service to New York City is available in the Village. Rail service is located in the nearby community of Harriman, New York. Highway facilities include New York State Route 208 and access to New York State Route 17 (The Quickway) and to the New York State Thruway is readily available.

Electric and natural gas service are supplied to the Village by Orange and Rockland Utilities Corp. The Village is the supplier of water to approximately 80% of its residents and is responsible for the distribution and maintenance of the necessary facilities. Sanitary sewer services are provided by the Village to approximately 70% of its residents. Police protection is provided by the Town of Blooming Grove Police Department. Fire protection is provided by the South Blooming Grove Joint Fire District.

Government

The Village was incorporated on July 14, 2006. The majority of village residents are located within the independently governed Washingtonville school district, which is located partially within the Village and which relies on its own taxing powers granted by the State to raise revenues. Some Village residents are located within the independently governed Monroe-Woodbury school district, which also is located partially within the Village and which relies on its own taxing powers as granted by the State to raise revenues. The school districts use the Town of Blooming Grove's assessment rolls as their basis for taxation of property located within the Village.

Subject to the provisions of the State Constitution, the Village operates pursuant to the Village Law, the Local Finance Law, other laws generally applicable to the Village, and any special laws generally applicable to the Village. Under such laws, there is no authority for the Village to have a charter but pursuant to the Village Law and other laws generally applicable to home rule, the Village may from time to time adopt local laws.

The legislative power of the Village is vested in the Board of Trustees, which consists of five members, including the Mayor, who is the chief executive officer of the Village, elected for a term of two years. The four other members of the Village Board are elected to two-year terms, which terms are staggered such that two Trustees are elected each year. All the Board members are elected at large and there is no limitation to the number of terms each may serve.

The Village Clerk and Village Treasurer are appointed to two-year terms and the Village Attorney to a one year term.

Employees

The Village provides services through three full-time and two part-time employees. None of which are represented by collective bargaining units.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Characteristics

The Village, Town and County have had a population trend as indicated below:

<u>Year</u>	<u>Village of South Blooming Grove^a</u>	<u>Town of Newburgh</u>	<u>County of Orange</u>
1990	N/A	24,058	307,647
2000	N/A	27,568	341,367
2010	3,324	29,801	372,813
2019	3,148	30,905	380,085

Source: U.S. Bureau of the Census.

a. The Village was first incorporated in 2006 and the population at such time was estimated to be 2,763.

Income Data

	<u>Per Capita Money Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2019^a</u>
Village	NA	NA	\$34,596	\$37,488
County of Orange	\$15,198	\$21,597	28,944	34,959
State of New York	16,501	23,389	30,948	39,326
	<u>Median Household Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2019^a</u>
Village	NA	NA	\$85,332	\$83,664
County of Orange	\$39,198	\$52,058	69,523	79,944
State of New York	32,965	43,393	55,603	68,486

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2015-2019)

Major Non-Governmental Employers in the County^a

The information set forth below with respect to the County is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the Village is necessarily representative of the County or vice versa.

<u>Name</u>	<u>Type</u>	<u>Number of Employees</u>
United States Military Academy at West Point	Military	4,000
Orange Regional Medical Center	Hospital	2,524
Orange County Government	Government	2,399
Crystal Run Healthcare	Multi-Specialty Physicians' Practice	2,050
Access: Supports for Living	Non-Profit Organizations	1,289
St Luke's Cornwall Hospital	Hospital	1,247
Elant, Inc.	Senior Health and Housing	1,200
C & S Wholesale Grocers, Inc.	Food	800
Empire Blue Cross/Blue Shield	Health insurance	795
Spectrum Enterprise	Communications	750
The ARC of Orange County	Non-Profit Organizations	750
Bon Secours Community Hospital	Hospital	598
Cornerstone Family Healthcare	Healthcare	550
Amscan, Inc.	Distribution	525
Mirabito Energy Products	Distribution - Fuel	500
Horizon Family Medical Group	Healthcare	500

Source: Orange County

a. Not necessarily representative of the Village.

Unemployment Rate Statistics

Unemployment statistics are not available for the Village as such. The smallest area for which such statistics are available (which includes the Village) is the County. The information set forth below with respect to the County and the State is included for information purposes only. It should not be implied from the inclusion of such data in this Statement that the Village is necessarily representative of the County, the State, or vice versa.

<u>Annual Averages:</u>	<u>County of Orange (%)</u>	<u>New York State (%)</u>
2016	4.2	4.9
2017	4.6	4.7
2018	3.9	4.1
2019	3.8	4.0
2020	8.4	10.0

Source: Department of Labor, State of New York

a. The above table includes rates after the COVID-19 pandemic occurred. See "Impact

INDEBTEDNESS OF THE VILLAGE

Constitutional Requirements

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

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

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

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

General. The Village is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Village so as to prevent abuses in the exercise of such powers; however, as has been noted under "*Nature of Obligation*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Village's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

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 by the adoption of a bond resolution approved by at least two-thirds of the members of the Board of Trustees, except in the event that the Village determines to subject the bond resolution to voter approval by mandatory referendum, in which case only a three-fifths vote is required.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution 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 with respect to the refunding bond resolution authorizing the issuance of the Bonds.

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, bonds 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 bonds were originally issued. (See "*Payment and Maturity*" under "*Constitutional Requirements*" herein).

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

In general, the Local Finance Law contains similar provisions providing the Village with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget 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 per centum of the average full valuation of taxable real estate of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

There is no constitutional limitation on the amount that may be raised by the Village by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the Village to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limit Law. (See “*Tax Levy Limit Law*,” herein).

Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of March 16, 2021)

<u>Fiscal Year Ending December 31:</u>	<u>Assessed Valuation</u>	State <u>Equalization Rate (%)</u>	<u>Full Valuation</u>
2017	\$44,006,962	18.60	\$236,596,570
2018	44,928,201	18.85	238,345,894
2019	46,909,010	17.15	273,521,924
2020	47,274,005	16.17	292,356,246
2021	49,169,984	14.75	<u>333,355,824</u>
Total Five Year Full Valuation			\$1,374,176,458
Average Five Year Full Valuation			274,835,292
Debt Limit - 7% of Average Full Valuation			19,238,470
Inclusions:			
General Purpose Bonds			\$2,030,426
Bond Anticipation Notes			1,200,000
Water Bonds			<u>1,134,574</u>
Total Inclusions			<u>4,365,000</u>
Exclusions:			
Excluded Water Debt			1,134,574
Appropriations			<u>325,889</u>
Total Exclusions:			1,460,463
Total Net Indebtedness			<u>2,904,537</u>
Net Debt Contracting Margin			<u><u>\$16,333,933</u></u>
Per Cent of Debt Contracting Margin Exhausted			15.10%

Details of Short-Term Indebtedness Outstanding
(As of March 16, 2021)

The Village presently has bond anticipation notes in the amount of \$1,200,000 for various improvements in the Village, maturing on July 29, 2021.

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending <u>December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 235,000	\$ 92,529	\$ 327,529
2022	225,000	87,390	312,390
2023	215,000	81,556	296,556
2024	220,000	75,813	295,813
2025	225,000	69,908	294,908
2026	225,000	63,396	288,396
2027	235,000	56,160	291,160
2028	240,000	48,623	288,623
2029	245,000	40,887	285,887
2030	255,000	32,850	287,850
2031	235,000	24,404	259,404
2032	240,000	15,956	255,956
2033	250,000	7,080	257,080
2034	60,000	2,028	62,028
2035	<u>60,000</u>	<u>1,014</u>	<u>61,014</u>
Totals:	<u>\$3,165,000</u>	<u>\$699,593</u>	<u>\$3,864,593</u>

Capital Project Plans

The Village is generally responsible for providing services as required to the citizens on a Village-wide basis. The Village maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and, from time to time, equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. In addition, the Village owns, operates, maintains and improves recreation facilities. As has been noted, the Village generally has provided the financing for water facilities and maintains primary responsibility for these functions. In general, needs for capital funding for the above described projects for which the Village has responsibility are anticipated to continue and to be in approximately the same amounts or less than has prevailed in the past.

Authorized but Unissued Indebtedness

The Village has authorized but unissued debt outstanding in the amount of \$1,300,000 for the construction of water systems improvements. \$1,000,000 of such amount is being financed with bond anticipation notes expected to close on April 7, 2021.

Trend of Village Indebtedness

The following table represents the outstanding indebtedness of the Village at the end of the last five preceding fiscal years.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds	\$2,410,000	\$2,305,000	\$2,195,000	\$2,085,000	\$3,165,000
BANs	<u>590,000</u>	<u>1,020,000</u>	<u>837,000</u>	<u>1,653,000</u>	<u>1,200,000</u>
Total Debt Outstanding	<u>\$3,000,000</u>	<u>\$3,325,000</u>	<u>\$3,032,000</u>	<u>\$3,738,000</u>	<u>\$4,365,000</u>

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Orange	06/26/2020	0.79	\$2,295,914	\$2,184,129
Town of Blooming Grove	05/15/2020	16.58	1,019,159	480,770
Monroe- Woodbury School District	12/01/2020	3.90	863,070	604,149
Washingtonville School District	02/04/2020	21.50	13,728,313	13,728,313
South Blooming Grove Fire District	12/31/2019	100.00	<u>48,787</u>	<u>48,787</u>
Totals			<u>\$17,955,243</u>	<u>\$17,046,148</u>

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Official Statements.

Debt Ratios (As of March 16, 2021)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage of Full Value (%)^b</u>
Total Direct Debt	\$ 4,365,000	\$1,387	1.309
Net Direct Debt	2,904,537	923	0.871
Total Direct & Applicable Total Overlapping Debt	22,320,243	7,090	6.696
Net Direct & Applicable Net Overlapping Debt	19,950,685	6,338	5.985

a. The current estimated population of the Village is 3,148.

b. The full valuation of taxable real property in the Village for 2020-2021 is \$333,355,824.

FINANCES OF THE VILLAGE

Financial Statements and Accounting Procedures

The Village does not prepare annual audited financial statements. The Village maintains its financial records in accordance with the Uniform System of Accounts for Villages prescribed by the State Comptroller. The financial affairs of the Village are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Village has complied with the requirements of various State and Federal statutes. As required by law, the Village also prepares an Annual Financial Report Update Document (unaudited) for submission to the State Comptroller. The last such report made available for public inspection covers the fiscal year ended December 31, 2019 and is attached as Appendix B. A summary of the unaudited operating results for the past five fiscal years is attached as Appendix A hereto.

Fund Structure and Accounts

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

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and, (3) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Village presently maintains the following governmental funds: General Fund and the Capital Projects Fund. Fiduciary funds consist of a Trust and Agency Fund. There are no proprietary funds. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The Village's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual - that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues which are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting that is when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems which are recorded in the General Long-Term Debt Account Group and recognized as an expenditure when due, and, (2) unmatured interest on general long-term debt which is recognized when due.

Investment Policy

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

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

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

The Board of Trustees of the Village has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the Village are made in accordance with such policy.

Budgetary Procedures

The Mayor is responsible for the preparation and submission of the tentative annual budget to the Board. The Village Board reviews the tentative budget and prepares a preliminary budget and a public hearing is held thereon. Subsequent to the public hearing, revisions (if any) are made. The budget is then adopted by the Village Board as final for the year beginning January 1. The budget is not subject to referendum. Municipal law provides that no expenditures may exceed budgeted appropriations. Any revisions to the annual budget proposed to accommodate changes in departments or other programs must be adopted by resolution of the Village Board.

Financial Operations

The Village Treasurer functions as the chief fiscal officer as provided in Section 2.00 of the Local Finance Law; in this role, the Village Treasurer is responsible for the Village's accounting and financial reporting activities. The Mayor is the Village's budget officer and prepares the annual tentative budget for submission to the Board of Trustees. Budgetary control during the year is the responsibility of the Village Treasurer. Pursuant to Section 30.00 of the Local Finance Law, the Village Treasurer has been authorized to issue or renew certain specific types of notes. As required by law, the Village Treasurer must execute an authorizing certificate which then becomes a matter of public record.

The Board of Trustees, as a whole, serves as the finance board of the Village and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt.

Village finances are operated primarily through the General Fund. All real property taxes and most of the other Village revenues are credited to this fund. Current operating expenditures are paid from this fund subject to available appropriations. Capital projects and selected equipment purchases are accounted for in special capital projects funds. The Village observes a January 1 - December 31 fiscal year for operating and reporting purposes.

Revenues

The Village receives most of its revenues from a real property tax on all non-exempt real property situated within the Village. Other Tax Items, Intergovernmental Charges, Departmental Income and Use of Money and Property. A summary of such revenues for the five most recently completed fiscal years and estimated revenues for the current fiscal year may be found in Appendix A. (See also "*Tax Levy Limit Law*" herein).

Real Property Taxes

See "*Tax Information*", herein.

State Aid

The Village receives financial assistance from the State. 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. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in this year or future years, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

Based on the estimates of the Village, the Village received approximately 3.69% of its total General Fund operating revenue in the form of State aid during the fiscal year ending December 31, 2019. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

Although the Village cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years, the Village may be able to mitigate the impact of any delays or reductions by reducing expenditures, increasing revenues appropriating other available funds on hand, and/or by any combination of the foregoing.

The following table sets forth the percentage of the Village’s General Fund revenue comprised of State Aid for each of the fiscal years 2015 through 2019, inclusive, and the amounts budgeted for 2020 and 2021.

<u>Fiscal Year Ending December 31:</u>	<u>General Fund Total Revenue</u>	<u>State Aid</u>	<u>State Aid to Revenues (%)</u>
2015	\$1,403,455	\$42,710	3.04
2016	1,470,557	52,195	3.55
2017	1,441,295	62,934	4.37
2018	1,443,454	65,047	4.51
2019	1,545,086	57,000	3.69
2020 (Budgeted)	1,504,464	57,000	3.79
2021 (Budgeted)	1,523,761	60,200	3.95

Source: Annual Financial Report Update Documents of the Village (2015-2019) and Adopted Budgets of the Village (2020 and 2021).

Expenditures

The major categories of expenditure for the Village are General Government Support, Public Safety, Culture and Recreation, Home & Community Services and Employee Benefits. A summary of the expenditures for the five most recently completed fiscal years and the estimated expenditures for the current fiscal year may be found in Appendix A.

The State Comptroller’s Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the Town as “No Designation”. (Fiscal Score: 3.3%; Environmental Score: 23.3%).

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

In addition, the Office of the State Comptroller helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. There have been no audits in the five most recent fiscal years.

Employee Pension System

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS") or the State and Local Police and Fire Retirement System ("PFRS" and together with ERS, the "Retirement System"). The Retirement System is a cost-sharing multiple public employee retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for "Tier 6" employees, as discussed below, whose benefits vest after ten years or credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 and before January 1, 2010 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, then Governor Paterson signed into law the creation of a new Tier 5, which is effective for new ERS employees hired on or after January 1, 2010. New ERS employees in Tier 5 contribute 3% of their salaries. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

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

In addition, the pension payment date for all local governments was changed from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future. The New York State Retirement System has advised the Village that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount.

On March 16, 2012, Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides 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 contributions throughout employment.

Due to significant capital market declines in the past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State's Retirement System continues to be higher than the minimum contribution rate established in the past. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by past legislation. To mitigate the expected increases in the employer contribution rate, various forms of legislation has been enacted that would permit local governments to borrow a portion of their required payments from the State pension plan.

Payments to the Pension Systems

Fiscal Year Ending <u>December 31:</u>	<u>ERS</u>
2016	\$12,436
2017	14,618
2018	14,494
2019	18,553
2020	20,675
2021 (Budgeted)	26,000

Source: Village Officials.

Other Post Employment Benefits

OPEB refers to "other post-employment benefits," meaning benefits other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Accounting rules now require governmental entities, such as the Village, to account for post-retirement health care benefits as its accounts for vested pension benefits. GASB Statement No. 75 ("GASB 75") described below requires such accounting.

GASB 75 of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended May 31, 2018, the Village adopted GASB 75, which eliminates GASB 45. Under GASB 75, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the employer's current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

The Village does not offer post employment benefits to any of its current or former employees.

TAX INFORMATION

Real Property Taxes

The Village derives its power to levy an ad valorem real property tax from the Constitution of the State. 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. See "Tax Limit" herein. The State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/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 following table sets forth the percentage of the Village's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2015-2019, and as budgeted for 2020 and 2021.

Fiscal Year Ending December 31:	General Fund Total Revenue	Real Property Taxes	Real Property Taxes to Revenues (%)
2015	\$1,403,455	\$557,144	39.70
2016	1,470,557	561,211	38.16
2017	1,441,295	565,025	39.20
2018	1,443,454	499,538	34.61
2019	1,545,086	519,646	33.63
2020 (Budgeted)	1,504,464	533,606	35.47
2021 (Budgeted)	1,523,761	531,907	34.91

Source: Annual Financial Report Update Documents of the Village (2015-2019) and Adopted Budgets of the Village (2020 and 2021).

Tax Collection Procedure

The collection and enforcement of real property taxes is governed by the Real Property Tax Law of the State.

Taxes are payable until February 1st without penalty. Penalties are imposed thereafter at an annual rate determined by the New York State Commissioner of Taxation and Finance. On November 15th, uncollected taxes are turned over to the County Commissioner of Finance and uncollected taxes and penalties are relieved as part of the County tax levy. The County guarantees to pay the Village the full amount of such uncollected taxes prior to the end of the Village fiscal year.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the New York Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the taxable real property within the Village had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Village and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law, as amended, imposes a tax levy limitation upon the Village for any fiscal year commencing after January 1, 2012 without providing an exclusion for debt service on obligations issued by the Village. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village to pay the bonds and notes of the Village and interest thereon is subject to statutory limitations set forth in Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof. The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Village, subject to certain exceptions. The Tax Levy Limit Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy

Limit Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board is authorized to adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the Village, a local law to override such limit for such coming fiscal year.

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

Tax Limit

The Constitution limits the amount that may be raised by the Village ad valorem tax levy on real estate in any fiscal year to two per centum (2%) of the five-year average full valuation of taxable real estate of the Village plus (1) the amounts required for principal and interest on all capital indebtedness, and (2) current appropriations for certain capital purposes. The tax limit for the Village for the 2020-2021 fiscal year is as follows:

Five Year Average Full Valuation	\$274,835,292
Tax Limit - 2% Thereof	5,496,706
Tax Levy for General Village Purposes	531,907
Less: Exclusions	0
Tax Levy Subject to Tax Limit	531,907
Constitutional Tax Margin	\$4,964,799

Tax Levy, Collection Record and Tax Rates^a Fiscal Year Ending December 31:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Taxes on Roll	\$565,025	\$510,354	\$521,084	\$533,606	\$531,907
Re-levied Water Rents	85,507	86,407	123,750	130,592	145,048
Re-levied Sewer Rents	72,682	106,089	127,057	144,944	150,831
Total Taxes	\$723,214	\$702,850	\$771,891	\$809,142	\$827,786
Collected During Year	\$697,886	\$665,498	\$728,327	\$774,714	N/A
Total Uncollected Taxes	25,328	37,352	43,564	34,428	N/A
Percent Collected	96.50%	94.69%	94.36%	95.75%	N/A
Taxes per \$1,000 of Assessed Valuation	\$16.10	\$14.98	\$16.33	\$16.46	\$16.84

a. Water and sewer bills are based on actual usage, and therefore are not billed as property taxes. However, in the event that the bill is not paid within a given year, such unpaid amounts are added to the ensuing year's tax bills. The County guarantees to pay the Village the full amount prior to the end of the fiscal year. See "Tax Collection Procedure" herein.

Selected Listing of Large Taxable Properties
2020-2021 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Orange & Rockland UTL, Inc.	Electrical and Gas	\$1,428,800
Clear Key II LLC	Hotel	1,234,900
Keen Equities, LLC	Cottages	1,078,000
Orange & Rockland UTL, Inc.	Electrical and Gas	717,460
First Development Group of Blooming Grove	Shopping Center	264,800
Infinity Holdings Northeast, LLC.	Commercial	260,600
Blooming Grove Real Estate Corp	Real Estate	243,900
Gerald Gagliardi	Residential	227,600
SL Cottages	Cottages	207,100
Stonegate Partners LLC	Shopping Center	205,200
	Total ^a	<u><u>\$5,868,360</u></u>

a. Represents 11.93% of the most recently available Total Taxable Assessed Valuation.

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.

LITIGATION

In common with other municipalities, the Village from time to time receives notices of claim and is party to litigation. In the opinion of the Village, after consultation with the Village Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Village has not asserted a substantial and adequate defense, nor which, if determined against the Village, would have an adverse material effect on the financial condition of the Village.

TAX MATTERS

Opinion of Bond Counsel

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

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

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

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

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

Bond Premium

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

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

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

Miscellaneous

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

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the respective final approving opinions of Hawkins Delafield & Wood LLP, Bond Counsel, substantially in the form set forth in Appendix C.

DISCLOSURE UNDERTAKING

At the time of the delivery of the Bonds, the Village will provide an executed copy of its Undertaking to Provide Continuing Disclosure with respect to the Bonds substantially in the form set forth in Appendix D.

Compliance History

On July 1, 2020, the Village filed a material event notice for the failure to file its Annual Financial Report Update Document and the Statement of Annual Financial and Operating Information for the fiscal year December 31, 2019 within 180 days as required.

RATING

S&P Global Ratings (“S&P”) 55 Water Street, New York, New York 10041, Telephone: (877) 299-2569 and Fax: (212) 438-5153, has assigned a rating of “AA-/Stable Outlook” to the Bonds. The rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such ratings could have an adverse affect on the market price of the Bonds or the availability of a secondary market for such Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS FOR THE BONDS

Causey Demgen & Moore Inc. will verify from the information provided to them, the mathematical accuracy, as of the date of the closing of the Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the underwriter’s schedules, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium requirements of the Refunded Bonds, and (2) the computations of the yield on both the Government Obligations and the Bonds contained in the provided schedules to be used by Hawkins Delafield & Wood LLP, as Bond Counsel to the Village for the Bonds, in its determination that the interest on the Bonds is excludable from gross income for Federal income tax purposes. Causey Demgen & Moore Inc. will express no opinion on the assumptions provided to them, nor as to the exclusion from taxation of the interest on the Bonds.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the “Municipal Advisor”), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Village on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Village and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Village or the information set forth in this Official Statement or any other information available to the Village with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the Village Treasurer’s office, Holly Brown, Village Treasurer, Village of South Blooming Grove, 811 Route 208, PO Box 295, Blooming Grove, New York 10914, Phone (845) 782-2600, Fax (845) 782-2601, email: treasurer@villageofsouthbloominggrove.com and email: elindtvit@westhamptonbeach.org, or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888 and website: <http://www.munistat.com>.

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’s 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's files with the repositories. When used in Village's documents or oral presentation, 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 Bonds.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.com. 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. Munistat Services, Inc. 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 Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. 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. Munistat Services, Inc. and the Village also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

The preparation and distribution of this Official Statement has been authorized by various resolutions of the Village which delegates to the Village Treasurer the power to sell and issue the Bonds.

By: s/s HOLLY BROWN
Village Treasurer and Chief Fiscal Officer
Village of South Blooming Grove
South Blooming Grove, New York

March , 2021

APPENDIX A

FINANCIAL INFORMATION

**Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES:					
Real Property Taxes	\$ 557,144	\$ 561,211	\$ 565,025	\$ 499,538	\$ 519,646
Other Property Tax Items	4,932	9,071	7,610	10,522	5,959
Non Property Tax Items	643,136	590,959	598,888	632,446	733,461
Departmental Income	27,351	63,697	101,654	52,113	44,662
Use of Money & Property	35,018	34,432	37,740	39,045	61,838
Licenses and Permits	2,660	3,395	10,700	39,627	35,450
Sale of Property and Compensation for Loss	38,268		1,700	800	
Miscellaneous/Interfund Local Sources	6,236	9,209	5,044	4,696	10,979
State Aid	42,710	52,195	62,934	65,047	66,551
Federal Aid		99,188		49,620	16,540
Interfund Transfers	46,000	47,200	50,000	50,000	50,000
Total Revenues	<u>1,403,455</u>	<u>1,470,557</u>	<u>1,441,295</u>	<u>1,443,454</u>	<u>1,545,086</u>
EXPENDITURES:					
General Government Support	440,398	439,229	494,816	400,079	576,653
Public Safety	47,413	47,081	53,016	61,264	87,703
Transportation	478,428	446,138	471,869	442,304	483,448
Culture and Recreation	81,011	70,390	50,814	53,159	58,656
Home and Community Services	46,401	45,661	37,516	30,971	57,022
Employee Benefits	34,669	37,551	43,463	50,734	71,752
Debt Service	81,754	167,922	161,225	161,879	163,026
Total Expenditures	<u>1,210,074</u>	<u>1,253,972</u>	<u>1,312,719</u>	<u>1,200,390</u>	<u>1,498,260</u>
OTHER SOURCES/USES:					
Operating Transfers	200,018	0	50,160		
Total Expenditures and Other Uses	<u>1,410,092</u>	<u>1,253,972</u>	<u>1,362,879</u>	<u>1,200,390</u>	<u>1,498,260</u>
Excess of Revenues Over (Under) Expenditu:	<u>(6,637)</u>	<u>216,585</u>	<u>78,416</u>	<u>243,064</u>	<u>46,826</u>
Fund Balance Beginning of the Year	656,640	650,241	865,707	945,237	1,188,301
Adjustments	238	(1,119)	1,114		(4)
Adjusted Fund Equity-Beginning of the Year	<u>656,878</u>	<u>649,122</u>	<u>866,821</u>	<u>945,237</u>	<u>1,188,297</u>
Fund Balance - End of the Year	\$ <u>650,241</u>	\$ <u>865,707</u>	\$ <u>945,237</u>	\$ <u>1,188,301</u>	\$ <u>1,235,123</u>

Sources: Annual Financial Report Update Documents of the Village (2015-2019)

(Not Prepared in Accordance with GAAP)

These numbers are NOT Audited.

Statement of Revenues, Expenditures and Changes In Fund Balances
Water Fund

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES:					
Real Property Taxes	\$ 143,714	\$ 140,911	\$ 138,095	\$ 146,751	\$ 145,356
Departmental Income	358,971	388,844	408,670	449,399	467,060
Use of Money & Property	70	101	118	313	3,014
Licenses and Permits			7,500	6,650	
Sale of Property and Compensation for Loss					9,697
Total Revenues	<u>502,755</u>	<u>529,856</u>	<u>554,383</u>	<u>603,113</u>	<u>625,127</u>
EXPENDITURES:					
Home and Community Services	350,074	363,323	36,705	416,740	478,649
Debt Service	146,168	167,879	109,318	141,445	178,361
Operating Transfers	35,515	56,622	25,000	25,000	
Total Expenditures	<u>531,757</u>	<u>587,824</u>	<u>171,023</u>	<u>583,185</u>	<u>657,010</u>
Excess of Revenues Over (Under) Expenditures	(29,002)	(57,968)	383,360	19,928	(31,883)
Fund Balance Beginning of the Year	185,189	171,522	113,554	496,914	205,500
Prior Period Adjustment	15,335			(311,342)	(41,104)
Adjusted Fund Equity-Beginning of the Year	<u>200,524</u>	<u>171,522</u>	<u>113,554</u>	<u>185,572</u>	<u>164,396</u>
Fund Balance - End of the Year	<u>\$ 171,522</u>	<u>\$ 113,554</u>	<u>\$ 496,914</u>	<u>\$ 205,500</u>	<u>\$ 132,513</u>

Sources: Annual Financial Report Update Documents of the Village (2015-2019)

(Not Prepared in Accordance with GAAP)

These numbers are NOT Audited.

Statement of Revenues, Expenditures and Changes In Fund Balances
Sewer Fund

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES:					
Real Property Taxes	\$	\$	\$	\$ 88,000	\$ 88,000
Departmental income	582,615	581,196	606,828	637,219	764,892
Use of Money & Property	143	163	145	176	6,300
Licenses and Permits			27,300	175	
Sale of Property and Compensation for Loss			4,250		
Total Revenues	<u>582,758</u>	<u>581,359</u>	<u>638,523</u>	<u>725,570</u>	<u>859,192</u>
EXPENDITURES:					
Home and Community Services	552,341	587,787	587,648	774,571	555,820
Debt Service				85,495	88,000
Operating Transfers	<u>23,000</u>	<u>23,600</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Total Expenditures	<u>575,341</u>	<u>611,387</u>	<u>612,648</u>	<u>885,066</u>	<u>668,820</u>
Excess of Revenues Over (Under) Expenditures	7,417	(30,028)	25,875	(159,496)	190,372
Fund Balance Beginning of the Year	123,132	131,389	101,361	127,236	171,300
Prior Period Adjustment	840			203,560	(136,624)
Adjusted Fund Equity-Beginning of the Year	<u>123,972</u>	<u>131,389</u>	<u>101,361</u>	<u>330,796</u>	<u>34,676</u>
Fund Balance - End of the Year	<u>\$ 131,389</u>	<u>\$ 101,361</u>	<u>\$ 127,236</u>	<u>\$ 171,300</u>	<u>\$ 225,048</u>

Sources: Annual Financial Report Update Documents of the Village (2015-2019)

(Not Prepared in Accordance with GAAP)

These numbers are NOT Audited.

Balance Sheet
General, Water and Sewer Funds
Fiscal Year Ending December 31, 2018:

	<u>General</u>	<u>Water</u>	<u>Sewer</u>
ASSETS:			
Cash	\$ 889,849	\$ 108,813	\$ 46,427
Taxes Receivable	20,994		
Other Receivables	224,391	245,935	26,881
Prepaid Expenses			
Due from Other Funds	80,183		98,049
Total Assets	<u>1,215,417</u>	<u>354,748</u>	<u>171,357</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable and Accrued Liabilites	12,230	8,295	57
Due to Other Funds	14,886	140,953	
Deferred Revenues			
Total Liabilities	<u>27,116</u>	<u>149,248</u>	<u>57</u>
Fund Balances:			
Restricted			
Nonspendable			
Assigned	170,908	205,500	171,300
Unassigned	1,017,393		
Total Fund Balances	<u>1,188,301</u>	<u>205,500</u>	<u>171,300</u>
Total Liabilities and Fund Balances	<u>\$ 1,215,417</u>	<u>\$ 354,748</u>	<u>\$ 171,357</u>

Sources: Annual Financial Report Update Documents of the Village (2018)
 (Not Prepared in Accordance with GAAP)
 These numbers are NOT Audited.

Balance Sheet
General, Water and Sewer Funds
Fiscal Year Ending December 31, 2019:

	<u>General</u>	<u>Water</u>	<u>Sewer</u>
ASSETS:			
Cash	\$ 1,045,319	\$ 987,247	\$ 237,751
Taxes Receivable	22,648		
Other Receivables	166,266	270,678	151,351
Prepaid Expenses			
Due from Other Funds	87,205	113,851	
Total Assets	<u>1,321,438</u>	<u>1,371,776</u>	<u>389,102</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable and Accrued Liabilites	71,439	16,825	18,651
Due to Other Funds	14,876	189,438	145,403
Total Liabilities	<u>86,315</u>	<u>206,263</u>	<u>164,054</u>
Fund Balances:			
Restricted			
Nonspendable			
Assigned	173,258	1,165,513	225,048
Unassigned	1,061,865		
Total Fund Balances	<u>1,235,123</u>	<u>1,165,513</u>	<u>225,048</u>
Total Liabilities and Fund Balances	<u>\$ 1,321,438</u>	<u>\$ 1,371,776</u>	<u>\$ 389,102</u>

Source: Annual Financial Report Update Report of the Village (2019)

(Not Prepared in Accordance with GAAP)

These numbers are NOT Audited.

**Budget Summaries
General Fund**

	<u>Fiscal Year Ending December 31, 2021</u>		
	<u>General</u>	<u>Water</u>	<u>Sewer</u>
Revenues:			
Real Property Taxes	\$ 531,907	\$ 180,222	\$ 82,599
Real Property Tax Items	8,500	6,000	8,000
Non Property Tax Items	470,000		
Departmental Income	105,900	454,800	680,100
Use of Money and Property	57,264	3,000	150
State Aid	60,200		
Interfund Revenues	50,000		
Appropriations of Fund Balance	229,990	57,500	82,599
Miscellaneous	<u>10,000</u>		
 Total Revenues	 <u>\$ 1,523,761</u>	 <u>\$ 701,522</u>	 <u>\$ 853,448</u>
Expenditures:			
General Government Support	\$ 653,512	\$	
Public Safety	52,700		
Transportation	468,026		
Culture and Recreation	69,500		
Home and Community Services	56,970	521,300	853,448
Employee Benefits	89,345		
Debt Service	<u>133,708</u>	<u>180,222</u>	
 Total Expenditures	 <u>\$ 1,523,761</u>	 <u>\$ 701,522</u>	 <u>\$ 853,448</u>

Source: 2021 Budget Adopted by the Village of South Blooming Grove

**Budget Summaries
General Fund**

	<u>Fiscal Year Ending December 31, 2020</u>		
	<u>General</u>	<u>Water</u>	<u>Sewer</u>
Revenues:			
Real Property Taxes	\$ 533,606	\$ 164,115	\$ 84,800
Real Property Tax Items	8,500	6,000	653,000
Non Property Tax Items	598,000		250
Departmental Income	40,300	441,300	
Use of Money and Property	38,800	280	
State Aid	57,000	25,000	
Interfund Revenues	50,000		
Appropriations of Fund Balance	173,258	912,970	
Miscellaneous	<u>5,000</u>		
 Total Revenues	 <u>\$ 1,504,464</u>	 <u>\$ 1,549,665</u>	 <u>\$ 738,050</u>
Expenditures:			
General Government Support	\$ 587,968	\$	\$
Public Safety	82,908		
Transportation	463,332		
Culture and Recreation	68,500		
Home and Community Services	63,990	1,385,550	653,250
Employee Benefits	78,827		
Interfund Transfer		164,115	
Debt Service	<u>158,939</u>		<u>84,800</u>
 Total Expenditures	 <u>\$ 1,504,464</u>	 <u>\$ 1,549,665</u>	 <u>\$ 738,050</u>

Source: 2020 Budget Adopted by the Village of South Blooming Grove

VILLAGE OF SOUTH BLOOMING GROVE

APPENDIX B

**UNAUDITED ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE
PREPARED AS OF THE DATE THEREOF AND HAVE NOT
BEEN REVIEWED AND/OR UPDATED IN CONNECTION
WITH THE PREPARATION AND DISSEMINATION OF
THIS OFFICIAL STATEMENT

All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT
For The
VILLAGE of South Blooming Grove
County of Orange
For the Fiscal Year Ended 12/31/2019

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

VILLAGE OF South Blooming Grove

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2018 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2019:

- (A) GENERAL
- (FX) WATER
- (G) SEWER
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (TA) AGENCY
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2018 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption

All numbers in this report will be rounded to the nearest dollar.

VILLAGE OF South Blooming Grove
Annual Update Document
For the Fiscal Year Ending 2019

(A) GENERAL

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Cash	889,849	A200	1,045,319
TOTAL Cash	889,849		1,045,319
Taxes Receivable, Current	20,994	A250	22,648
TOTAL Taxes Receivable (net)	20,994		22,648
Accounts Receivable	224,391	A380	166,266
TOTAL Other Receivables (net)	224,391		166,266
Due From Other Funds	80,183	A391	87,205
TOTAL Due From Other Funds	80,183		87,205
TOTAL Assets and Deferred Outflows of Resources	1,215,417		1,321,438

VILLAGE OF South Blooming Grove
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(A) GENERAL

Balance Sheet

Code Description	2018	EdpCode	2019
Accrued Liabilities	12,230	A601	71,439
TOTAL Accrued Liabilities	12,230		71,439
Due To Other Funds	14,886	A630	14,876
TOTAL Due To Other Funds	14,886		14,876
TOTAL Liabilities	27,116		86,315
Fund Balance			
Assigned Appropriated Fund Balance	170,908	A914	173,258
TOTAL Assigned Fund Balance	170,908		173,258
Unassigned Fund Balance	1,017,393	A917	1,061,865
TOTAL Unassigned Fund Balance	1,017,393		1,061,865
TOTAL Fund Balance	1,188,301		1,235,123
TOTAL Liabilities, Deferred Inflows And Fund Balance	1,215,417		1,321,438

VILLAGE OF South Blooming Grove
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(A) GENERAL

Results of Operation

Code Description	2018	EdpCode	2019
Revenues			
Real Property Taxes	499,538	A1001	519,646
TOTAL Real Property Taxes	499,538		519,646
Interest & Penalties On Real Prop Taxes	10,522	A1090	5,959
TOTAL Real Property Tax Items	10,522		5,959
Non Prop Tax Dist By County	543,097	A1120	600,206
Utilities Gross Receipts Tax	48,715	A1130	94,407
Franchises	40,634	A1170	38,848
TOTAL Non Property Tax Items	632,446		733,461
Clerk Fees	7,914	A1255	6,128
Safety Inspection Fees	40,449	A1560	31,284
Other Public Safety Departmental Income		A1589	400
Vital Statistics Fees	550	A1603	230
Zoning Fees	550	A2110	1,000
Planning Board Fees	2,650	A2115	5,620
TOTAL Departmental Income	52,113		44,662
Interest And Earnings	1,172	A2401	13,539
Rental of Real Property	37,873	A2410	48,299
TOTAL Use of Money And Property	39,045		61,838
Permits, Other	39,627	A2590	35,450
TOTAL Licenses And Permits	39,627		35,450
Sales of Scrap & Excess Materials	800	A2650	
TOTAL Sale of Property And Compensation For Loss	800		0
Refunds of Prior Year's Expenditures	196	A2701	3,986
Gifts And Donations	4,500	A2705	6,993
TOTAL Miscellaneous Local Sources	4,696		10,979
St Aid, Mortgage Tax	46,047	A3005	47,551
St Aid - Other (specify)	19,000	A3089	19,000
TOTAL State Aid	65,047		66,551
Fed Aid, Emergency Disaster Assistance	49,620	A4960	16,540
TOTAL Federal Aid	49,620		16,540
TOTAL Revenues	1,393,454		1,495,086
Interfund Transfers	50,000	A5031	50,000
TOTAL Interfund Transfers	50,000		50,000
Bond Anticipation Notes		A5730	380,000
TOTAL Proceeds of Obligations	0		380,000
TOTAL Other Sources	50,000		430,000
TOTAL Detail Revenues And Other Sources	1,443,454		1,925,086

VILLAGE OF South Blooming Grove
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(A) GENERAL

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Legislative Board, Pers Serv	25,705	A10101	33,100
Legislative Board, Contr Expend		A10104	490
TOTAL Legislative Board	25,705		33,590
Mayor, Pers Serv	25,750	A12101	28,750
Mayor, Contr Expend	877	A12104	500
TOTAL Mayor	26,627		29,250
Treasurer, Pers Serv	50,470	A13251	51,984
Treasurer, Contr Expend	27,580	A13254	26,700
TOTAL Treasurer	78,050		78,684
Assessment, Contr Expend	223	A13554	200
TOTAL Assessment	223		200
Clerk,pers Serv	76,896	A14101	83,747
Clerk,contr Expend	47,460	A14104	51,682
TOTAL Clerk	124,356		135,429
Law, Contr Expend	82,893	A14204	152,738
TOTAL Law	82,893		152,738
Engineer, Contr Expend	2,017	A14404	13,795
TOTAL Engineer	2,017		13,795
Elections, Pers Serv	895	A14501	895
Elections, Contr Expend	913	A14504	927
TOTAL Elections	1,808		1,822
Buildings, Contr Expend	13,315	A16204	87,232
TOTAL Buildings	13,315		87,232
Unallocated Insurance, Contr Expend	42,379	A19104	38,344
TOTAL Unallocated Insurance	42,379		38,344
Municipal Assn Dues, Contr Expend	2,594	A19204	2,950
TOTAL Municipal Assn Dues	2,594		2,950
Taxes & Assess On Munic Prop, Contr Expend	112	A19504	2,619
TOTAL Taxes & Assess On Munic Prop	112		2,619
TOTAL General Government Support	400,079		576,653
Traffic Control, Contr Expen	420	A33104	8,795
TOTAL Traffic Control	420		8,795
Safety Inspection, Contr Expend	60,844	A36204	78,908
TOTAL Safety Inspection	60,844		78,908
TOTAL Public Safety	61,264		87,703
Maint of Streets, Contr Expend	390,167	A51104	416,638
TOTAL Maint of Streets	390,167		416,638
Snow Removal, Contr Expend	49,286	A51424	64,378
TOTAL Snow Removal	49,286		64,378
Street Lighting, Contr Expend	2,851	A51824	2,432
TOTAL Street Lighting	2,851		2,432
TOTAL Transportation	442,304		483,448
Parks, Contr Expend	38,180	A71104	46,951
TOTAL Parks	38,180		46,951

VILLAGE OF South Blooming Grove
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(A) GENERAL

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Celebrations, Contr Expend	14,979	A75504	11,705
TOTAL Celebrations	14,979		11,705
TOTAL Culture And Recreation	53,159		58,656
Zoning, Pers Serv	7,939	A80101	10,206
Zoning, Contr Expend	200	A80104	7,593
TOTAL Zoning	8,139		17,799
Planning, Pers Serv	14,126	A80201	10,806
Planning, Contr Expend	345	A80204	6,109
TOTAL Planning	14,471		16,915
Environmental Control, Contr Expend	8,361	A80904	19,518
TOTAL Environmental Control	8,361		19,518
Emergency Disaster Work, Contr Expend		A87604	2,790
TOTAL Emergency Disaster Work	0		2,790
TOTAL Home And Community Services	30,971		57,022
State Retirement System	16,330	A90108	18,553
Social Security, Employer Cont	14,718	A90308	17,068
Worker's Compensation, Empl Bnfts	810	A90408	681
Disability Insurance, Empl Bnfts	682	A90558	614
Hospital & Medical (dental) Ins, Empl Bnft	18,194	A90608	34,836
TOTAL Employee Benefits	50,734		71,752
Debt Principal, Serial Bonds	46,651	A97106	46,651
Debt Principal, Bond Anticipation Notes	70,000	A97306	450,000
TOTAL Debt Principal	116,651		496,651
Debt Interest, Serial Bonds	45,228	A97107	34,000
Debt Interest, Bond Anticipation Notes		A97307	12,375
TOTAL Debt Interest	45,228		46,375
TOTAL Expenditures	1,200,390		1,878,260
TOTAL Detail Expenditures And Other Uses	1,200,390		1,878,260

VILLAGE OF South Blooming Grove
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(A) GENERAL

Analysis of Changes in Fund Balance

Code Description	2018	EdpCode	2019
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	945,237	A8021	1,188,301
Prior Period Adj -Decrease In Fund Balance		A8015	4
Restated Fund Balance - Beg of Year	945,237	A8022	1,188,297
ADD - REVENUES AND OTHER SOURCES	1,443,454		1,925,086
DEDUCT - EXPENDITURES AND OTHER USES	1,200,390		1,878,260
Fund Balance - End of Year	1,188,301	A8029	1,235,123

VILLAGE OF South Blooming Grove
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(A) GENERAL

Budget Summary

Code Description	2019	EdpCode	2020
Estimated Revenues			
Est Rev - Real Property Taxes	521,084	A1049N	533,606
Est Rev - Real Property Tax Items	8,500	A1099N	8,500
Est Rev - Non Property Tax Items	560,000	A1199N	598,000
Est Rev - Departmental Income	35,300	A1299N	40,300
Est Rev - Use of Money And Property	38,900	A2499N	38,800
Est Rev - Miscellaneous Local Sources	10,000	A2799N	5,000
Est Rev - Interfund Revenues	50,000	A2801N	50,000
Est Rev - State Aid	57,000	A3099N	57,000
TOTAL Estimated Revenues	1,280,784		1,331,206
Appropriated Fund Balance	170,908	A599N	173,258
TOTAL Estimated Other Sources	170,908		173,258
TOTAL Estimated Revenues And Other Sources	1,451,692		1,504,464

VILLAGE OF South Blooming Grove
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For the Fiscal Year Ending 2019

(A) GENERAL

Budget Summary

Code Description	2019	EdpCode	2020
Appropriations			
App - General Government Support	564,268	A1999N	587,968
App - Public Safety	80,108	A3999N	82,908
App - Transportation	460,020	A5999N	463,332
App - Culture And Recreation	69,500	A7999N	68,500
App - Home And Community Services	45,600	A8999N	63,990
App - Employee Benefits	69,170	A9199N	78,827
App - Debt Service	163,026	A9899N	158,939
TOTAL Appropriations	1,451,692		1,504,464
TOTAL Appropriations And Other Uses	1,451,692		1,504,464

VILLAGE OF South Blooming Grove
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 For the Fiscal Year Ending 2019

(FX) WATER

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Cash	108,813	FX200	987,247
TOTAL Cash	108,813		987,247
Water Rents Receivable	96,858	FX350	111,742
Accounts Receivable	149,077	FX380	158,936
TOTAL Other Receivables (net)	245,935		270,678
Due From Other Funds		FX391	113,851
TOTAL Due From Other Funds	0		113,851
TOTAL Assets and Deferred Outflows of Resources	354,748		1,371,776

VILLAGE OF South Blooming Grove
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(FX) WATER

Balance Sheet

Code Description	2018	EdpCode	2019
Accounts Payable	8,295	FX600	16,825
TOTAL Accounts Payable	8,295		16,825
Due To Other Funds	140,953	FX630	189,438
TOTAL Due To Other Funds	140,953		189,438
TOTAL Liabilities	149,248		206,263
Fund Balance			
Assigned Appropriated Fund Balance		FX914	912,970
Assigned Unappropriated Fund Balance	205,500	FX915	252,543
TOTAL Assigned Fund Balance	205,500		1,165,513
TOTAL Fund Balance	205,500		1,165,513
TOTAL Liabilities, Deferred Inflows And Fund Balance	354,748		1,371,776

VILLAGE OF South Blooming Grove
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For the Fiscal Year Ending 2019

(FX) WATER

Results of Operation

Code Description	2018	EdpCode	2019
Revenues			
Real Property Taxes	146,751	FX1001	145,356
TOTAL Real Property Taxes	146,751		145,356
Other General Departmental Income	225	FX1289	191
Metered Water Sales	313,772	FX2140	317,891
Water Service Charges	104,938	FX2144	132,079
Interest & Penalties On Water Rents	30,464	FX2148	16,899
TOTAL Departmental Income	449,399		467,060
Interest And Earnings	313	FX2401	3,014
TOTAL Use of Money And Property	313		3,014
Permits, Other	6,650	FX2590	
TOTAL Licenses And Permits	6,650		0
Insurance Recoveries		FX2680	9,697
TOTAL Sale of Property And Compensation For Loss	0		9,697
TOTAL Revenues	603,113		625,127
Bond Anticipation Notes		FX5730	1,033,000
TOTAL Proceeds of Obligations	0		1,033,000
TOTAL Other Sources	0		1,033,000
TOTAL Detail Revenues And Other Sources	603,113		1,658,127

VILLAGE OF South Blooming Grove
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(FX) WATER

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Source Supply Pwr & Pump, Pers Serv	154,800	FX83201	154,578
Source Supply Pwr & Pump, Contr Expend	235,434	FX83204	275,858
TOTAL Source Supply Pwr & Pump	390,234		430,436
Water Trans & Distrib, Equip & Cap Outlay	26,506	FX83402	48,213
TOTAL Water Trans & Distrib	26,506		48,213
TOTAL Home And Community Services	416,740		478,649
Debt Principal, Serial Bonds	63,349	FX97106	63,349
Debt Principal, Bond Anticipation Notes	33,333	FX97306	67,322
TOTAL Debt Principal	96,682		130,671
Debt Interest, Serial Bonds	44,763	FX97107	46,169
Debt Interest, Bond Anticipation Notes		FX97307	1,521
TOTAL Debt Interest	44,763		47,690
TOTAL Expenditures	558,185		657,010
Transfers, Other Funds	25,000	FX99019	
TOTAL Operating Transfers	25,000		0
TOTAL Other Uses	25,000		0
TOTAL Detail Expenditures And Other Uses	583,185		657,010

VILLAGE OF South Blooming Grove
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(FX) WATER

Analysis of Changes in Fund Balance

Code Description	2018	EdpCode	2019
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	496,914	FX8021	205,500
Prior Period Adj -Decrease In Fund Balance	311,342	FX8015	41,104
Restated Fund Balance - Beg of Year	185,572	FX8022	164,396
ADD - REVENUES AND OTHER SOURCES	603,113		1,658,127
DEDUCT - EXPENDITURES AND OTHER USES	583,185		657,010
Fund Balance - End of Year	205,500	FX8029	1,165,513

VILLAGE OF South Blooming Grove
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(FX) WATER

Budget Summary

Code Description	2019	EdpCode	2020
Estimated Revenues			
Est Rev - Real Property Taxes	145,361	FX1049N	164,115
Est Rev - Real Property Tax Items	6,000	FX1099N	6,000
Est Rev - Departmental Income	429,500	FX1299N	441,300
Est Rev - Use of Money And Property	50	FX2499N	280
Est Rev - State Aid		FX3099N	25,000
TOTAL Estimated Revenues	580,911		636,695
TOTAL Estimated Revenues And Other Sources	580,911		636,695

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(FX) WATER

Budget Summary

Code Description	2019	EdpCode	2020
Appropriations			
App - Home And Community Services	435,550	FX8999N	1,385,550
App - Debt Service	145,361	FX9899N	164,115
Unappropriated Revenues		FX990N	912,970
TOTAL Appropriations	580,911		2,462,635
TOTAL Appropriations And Other Uses	580,911		2,462,635

VILLAGE OF South Blooming Grove
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(G) SEWER

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Cash	46,427	G200	237,751
TOTAL Cash	46,427		237,751
Sewer Rents Receivable	16,808	G360	144,944
Accounts Receivable	10,073	G380	6,407
TOTAL Other Receivables (net)	26,881		151,351
Due From Other Funds	98,049	G391	
TOTAL Due From Other Funds	98,049		0
TOTAL Assets and Deferred Outflows of Resources	171,357		389,102

VILLAGE OF South Blooming Grove
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(G) SEWER

Balance Sheet

Code Description	2018	EdpCode	2019
Accounts Payable	57	G600	18,651
TOTAL Accounts Payable	57		18,651
Due To Other Funds		G630	145,403
TOTAL Due To Other Funds	0		145,403
TOTAL Liabilities	57		164,054
Fund Balance			
Assigned Unappropriated Fund Balance	171,300	G915	225,048
TOTAL Assigned Fund Balance	171,300		225,048
TOTAL Fund Balance	171,300		225,048
TOTAL Liabilities, Deferred Inflows And Fund Balance	171,357		389,102

VILLAGE OF South Blooming Grove
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(G) SEWER

Results of Operation

Code Description	2018	EdpCode	2019
Revenues			
Real Property Taxes	88,000	G1001	88,000
TOTAL Real Property Taxes	88,000		88,000
Sewer Rents	616,830	G2120	764,230
Interest & Penalties On Sewer Accts	20,389	G2128	662
TOTAL Departmental Income	637,219		764,892
Interest And Earnings	176	G2401	6,300
TOTAL Use of Money And Property	176		6,300
Permits, Other	175	G2590	
TOTAL Licenses And Permits	175		0
TOTAL Revenues	725,570		859,192
Bond Anticipation Notes		G5730	240,000
TOTAL Proceeds of Obligations	0		240,000
TOTAL Other Sources	0		240,000
TOTAL Detail Revenues And Other Sources	725,570		1,099,192

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(G) SEWER

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Sewer Administration, Contr Expend	2,134	G81104	1,964
TOTAL Sewer Administration	2,134		1,964
Sanitary Sewers, Equip & Cap Outlay	216,487	G81202	
TOTAL Sanitary Sewers	216,487		0
Sewage Treat Disp, Contr Expend	555,950	G81304	553,856
TOTAL Sewage Treat Disp	555,950		553,856
TOTAL Home And Community Services	774,571		555,820
Debt Principal, Bond Anticipation Notes	80,000	G97306	320,000
TOTAL Debt Principal	80,000		320,000
Debt Interest, Bond Anticipation Notes	5,495	G97307	8,000
TOTAL Debt Interest	5,495		8,000
TOTAL Expenditures	860,066		883,820
Transfers, Other Funds	25,000	G99019	25,000
TOTAL Operating Transfers	25,000		25,000
TOTAL Other Uses	25,000		25,000
TOTAL Detail Expenditures And Other Uses	885,066		908,820

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(G) SEWER

Analysis of Changes in Fund Balance

Code Description	2018	EdpCode	2019
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	127,236	G8021	171,300
Prior Period Adj -Increase In Fund Balance	203,560	G8012	
Prior Period Adj -Decrease In Fund Balance		G8015	136,624
Restated Fund Balance - Beg of Year	330,796	G8022	34,676
ADD - REVENUES AND OTHER SOURCES	725,570		1,099,192
DEDUCT - EXPENDITURES AND OTHER USES	885,066		908,820
Fund Balance - End of Year	171,300	G8029	225,048

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(G) SEWER

Budget Summary

Code Description	2019	EdpCode	2020
Estimated Revenues			
Est Rev - Real Property Tax Items	88,800	G1099N	84,800
Est Rev - Departmental Income	652,700	G1299N	653,100
Est Rev - Use of Money And Property	150	G2499N	150
TOTAL Estimated Revenues	741,650		738,050
Appropriated Reserve	91,944	G511N	
TOTAL Estimated Other Sources	91,944		0
TOTAL Estimated Revenues And Other Sources	833,594		738,050

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(G) SEWER

Budget Summary

Code Description	2019	EdpCode	2020
Appropriations			
App - Home And Community Services	744,794	G8999N	
App - Debt Service	88,800	G9899N	
TOTAL Appropriations	833,594		0
TOTAL Appropriations And Other Uses	833,594		0

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Cash	55,026	H200	62,068
TOTAL Cash	55,026		62,068
Due From Other Funds	7,791	H391	18,942
TOTAL Due From Other Funds	7,791		18,942
TOTAL Assets and Deferred Outflows of Resources	62,817		81,010

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2018	EdpCode	2019
Bond Anticipation Notes Payable	837,322	H626	
TOTAL Notes Payable	837,322		0
Due To Other Funds	30,000	H630	
TOTAL Due To Other Funds	30,000		0
TOTAL Liabilities	867,322		0
Fund Balance			
Assigned Unappropriated Fund Balance		H915	
TOTAL Assigned Fund Balance	0		0
Unassigned Fund Balance	-804,505	H917	-81,010
TOTAL Unassigned Fund Balance	-804,505		-81,010
TOTAL Fund Balance	-804,505		-81,010
TOTAL Liabilities, Deferred Inflows And Fund Balance	62,817		-81,010

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2018	EdpCode	2019
Revenues			
Interest And Earnings	58	H2401	62
TOTAL Use of Money And Property	58		62
St Aid-Capital Projects		H3097	7,027
TOTAL State Aid	0		7,027
TOTAL Revenues	58		7,089
Bans Redeemed From Appropriations	183,333	H5731	
TOTAL Proceeds of Obligations	183,333		0
TOTAL Other Sources	183,333		0
TOTAL Detail Revenues And Other Sources	183,391		7,089

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2018	EdpCode	2019
Expenditures			
Perm Improve Highway, Equip & Cap Outlay		H51122	7,027
TOTAL Perm Improve Highway	0		7,027
TOTAL Transportation	0		7,027
Water Capital Projects, Equip & Cap Outlay	3,202	H83972	
TOTAL Water Capital Projects	3,202		0
TOTAL Home And Community Services	3,202		0
TOTAL Expenditures	3,202		7,027
TOTAL Detail Expenditures And Other Uses	3,202		7,027

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(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

Code Description	2018	EdpCode	2019
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	-984,442	H8021	-804,505
Prior Period Adj -Increase In Fund Balance		H8012	
Prior Period Adj -Decrease In Fund Balance	252	H8015	-723,433
Restated Fund Balance - Beg of Year	-984,694	H8022	-81,072
ADD - REVENUES AND OTHER SOURCES	183,391		7,089
DEDUCT - EXPENDITURES AND OTHER USES	3,202		7,027
Fund Balance - End of Year	-804,505	H8029	-81,010

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(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Land	750	K101	750
Buildings	285,969	K102	285,969
Machinery And Equipment	404,717	K104	404,717
Infrastructure	5,677,066	K106	5,815,373
Accum Deprec, Buildings	-55,816	K112	-63,389
Accum Depr, Machinery & Equip	-308,062	K114	-340,243
Accum Deprec, Infrastructure	-666,629	K116	-871,139
TOTAL Fixed Assets (net)	5,337,995		5,232,038
TOTAL Assets and Deferred Outflows of Resources	5,337,995		5,232,038

VILLAGE OF South Blooming Grove
Annual Update Document
For the Fiscal Year Ending 2019

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2018	EdpCode	2019
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	5,337,995	K159	5,232,038
TOTAL Investments in Non-Current Government Assets	5,337,995		5,232,038
TOTAL Fund Balance	5,337,995		5,232,038
TOTAL	5,337,995		5,232,038

VILLAGE OF South Blooming Grove
Annual Update Document
For the Fiscal Year Ending 2019

(TA) AGENCY

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Cash	169,573	TA200	194,610
TOTAL Cash	169,573		194,610
TOTAL Assets and Deferred Outflows of Resources	169,573		194,610

VILLAGE OF South Blooming Grove
 Annual Update Document
 For the Fiscal Year Ending 2019

(TA) AGENCY

Balance Sheet

Code Description	2018	EdpCode	2019
Due To Other Funds	184	TA630	179
TOTAL Due To Other Funds	184		179
Consolidated Payroll		TA10	
Guaranty & Bid Deposits	169,389	TA30	194,431
TOTAL Agency Liabilities	169,389		194,431
TOTAL Liabilities	169,573		194,610
TOTAL Liabilities, Deferred Inflows And Fund Balance	169,573		194,610

VILLAGE OF South Blooming Grove
Annual Update Document
For the Fiscal Year Ending 2019

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2018	EdpCode	2019
Assets			
Total Non-Current Govt Liabilities	2,209,851	W129	3,774,535
TOTAL Provision To Be Made In Future Budgets	2,209,851		3,774,535
TOTAL Assets and Deferred Outflows of Resources	2,209,851		3,774,535

VILLAGE OF South Blooming Grove
Annual Update Document
For the Fiscal Year Ending 2019

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2018	EdpCode	2019
Bond Anticipation Notes Payable		W626	1,653,000
TOTAL Notes Payable	0		1,653,000
Net Pension Liability -Proportionate Share	14,851	W638	36,535
TOTAL Other Liabilities	14,851		36,535
Bonds Payable	2,195,000	W628	2,085,000
TOTAL Bond And Long Term Liabilities	2,195,000		2,085,000
TOTAL Liabilities	2,209,851		3,774,535
TOTAL Liabilities	2,209,851		3,774,535

VILLAGE OF South Blooming Grove
 Statement of Indebtedness
 For the Fiscal Year Ending 2019

County of: Orange

Municipal Code: 330407804695

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
2017	BAN E	WATER DISTRICT INFRASTRUCTURE			12/01/2017	12/01/2022	4.00%		\$100,000	\$67,322	\$0	\$0	\$0		\$0
2015	BAN N	CAPITAL IMPROVEMENTS		Y	08/04/2015	08/03/2016	1.50%		\$660,000	\$450,000	\$450,000	\$0	\$0		\$0
2019	BAN N	MULTI PURPOSE		Y	07/31/2019	07/31/2020	2.00%		\$1,653,000	\$0	\$0		\$0		\$1,653,000
2017	BAN N	SEWER DISTRICT INFRASTRUCTURE			12/01/2017	12/01/2018	2.00%		\$400,000	\$320,000	\$320,000	\$0	\$0		\$0
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year									\$1,653,000	\$837,322	\$770,000	\$0	\$0	\$0	\$1,653,000
2013	BOND N	MULTI PURPOSE		Y	09/27/2013	09/27/2033	3.25%	Y	\$2,700,000	\$2,195,000	\$110,000	\$0	\$0		\$2,085,000
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year									\$0	\$2,195,000	\$110,000	\$0	\$0	\$0	\$2,085,000
AFR Year Total for All Debt Types - Sums Issued Amts only made in AFR Year									\$1,653,000	\$3,032,322	\$880,000	\$0	\$0	\$0	\$3,738,000

VILLAGE OF South Blooming Grove
 Schedule of Time Deposits and Investments
 For the Fiscal Year Ending 2019

	EDP Code	Amount
CASH:		
On Hand	9Z2001	
Demand Deposits	9Z2011	\$2,042,379.00
Time Deposits	9Z2021	\$484,616.00
Total		\$2,526,995.00
 COLLATERAL:		
- FDIC Insurance	9Z2014	\$500,000.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$2,026,994.00
Total		\$2,526,994.00
 INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	\$2,333,284.00
 - Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

VILLAGE OF South Blooming Grove
Bank Reconciliation
For the Fiscal Year Ending 2019

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
****-21	\$502,631	\$0	\$0	\$502,631
****-2835	\$234,072	\$0	\$1,522	\$232,550
****-3106	\$42,283	\$0	\$5,164	\$37,119
****-3346	\$104,503	\$0	\$0	\$104,503
****-3353	\$133,248	\$0	\$0	\$133,248
****-4346	\$62,068	\$0	\$0	\$62,068
****-4664	\$110,931	\$0	\$0	\$110,931
****-6238	\$433,735	\$0	\$60,050	\$373,685
****-890	\$812,769	\$0	\$0	\$812,769
****-8939	\$151,672	\$0	\$1,190	\$150,482
****-8941	\$7,009	\$0	\$0	\$7,009
	Total Adjusted Bank Balance			\$2,526,995
	Petty Cash			\$.00
	Adjustments			\$.00
	Total Cash		9ZCASH *	\$2,526,995
	Total Cash Balance All Funds		9ZCASHB *	\$2,526,995
	* Must be equal			

VILLAGE OF South Blooming Grove
 Local Government Questionnaire
 For the Fiscal Year Ending 2019

	<u>Response</u>
1) Does your municipality have a written procurement policy?	<u>Yes</u>
2) Have the financial statements for your municipality been independently audited? If not, are you planning on having an audit conducted?	<u>No</u> <u>No</u>
3) Does your local government participate in an insurance pool with other local governments?	<u>No</u>
4) Does your local government participate in an investment pool with other local governments?	<u>Yes</u>
5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters?	<u>No</u>
6) Does your municipality have a Capital Plan?	<u>Yes</u>
7) Has your municipality prepared and documented a risk assessment plan? If yes, has your municipality used the results to design the system of internal controls?	<u>Yes</u> <u>Yes</u>
8) Have you had a change in chief executive or chief fiscal officer during the last year?	<u>No</u>
9) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?	<u>Yes</u>

VILLAGE OF South Blooming Grove
Employee and Retiree Benefits
For the Fiscal Year Ending 2019

Total Full Time Employees:		3			
Total Part Time Employees:		3			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$18,553.00	3	1	
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security	\$17,068.00	3	3	
90408	Worker's Compensation Insurance	\$681.00	3	3	
90458	Life Insurance				
90508	Unemployment Insurance				
90558	Disability Insurance	\$614.00	3	3	
90608	Hospital and Medical (Dental) Insurance	\$34,836.00	1	2	
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
Total		\$71,752.00			
Computed Total From Financial Section (comparative purposes only)		\$71,752.00			

VILLAGE OF South Blooming Grove
 Energy Costs and Consumption
 For the Fiscal Year Ending 2019

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline			gallons	
Diesel Fuel	\$2,353		gallons	
Fuel Oil			gallons	
Natural Gas			cubic feet	
Electricity	\$134,213		kilowatt-hours	
Coal			tons	
Propane			gallons	

CERTIFICATION OF CHIEF FISCAL OFFICER

I, HOLLY BROWN, hereby certify that I am the Chief Fiscal Officer of the VILLAGE of SOUTH BLOOMING GROVE, and that the information provided in the annual financial report of the VILLAGE of SOUTH BLOOMING GROVE, for the fiscal year ended 12/31/2019, is TRUE and correct to the best of my knowledge and belief.

By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the VILLAGE of SOUTH BLOOMING GROVE, and adopted by me as my signature for use in conjunction with the filing of the VILLAGE of SOUTH BLOOMING GROVE's annual financial report, I am evidencing my express intent to authenticate my certification of the VILLAGE of SOUTH BLOOMING GROVE's annual financial report for the fiscal year ended 12/31/2019 and filed by means of electronic data transmission.

MARVIN NYMAN
Name of Report Preparer if different
than Chief Fiscal Officer

(845) 782-2600
Telephone Number

06/30/2020
Date of Certification

HOLLY BROWN
Name

TREASURER
Title

811 RT 208 MONROE, NY 10950
Official Address

(845) 782-2600
Official Telephone Number

VILLAGE OF South Blooming Grove
Financial Comments
For the Fiscal Year Ending 2019

(A) GENERAL

Adjustment Reason

Account Code A8015 TO ADJUST TO VILLAGE RECORDS

(FX) WATER

Adjustment Reason

Account Code FX8015 FOR CONSOLIDATION DURING YEAR OF MULTIPLE FUNDS, FUNDS MOVED FROM CAPITAL PROJECTS TO OPERATING

(G) SEWER

Adjustment Reason

Account Code G8015 FOR CONSOLIDATION OF ACCOUNTS DURING YEAR. OFFSET IN OTHER FUNDS. ALL OF THE ADJUSTMENTS ACROSS FUNDS EQUALIZE.

(H) CAPITAL PROJECTS

Adjustment Reason

Account Code H8015 TO ADJUST TO VILLAGE RECORDS. ALL BONDS & BANS SHOWN IN W FUND.

Section Comment

TO MOVE BANS TO EACH INDIVIDUAL FUND. NO CONSOLIDATED CAPITAL ACCOUNT. ALL BAN LIABILITIES SHOWN ON W FUND AS THERE ARE 3 SEPARATE BUDGETS & TAX COLLECTIONS FOR A FUND, WATER FUND & SEWER FUND. EACH FUND HAS A SEPARATE TAX BASE.

APPENDIX C

FORM OF BOND COUNSEL OPINION

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

April 14, 2021

The Board of Trustees of the
Village of South Blooming Grove, in the
County of Orange, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of South Blooming Grove (the “Village”), in the County of Orange, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$1,975,000 Refunding Serial Bonds-2021 (the “Bonds”), dated and delivered on the date hereof.

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

Concurrently with the issuance of the Bonds, the Village is issuing its \$1,000,000 Bond Anticipation Note-2021 Series A (the “Note”). The Bonds are treated, together with the Note, as a single issue for federal tax purposes. We have served as Bond Counsel with respect to the issuance of the Note and, on the date hereof, we have rendered our opinion with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Bonds and the Note to become subject to federal income taxation retroactive to the date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

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

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

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

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

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

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

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

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

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

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKINGS

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

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

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

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

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

“Issuer” shall mean the **Village of South Blooming Grove**, in the County of Orange, a municipal corporation of the State of New York.

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

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Village Treasurer as of March 24, 2021.

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

“Securities” shall mean the Issuer’s **\$1,975,000 Refunding Serial Bonds-2021**, dated April 14, 2021, maturing in various principal amounts on April 15 in each of the years 2022 to 2033, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York, to the EMMA System:

- (i) (A) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2021, the Annual Information relating to such fiscal year, and (B) no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2021, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the

Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933; and

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
 - (7) modifications to rights of Securities holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution, or sale of property securing repayment of the Securities, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following

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

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of April 14, 2021.

VILLAGE OF SOUTH BLOOMING GROVE

By _____
Village Treasurer and Chief Fiscal Officer