

AUGUST 10, 2021

ADDENDUM TO THE PRELIMINARY OFFICIAL STATEMENT
DATED JULY 30, 2021 RELATING TO:

**CROTON FALLS FIRE DISTRICT,
IN THE TOWN OF NORTH SALEM, WESTCHESTER COUNTY,
AND THE TOWNS OF CARMEL AND SOUTHEAST
PUTAM COUNTY, NEW YORK
(the “Fire District”)**

**\$2,815,000 FIRE DISTRICT REFUNDING SERIAL BONDS – 2021
(the “Bonds”)**

The following change have been made to the “Disclosure Compliance History” section of the Preliminary Official Statement:

Compliance History

The Fire District failed to file its Statement of Annual Financial and Operating Information and unaudited financial statements for fiscal year ending December 31, 2016 in a timely manner pursuant to a prior continuing disclosure undertaking. The material event notice was filed July 6, 2017.

The Fire District failed to file its Statement of Annual Financial and Operating Information and unaudited financial statements for fiscal year ending December 31, 2017 in a timely manner pursuant to a prior continuing disclosure undertaking. The material event notice was filed July 2, 2018.

The Fire District failed to file its Statement of Annual Financial and Operating Information and unaudited financial statements for fiscal year ending December 31, 2018 in a timely manner pursuant to a prior continuing disclosure undertaking. The material event notice was filed August 15, 2019.

The Fire District failed to file its unaudited financial statements for fiscal year ending December 31, 2019 in a timely manner pursuant to a prior continuing disclosure undertaking. The material event notice was filed June 29, 2020.

The Fire District failed to file its audited financial statements for fiscal year ending December 31, 2019 in a timely manner pursuant to a prior continuing disclosure undertaking. The material event notice was filed January 8, 2021.

PRELIMINARY OFFICIAL STATEMENT DATED JULY 30, 2021

REFUNDING SERIAL BONDS

RATING: MOODY'S INVESTOR SERVICE: " " "
See "Bond Rating", herein

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Fire District, 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, 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. See "Tax Matters" herein.

The Fire District will designate the Bonds as "qualified tax-exempt obligations" pursuant to the provision of Section 265(b)(3) of the Code.

**CROTON FALLS FIRE DISTRICT,
IN THE TOWN OF NORTH SALEM, WESTCHESTER COUNTY,
AND THE TOWNS OF CARMEL AND SOUTHEAST
PUTAM COUNTY, NEW YORK
(the "Fire District")**

**\$2,815,000 FIRE DISTRICT REFUNDING SERIAL BONDS – 2021
(the "Bonds")**

SEE BOND MATURITY SCHEDULE HEREIN

The Bonds are general obligations of the Fire District and will contain a pledge of the faith and credit of the Fire District 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 Fire District, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"). (See "Tax Levy Limit Law" herein).

The Bonds will not be subject to redemption prior to maturity. (See "No Optional Redemption" under "THE BONDS," herein.)

The Bonds will be issued as registered bonds and, at the option of the purchaser, the Bonds may be either (i) registered in the name of 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.

If the Bonds are registered in the name of the purchaser, a single bond certificate shall be issued for each maturity of the Bonds. Principal of and interest on such Bonds will be payable in Federal Funds by the Fire District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder.

Any 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 of book-entry bonds 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 the Bonds. Principal of and interest on any book-entry Bonds will be paid in Federal Funds by the Fire District 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 Fire District 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" under "THE BONDS," herein).

Proposals for the Bonds will be received at 11:00 A.M. (Prevailing Time) on August 12, 2021 at the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Bonds are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Bonds will be made through the facilities of DTC on or about August 26, 2021 in New York, New York.

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

**CROTON FALLS FIRE DISTRICT,
IN THE TOWN OF NORTH SALEM, WESTCHESTER COUNTY,
AND THE TOWNS OF CARMEL AND SOUTHEAST
PUTAM COUNTY, NEW YORK**

\$2,815,000 FIRE DISTRICT REFUNDING SERIAL BONDS – 2021

BOND MATURITY SCHEDULE

Dated: Date of Delivery

Principal Due: May 15, 2022-2031 inclusive
Interest Due: November 15, 2021, May 15, 2022 and
semi-annually thereafter on November
15 and May 15 in each year to maturity

<u>Amount*</u>	<u>Maturity</u>	<u>Rate</u>	<u>Price or Yield</u>	<u>CUSIP #</u>
\$ 290,000	2022			
290,000	2023			
285,000	2024			
285,000	2025			
280,000	2026			
280,000	2027			
275,000	2028			
275,000	2029			
270,000	2030			
285,000	2031			

*Amounts are subject to adjustment by the Fire District 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 and to effectuate the Fire District's plan of refunding.

**CROTON FALLS FIRE DISTRICT
IN THE TOWN OF NORTH SALEM, WESTCHESTER COUNTY
AND THE TOWNS OF CARMEL AND SOUTHEAST
PUTNAM COUNTY, NEW YORK**

PO Box 5
Croton Falls, New York 10519
Telephone: 914/669-5544
Fax: 914/669-6027

BOARD OF FIRE COMMISSIONERS

Robert Daros, Chairman

Angelo D'Agostino
Jeff Daday

Mark Morin

Joanne Weber, Treasurer
Marian Falk, Secretary

Fire District Attorney

Michael Liguori, Esq.
Brewster, New York

* * *

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

* * *

MUNICIPAL ADVISOR



12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
Website: <http://www.munistat.com>

No dealer, broker, salesman or other person has been authorized by the Fire District 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 Fire District. 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 Fire District 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 Fire District since the date hereof.

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OFFICIAL STATEMENT

CROTON FALLS FIRE DISTRICT, IN THE TOWN OF NORTH SALEM, WESTCHESTER COUNTY, AND THE TOWNS OF CARMEL AND SOUTHEAST PUTAM COUNTY, NEW YORK

\$2,815,000 FIRE DISTRICT REFUNDING SERIAL BONDS – 2021

This Official Statement and the appendices hereto present certain information relating to the Croton Falls Fire District in the Town of North Salem, Westchester County and the Towns of Carmel and Southeast, Putnam County, in the State of New York (the “Fire District,” “the County” and “the State,” respectively) in connection with the sale of \$2,815,000 Fire District Serial Bonds – 2021 (the “Bonds”) of the Fire District.

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the Fire District 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 Fire District 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 Fire District’s overall economic situation and outlook (and all of the specific Fire District-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*” herein.)

THE BONDS

Description of the Bonds

The Bonds will be dated the date of delivery, and will mature on May 15 in each of the years 2022 to 2031, inclusive, in the principal amounts as set forth on the inside cover page hereof. Interest on the Bonds will be payable on November 15, 2021, May 15, 2022 and semi-annually thereafter on November 15 and May 15 in each year to maturity.

The Bonds will be issued as registered bonds and, at the option of the purchaser, the Bonds may be either (i) registered in the name of 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.

If the Bonds are registered in the name of the purchaser, a single bond certificate shall be issued for each maturity of the Bonds. Principal of and interest on such Bonds will be payable in Federal Funds by the Fire District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder.

The Bonds issued in book-entry form will be issued as registered bonds, and, when issued, 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 the Bonds. Principal of and interest on any book-entry Bonds will be paid in Federal Funds by the Fire District 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 Fire District 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*” under “*THE BONDS*,” 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 Fire District will act as Fiscal Agent for any Bonds issued in book-entry form. For any Bonds issued as certificated bonds, the purchaser may be Paying Agent. Paying Agent fees, if any, will be paid for by the purchaser. The Fire District's contact information is as follows: Joanne Weber, Fire District Treasurer, Croton Falls Fire District in the Town of North Salem, Westchester County, and the Towns of Carmel and Southeast, Putnam County, PO Box 5, Croton Falls, New York 10519 telephone number 914/669-5544 and email: joanneweber@crotonfalls.com.

No Optional Redemption

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

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 is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of 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") and together with Direct Participant, the "Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of 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 of 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 Fire District 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 Fire District, 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 Fire District, 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 Securities Depository with respect to the Bonds at any time by giving reasonable notice to the Fire District or the Fire District may decide to discontinue use of the system of book-entry transfers through DTC. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered to the beneficial owners.

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

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the Fire District takes no responsibility for the accuracy thereof.

THE FIRE DISTRICT 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 OF 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; (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 FIRE DISTRICT 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 Fire District and discharging its responsibilities with respect thereto under applicable law, or the Fire District 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 Fire District 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 Fire District Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law.

Authorization and Purpose

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Town Law and the Local Finance Law, and the refunding bond resolution duly adopted by the Fire District Board of Fire Commissioners on June 16, 2021 (the “Refunding Bond Resolution”), authorizing the refunding of all or a part of the Fire District Serial Bonds – 2014 (the “2014 Bonds”), maturing in each of the years 2022 to 2031.

Summary of Refunded Bonds^a (the “Refunded Bonds”)

<u>2014 Bonds Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate (%)</u>	<u>Call Date</u>	<u>Call Price (%)</u>	<u>CUSIP Numbers</u>
05/15/2022	\$275,000	2.250%	09/27/2021	100.00	227768AZ1
05/15/2023	275,000	2.500	09/27/2021	100.00	227768BA5
05/15/2024	275,000	2.750	09/27/2021	100.00	227768BB3
05/15/2025	275,000	3.000	09/27/2021	100.00	227768BC1
05/15/2026	275,000	3.000	09/27/2021	100.00	227768BD9
05/15/2027	275,000	3.000	09/27/2021	100.00	227768BE7
05/15/2028	275,000	3.000	09/27/2021	100.00	227768BF4
05/15/2029	275,000	3.000	09/27/2021	100.00	227768BG2
05/15/2030	275,000	3.000	09/27/2021	100.00	227768BH0
05/15/2031	300,000	3.000	09/27/2021	100.00	227768BJ6

a. 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 Fire District for capital purposes and other matters relating thereto. (See “*Indebtedness of the Fire District*,” herein.)

Refunding Financial Plan

Pursuant to the Fire District’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 Fire District 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 U.S. Bank National Association, New York (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 Fire District 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 Fire District 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 Fire District and will continue to be payable from *ad valorem* taxes on all taxable real property in the Fire District. 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.

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.....	

VERIFICATION OF MATHEMATICAL COMPUTATIONS

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 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. 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.

The accuracy of the mathematical computations regarding the adequacy of the cash as deposit in the Escrow Fund, to pay, when due, the principal of and interest on the Refunded Bonds on the applicable payment date(s) will be verified by Causey Demgen & Moore, P.C. Such verification of the accuracy of the mathematical computation will be based, in part, upon factual information supplied by the Fire District and the Purchaser or the Municipal Advisor.

Security and Source of Payment

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

The Bonds will be general obligations of the Fire District and will contain a pledge of the faith and credit of the Fire District for the payment of the principal thereof and the interest thereon. The pledge of the faith and credit of municipalities and school districts mandated by Article VIII, Section 2, of the New York Constitution was upheld by the Court of Appeals in several cases decided at the time of the New York City financial crisis in the 1970s and 1980s (see *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 NY 2d 731 (1976) and subsequent cases). The opinion of the Court of Appeals in the *Flushing National Bank* decision states that "...an obligation containing a pledge of the City's 'faith and credit' is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words 'faith' and 'credit' are used and they are not tautological." In the words of the Court of Appeals, "That is what the words say and this is what the courts have held they mean..." is a clear statement as to the meaning of the pledge of faith and credit. Albeit the pledge of the faith and credit of a fire district (including the Fire District) is not constitutionally mandated, such pledge is required pursuant to the Local Finance Law (Section 100.00) for the incurrence of fire district indebtedness and should be accorded a similar judicial interpretation.

For the payment of such principal of and interest on the Bonds, the Fire District has the power and statutory authority to cause the levy of ad valorem taxes on all taxable real property in the Fire District, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

Pursuant to the Section 100.00 of the New York State Local Finance Law, the Fire District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds. The State is precluded from restricting the power of the Fire District to require the levy of 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 Fire District's power to cause an increase to its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Towns, on behalf of the Fire District, to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" 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 if the Fire District defaults 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 such default. Each Bond is a general obligation contract between the Fire District and the owner for which the faith and credit of the Fire District is pledged and while remedies for enforcement of payment are not expressly included in the Fire District's contract with such holders, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional. (See also "*Security and Source of Payment*" herein for discussion of the statutory (but not constitutional) mandate that a fire district, including the Fire District, pledge its faith and credit to the payment of its indebtedness.)

Upon default of the payment of principal of or interest on the Bonds, at suit of the owner, a Court has power in proper and appropriate proceedings to render a judgment against the Fire District. 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. Courts also have 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 Fire District to take all lawful action to obtain the same, including the inclusion of the required amount in the next request to the Town to place such amount in the next annual tax levy. In exercising its discretion as to whether to enter such an order, the Courts may take into account all relevant factors, including the current operating needs of the Fire District 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 things, seek to obtain a writ of mandamus from a Court requiring the governing body of the Fire District to cause the assessment, levy and collection of an *ad valorem* tax, upon all property of the Fire District subject to taxation by the Fire District, sufficient to pay the principal of and interest on the Bonds as the same shall come due (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 and notes, 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*, 41 N.Y.2d 644 (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 Fire District.

Pursuant to Article VIII, Section 2 of the State Constitution, municipalities and school districts are required to provide an annual appropriation of monies for the payment of due 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 Constitutional provision providing for first revenue set aside does not apply by its terms to the Fire District. However, pursuant to Section 100.00 of the Local Finance Law, a fire district, including the Fire District, must pledge its faith and credit to the payment of its indebtedness.

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 in the State have upheld and sustained the rights of bondholders and/or noteholders, a Court might hold that future events, including a financial crisis as such may occur in the State or in any of its political subdivisions, including municipalities and fire districts of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

NO DEFAULT STATE

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

BANKRUPTCY

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts and fire districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the Fire District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the Fire District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Fire District 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 above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the Fire District to 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 or that the Fire District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

THE FIRE DISTRICT

Description

The Fire District was established in 1938. The Fire District, comprising of approximately twenty-seven square miles is geographically situated as follows: twenty-three square miles in the Town of North Salem in Westchester County, two square miles in the Town of Carmel and two square miles in the Town of Southeast, the latter two towns located in Putnam County. The hamlets of Croton Falls, Purdys and North Salem are located in the Town of North Salem. Assessed and full valuations of that portion of the above towns within the Croton Falls Fire District are shown in the "Real Property Tax Information" section.

The area is primarily residential in nature. Most residential development consists of single family homes, including some large estates. Commercial facilities mainly include professional buildings and suburban shopping centers. Residents of the Fire District are served by the Harlem Division of the Metro North Railroad. Highways serving the Fire District include Interstate Highway 684, with two interchanges and State Route 22. The portion of the Fire District within the Towns of Carmel and Southeast in Putnam County are primarily residential.

Population in the Town of North Salem was 5,124 according to the 2019 U.S. Census estimate. The population of the Fire District is currently estimated at 6,000. For 2018, the Town's per capita money income was \$166,750.

The Fire District operates with ten pieces of apparatus including three pumpers, a pumper/tanker, two brush trucks, one heavy rescue vehicle, Utility vehicle, Ladder Truck and a Polaris ATV, and responds to approximately 600 calls annually.

District Organization

The Fire District is governed by a five-member Board of Fire Commissioners who are elected to five-year terms on a staggered basis. The Chairman of the Board is elected annually by the Commissioners, and the Board appoints a Secretary each year. The Treasurer, who serves as the Chief Fiscal Officer of the District, is appointed to a one-year term. A volunteer force is responsible for operation of the equipment and apparatus.

Employees

The Fire District has four part-time employees, neither of whom are covered under a union contract.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Characteristics

The following table sets forth population statistics for the Town of North Salem, Westchester County and New York State. It should not be inferred from the inclusion of such data in this Statement that the Fire District is necessarily representative of the Town, County or State or vice versa.

<u>Year</u>	<u>Town of North Salem</u>	<u>Westchester County</u>	<u>New York State</u>
1990	4,922	874,866	17,990,455
2000	5,173	923,459	18,976,457
2010	5,104	949,113	19,378,102
2019	5,124	967,506	19,453,561

Source: U.S. Bureau of the Census.

	<u>Median Income of Families</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2019^a</u>
Town of North Salem	27,918	48,818	69,054	68,976
County of Westchester	25,584	36,726	46,972	57,049
State of New York	16,501	23,389	30,791	39,326

	<u>Per Capita Money Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2019^a</u>
Town of North Salem	71,792	109,468	145,606	\$166,750
County of Westchester	58,862	79,881	98,078	122,800
State of New York	39,741	51,691	67,405	82,150

Source: United States Department of Commerce, Bureau of the Census

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

Selected Listing of Largest Employees

<u>Name</u>	<u>Type</u>	<u>Approx.# Employees</u>
North Salem School District	Education	234
Town of North Salem.	Local Government	56
Waterview Nursing Home	Healthcare	190
Salem Hills Nursing Home	Healthcare	140

Source: Town Officials.

Unemployment Rate Statistics

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

<u>Annual Averages</u>	<u>Westchester County</u>	<u>Putnam County</u>	<u>New York State</u>
2016	4.0	4.2	4.9
2017	4.2	4.5	4.6
2018	3.7	3.9	4.1
2019	3.7	3.8	4.0
2020	7.6	8.4	10.0
2021 (4 Month Average)	5.5	6.3	8.8

Source: Department of Labor, State of New York

INDEBTEDNESS OF THE FIRE DISTRICT

Constitutional Requirements. The New York State Constitution (Article VIII, Section 2) does not directly address the power of fire districts, including the Fire District, to contract indebtedness and the levy of taxes upon real estate in support thereof (although Article VIII, Section 3 thereof excludes, inter alia, fire districts from limitations imposed therein upon municipal or other corporations possessing the power to contract indebtedness or to levy or require the levy of taxes or benefit assessments upon real estate).

Local Finance Law Requirements. The New York State Local Finance Law limits the power of the Fire District (and municipalities, school and other fire districts of the State) to issue obligations and contract indebtedness. Such limitations include the following, in summary form, and are generally applicable to the Fire District and the Bonds.

Purpose and Pledge. Pursuant to the Local Finance Law, the Fire District 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 Fire District may contract indebtedness only for a Fire District 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 periods of probable usefulness of the objects or purposes 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 Fire District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Fire District 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 Fire District is subject to certain statutory limitations restricting the powers of the Fire District in the areas of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Fire District, so as to prevent abuses in the exercise of such powers. As has been noted under "*Security and Source of Payment*", the State Legislature is prohibited from restricting the power of the Fire District to cause the levy of 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 Fire District's power to increase its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Fire District to cause the levy of certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein).

Statutory Procedure

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

Pursuant to the Local Finance Law, the Fire District authorizes the issuance of bonded indebtedness by the adoption of a bond resolution approved by a vote of at least three-fifths of the entire membership of the Board of Fire Commissioners, which, pursuant to the Local Finance Law, is the finance board of the Fire District. All of such resolutions are subject to referendum.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, appropriates the requisite funds, authorizes the issuance of serial bonds to finance the appropriation, 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 to such object or purpose.

Each bond resolution also provides for the authorization of the issuance of bond anticipation notes prior to the issuance of the subject serial bonds. Statutory law in New York permits notes to be renewed each year provided that (i) amortization of principal commences within two years of the date of incurrence of the debt, and, (ii) such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. (See "*Payment and Maturity*" under "*Constitutional Requirements*" herein).

The Local Finance Law also provides for a twenty-day statute of limitations commenced by publication of the bond resolution or a summary thereof, following its effective date which, in effect, thereafter estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations.

In addition, pursuant to the bond resolution, the Board of Fire Commissioners may delegate to the Fire District Treasurer, the chief fiscal officer of the Fire District, the power to issue and sell bonds and bond anticipation notes.

In general, the Local Finance Law contains similar provisions providing the Fire District with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes, subject to the prescribed statutory procedures and limitations.

Debt Limit. The Fire District has the power to contract indebtedness for any Fire District purpose authorized by the Legislature of the State so long as the aggregate principal amount thereof shall not exceed three per centum (3.00%) of the full valuation of taxable real property of the Fire District, except as otherwise provided by the New York Local Finance Law, and subject to certain enumerated exclusions and deductions such as cash or appropriations for principal of debt. The three per centum limit may be exceeded if the proposition for approval of the bond resolution is approved by a two-thirds vote of the qualified voters of the Fire District and the State Comptroller consents thereto. The method for determining full valuation is by taking the assessed valuation of taxable real property for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

There is no constitutional limitation on the amount that may be raised by the Fire District 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 Fire District to increase its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Fire District to cause the levy of certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein).

The following pages set forth certain details with respect to the indebtedness of the Fire District.

Computation of Constitutional Debt Contracting Margin
(As of July 30, 2021)

<u>In Towns of:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate (%)</u>	<u>Full Valuation</u>
North Salem	\$1,485,564,304	100.00	\$1,485,564,304
Carmel	163,647,544	100.00	163,647,544
Southeast	28,100,369	100.00	28,100,369
Total	<u>\$1,677,312,217</u>		<u>\$ 1,677,312,217</u>
Debt Limit - 3% of Full Valuation			\$50,319,367
Inclusions:			
Outstanding Bonds			\$2,775,000
Bond Anticipation Notes			<u>0</u>
Total Indebtedness			<u>2,775,000</u>
Exclusions			
Appropriations			0
Other Exclusions			<u>0</u>
Total Exclusions			0
Total Net Indebtedness			<u>2,775,000</u>
Net Debt Contracting Margin			<u><u>\$47,544,367</u></u>
Per Cent of Debt Contracting Margin Exhausted			5.51%

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Debt Service Requirements - Outstanding Bonds^a

Fiscal Year Ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$275,000	\$81,875	\$356,875
2022	275,000	76,031	351,031
2023	275,000	69,500	344,500
2024	275,000	62,281	337,281
2025	275,000	54,375	329,375
2026	275,000	46,125	321,125
2027	275,000	37,875	312,875
2028	275,000	29,625	304,625
2029	275,000	21,375	296,375
2030	275,000	13,125	288,125
2031	<u>300,000</u>	<u>4,500</u>	<u>304,500</u>
Totals	<u>\$3,050,000</u>	<u>\$496,688</u>	<u>\$3,546,688</u>

a. Does not include payments made to date

Details of Short-Term Indebtedness Outstanding (As of July 30, 2021)

As of the date of this Official Statement, the Fire District has no outstanding short-term debt.

Authorized and Unissued Debt

As of the date of this Official Statement, the Fire District has no authorized but unissued debt

Trend of Outstanding Indebtedness

	<u>Fiscal Year Ending December 31:</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds	\$4,290,000	\$3,800,000	\$3,550,000	\$3,300,000	\$3,050,000
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Outstanding Debt	<u>\$4,290,000</u>	<u>\$3,800,000</u>	<u>\$3,550,000</u>	<u>\$3,300,000</u>	<u>\$3,050,000</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 Westchester.	03/31/2021	0.75%	\$9,148,871	\$5,173,872
County of Putnam	07/31/2020	0.97	488,056	461,332
Towns:				
North Salem	07/15/2020	100.00	9,716,196	8,913,915
Carmel	09/08/2020	2.20	678,106	425,841
Southeast	12/31/2019	1.20	140,292	103,142
North Salem Central School District	05/28/2021	90.00	<u>10,683,410</u>	<u>10,683,410</u>
Totals			<u>\$30,854,930</u>	<u>\$25,761,512</u>

Sources: State Comptroller's Special Report on Municipal Affairs or more recently published Official Statements.

Debt Ratios (As of July 30, 2021)

	<u>Amount</u>	<u>Per Capita</u>	<u>Percentage Of Full Value</u>
Total Direct Debt	\$2,775,000	\$ 463	0.17%
Net Direct Debt	2,775,000	463	0.17
Total Direct & Applicable Total Overlapping Debt	33,629,930	5,605	2.00
Net Direct & Applicable Net Overlapping Debt	28,536,512	4,756	1.70

Current Population of the Fire District is 6,000.

The full valuation of taxable property is \$1,677,312,217.

FINANCES OF THE FIRE DISTRICT

Impact of COVID-19

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 Fire District's financial condition and operating results in various ways, including by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus in some areas and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the Fire District's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or a resurgence could have a material adverse effect on the State and municipalities and school districts located in the State, including the Fire District. The Fire District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

Financial Statements and Accounting Procedures

The Financial Statements of the Fire District are audited annually by an independent public accountant. For the fiscal year 2019, the audit was performed by the firm RRC Price CPA's, P.C. The Annual Financial Update Document for the fiscal year ended December 31, 2020 is attached as Appendix B.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the GML, the Fire District 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 Fire District 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 Fire District, 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 Fire District pursuant to law, in obligations of the Fire District.

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 Fire District, 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 Fire Commissioners of the Fire District 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 Fire District are made in accordance with such policy.

Service Award Program

The Fire District does not participate in a Service Award Program.

Budgetary Procedures

The Fire District's fiscal year begins on January 1 and ends on December 31. The Fire District Treasurer is the budget officer. The budget officer prepares a tentative budget each year and furnishes a copy to each member of the Board of Commissioners. The Board of Commissioners reviews the tentative budget and makes such changes, alterations and revisions as it shall consider advisable. Revisions (if any) are made and the budget is then affixed to the tentative Towns of North Salem, Carmel and Southeast budget as a part thereof. No change shall be made by the Town Board in the budget submitted by the Fire District. The Town levies and collects taxes in an amount equal to the amount required to be collected. The Fire District's budget is subject to the provisions of Chapter 97 of the Laws of 2011, which imposes a limitation on the amount of real property taxes that a fire district may levy in a given year. (See *Tax Levy Limit Law*, herein).

Basis of Accounting

Each year the Fire District prepares an Annual Report by Fire District Treasurer which is submitted to the Office of State Comptroller, Division of Municipal Affairs, Bureau of Municipal Research and Statistics. The financial affairs of the Fire District are subject to periodic audit by the State Comptroller. Additionally, the financial statements of the Fire District are audited annually by an independent public accountant. For the fiscal year 2019, the audit was performed by the firm RRC Price CPA's, P.C.

The Fire District complies with the Uniform System of Accounts as prescribed by the Department of Audit and Control of the State of New York. This system conforms with generally accepted accounting principles as promulgated in the American Institute of Certified Public Accountants' Industry Audit Guide. "Audits of State and Local Governmental Units", and codified in "Government Accounting, Auditing and Financial Reporting" (GAFFR), published by the National Committee on Government Accounting.

The Statements of Revenues, Expenditures and Changes in Fund Balances presented in Appendix A of this Statement are based on the Financial Statements for the 2016-2020 fiscal years.

Revenues

The Fire District receives most of its revenue from a real property tax on all non-exempt real property situated within the Fire District. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A.

Real Property Taxes

See "*Tax Information*", herein

Expenditures

A summary of such Expenditures for the five most recently completed fiscal years may be found in Appendix A.

TAX INFORMATION

Real Property Taxes

Methods and procedures to require the levy, collection and enforcement of this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the Fire District are prepared by the Towns of North Salem, Carmel and Southeast. Assessment valuations are determined by the Town assessor and the State Office of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Office 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 aid and are used by many localities in the calculation or debt contracting and real property taxing limitations. The Fire District is not subject to constitutional real property taxing limitations. On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Fire District, without providing a exclusion for debt service on obligations issued by municipalities and fire districts, including the Fire District. (See "*Tax Levy Limit Law*," herein).

Tax Collection Procedure

Fire District

Fire District taxes are collected by the Town Receiver of Taxes and are payable in one full payment, with the one full payment payable from April 1st to April 30th without penalty. After April 30th, a 2% penalty is applied, after May 31st a 5% penalty is applied, after July 31st a 7% penalty is applied, after September 30th a 10% penalty is applied, after December 31st a 12% penalty is applied until April 30th. Thereafter 1% per month until either the date that all taxes and assessments are paid, the date on which the municipality takes title to the delinquent property, or up until the date the property is finally redeemed. New York State has mandated the elimination of annual tax lien sales. A \$2.00 mandatory charge is due in addition to any delinquent penalties. As the Fire District receives the full amount of its taxes from the Town of North Salem, there are no uncollected taxes as far as the Fire District is concerned.

Westchester County

Real property taxes are levied and collected on behalf of the Fire District by the Town of North Salem. The tax bills are mailed out at the end of March and are due on or before April 30th. If the payment is not received by April 30th the payment penalty added to the tax bill is as indicated for the month paid: May 2%; June & July 5%; August & September 7%; October, November & December 10%; January through April 12%; May (following year) 13%; June (following year) 14%.

According to the County Tax Code, the Town must remit fire taxes collected on behalf of the Fire District to the Fire District by the fifth day of the month following their collection. In addition, the Town is obligated to pay the Fire District the full amount of its tax levy in each year. The Fire District is therefore guaranteed 100% of its real property tax during any fiscal year. Subsequently, the Town enforces unpaid fire taxes in the same manner as unpaid Town taxes.

Putnam County

Property taxes are levied and collected on behalf of the Fire District by the Towns of Carmel and Southeast. Real property taxes are levied and payable on January 1 each year. Taxpayers have the option of paying in full or in two installments. Wholly uncollected taxes are returned to the County on April 1 and partial unpaid taxes are returned to the County on August 1; interest on unpaid taxes is charged at the rate of 12% per annum. The Towns retain the total amount of Fire District levies from the total collections and return the balances plus the uncollected items to the County, which assumes responsibility for ultimate collection and enforcement of delinquent taxes.

Tax Levy Limit Law

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

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Fire District, subject to certain exceptions. The Tax Levy Limit Law permits the Fire District 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 Fire District is required to calculate its tax levy limit for the upcoming year in accordance with the provisions 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 Fire District, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Fire District. The Board of Fire Commissioners of the Fire District can adopt a resolution, approved by a vote of sixty percent of the total voting power of the Board of Fire Commissioners, to override the tax levy limit for a given year.

There can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating applicable law (i) for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) by limiting the pledge of its faith and credit by a fire district for the payment of debt service on obligations issued by such fire district because 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 Fire District or such indebtedness incurred after the effective date of the Tax Levy Limit Law.

Valuations, Rates, Levies and Collections

A summary of valuations, rates and levies is contained in Appendix A.

Selected Listing of Large Taxable Properties
2020-2021 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
City of New York DEP	Water Supply	\$139,204,500
Mokray Acquisitions 1	Nursing Homes	13,197,300
Nash Road Holdings LLC	Residential	19,495,900
Finch Farm LLC	Farm	5,303,300
Gotham Enterprises LLC	Estate	12,334,300
NYSEG	Utility	11,006,800
The Auburn Group LLC	Estate	12,203,300
ZHW 1 RE LLC	Estate	7,649,300
DF Land LLC	Estate	7,576,100
Declaration of Trust	Estate	<u>6,430,300</u>
		<u>\$234,401,100</u>

a. Represents 13.79% of the taxable assessed valuation for 2019-2020.

LITIGATION

In common with other fire districts, the Fire District from time to time may receive notices of claim and is party to litigation. Currently, in the opinion of the Fire District attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending in which the Fire District has not asserted and/or has the ability to assert a substantial and adequate defense, if determined against the Fire District, would have a substantial adverse material effect on the financial condition of the Fire District

RISK FACTORS

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

The Fire District's credit rating could be affected by circumstances beyond the Fire District'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 Fire District 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 Fire District'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 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 Fire District 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.

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 Fire District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the Fire District, may affect the market price and/or marketability for the Bonds. (See “*The Tax Levy Limit Law*” herein.)

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

CYBERSECURITY

The Fire District, 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 Fire District 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 Fire District 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 Fire District digital networks and systems and the costs of remedying any such damage could be substantial.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Fire District, 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 Fire District (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 Fire District in connection with the Bonds, and Bond Counsel has assumed compliance by the Fire District 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 Fire District, 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 Fire District, in executing the Tax Certificate, will certify to the effect that the Fire District 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 Bonds is expected to be the initial public offering price set forth on the cover page of the 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 bond 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

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 Bond 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 bondholders 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 final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, in substantially the form set forth in Appendix C.

DISCLOSURE UNDERTAKING

In order to assist the purchasers of the Bonds in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Fire District will execute an undertaking to provide continuing disclosure, in substantially the form set forth in Appendix D.

Compliance History

The Fire District failed to file its Statement of Annual Financial and Operating Information and unaudited financial statements for fiscal year ending December 31, 2016 in a timely manner pursuant to a prior continuing disclosure undertaking. The material event notice was filed July 6, 2017.

The Fire District failed to file its Statement of Annual Financial and Operating Information and unaudited financial statements for fiscal year ending December 31, 2017 in a timely manner pursuant to a prior continuing disclosure undertaking. The material event notice was filed July 2, 2018.

The Fire District failed to file its Statement of Annual Financial and Operating Information and unaudited financial statements for fiscal year ending December 31, 2018 in a timely manner pursuant to a prior continuing disclosure undertaking. The material event notice was filed August 15, 2019.

The Fire District failed to file its unaudited financial statements for fiscal year ending December 31, 2019 in a timely manner pursuant to a prior continuing disclosure undertaking. The material event notice was filed June 29, 2020.

The Fire District failed to file its audited financial statements for fiscal year ending December 31, 2019 in a timely manner pursuant to a prior continuing disclosure undertaking. The material event notice was filed January 8, 2021.

BOND RATING

The Fire District has applied to Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761, for a rating on the Bonds. Such application is pending at this time. The rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price and the availability of a secondary market for the outstanding bonds and notes of the Fire District.

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 Fire District 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 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 Fire District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Fire District or the information set forth in this Official Statement or any other information available to the Fire District 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 Joanne Weber, Fire District Treasurer, Croton Falls Fire District in the Town of North Salem, Westchester County, and the Towns of Carmel and Southeast, PO Box 5, Croton Falls, New York 10519 telephone number 914/669-5544 and email: joanneweber@crotonfalls.com 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 Fire District's management's beliefs as well as assumptions made by, and information currently available to, the Fire District'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 Fire District's files with the repositories. When used in Fire District'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.

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 Fire District nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the Fire District 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 Fire District 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 Fire District and the original purchasers or owners of any of the Bonds.

The preparation and distribution of this Official Statement has been authorized by the bond resolution of the Fire District which delegates to the Fire District Treasurer the power to sell and issue the Bonds.

CROTON FALLS FIRE DISTRICT,
IN THE TOWN OF SALEM, WESTCHESTER
COUNTY, AND THE TOWNS OF CARMEL AND
SOUTHEAST PUTNAM COUNTY, NEW YORK

By JOANNE WEBER
Fire District Treasurer and Chief Fiscal Officer
Croton Falls Fire District, in the Town of Salem and the
Towns of Carmel and Southeast Putnam County
Croton Falls, New York

August , 2021

APPENDIX A

FINIANCIAL INFORMATION

CROTON FALLS FIRE DISTRICT
RESULTS OF OPERATIONS AND CHANGES IN FUND BALANCE
GENERAL FUND

	Fiscal Year Ending December 31:				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues					
Real Property Taxes	\$ 1,436,757	\$ 1,447,343	\$ 1,473,420	\$ 1,524,414	\$ 1,500,967
Rental Income	84,910	91,788	109,083	110,606	115,253
Grant Income	139,441				
Sale of Property and Equipment	30,000		3,100	24,500	93
Interest Income	2,066	1,257	917	9,285	21,090
Reimbursements and Miscellaneous	15,390	38,272	25,673	21,423	2,230
Total Revenues	1,708,564	1,578,660	1,612,193	1,690,228	1,639,633
Expenditures					
Personal services	52,359	52,500	53,875	80,082	82,250
Equipment	137,150	147,743	83,938	68,080	621,580
Contractual Other Expenses	583,879	504,652	437,343	436,701	491,973
Payroll Taxes	5,081	4,016	4,121	6,163	6,404
Insurance	109,153	95,862	116,161	124,594	51,601
Debt Service- Principal	335,000	365,000	370,000	375,000	380,000
Debt Service- Interest	129,180	120,443	111,188	101,688	92,000
Capital Expenditures	31,468	775,028	398,059	569,815	
Total Expenditures	1,383,270	2,065,244	1,574,685	1,762,123	1,725,808
Other Financing Sources/(Uses)					
Interfund Transfers In	657,272	956,453	1,646,346	2,462,423	-
Interfund Transfers Out	(657,272)	(956,453)	(1,646,346)	(2,462,423)	-
Total Detail Financing Sources/(Uses)	0	0	0	0	
Changes in Fund Equity	325,294	(486,584)	37,508	(71,895)	(86,175)
Prior Period Adjustment					(691)
Fund Equity (Deficit) - Beginning	1,210,428	1,535,722	1,049,138	1,086,646	1,014,751
Fund Equity End of Year	\$ <u>1,535,722</u>	\$ <u>1,049,138</u>	\$ <u>1,086,646</u>	\$ <u>1,014,751</u>	\$ <u>927,885</u>

Note: This Schedule is not Audited.

Source: Audited Annual Financial Reports, (2016-2019) & Annual Financial Report Update Document (2020).

**CROTON FALLS FIRE DISTRICT
BALANCE SHEET**

GENERAL FUND

Fiscal Year Ended December 31:

	<u>2019</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash	\$ 1,038,433	\$ 945,731
Other Assets	<u>0</u>	<u>0</u>
Total Assets	<u><u>1,038,433</u></u>	<u><u>945,731</u></u>
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable & Accrued Expenses	403,682	17,846
Non-Current Governmental Liabilities	<u>3,050,000</u>	<u>0</u>
Total Liabilities	<u><u>\$ 3,453,682</u></u>	<u><u>\$ 17,846</u></u>
Fund Balance:		
Unassigned	\$ 558,729	\$ 927,885
Restricted	456,022	0
Investment in Non-Current Government Assets	<u>11,727,739</u>	<u>0</u>
Total Fund Balances	<u><u>12,742,490</u></u>	<u><u>927,885</u></u>
Total Liabilities & Fund Equity	<u><u>\$ 16,196,172</u></u>	<u><u>\$ 945,731</u></u>

Source: Audited Annual Financial Report (2019) and
Annual Financial Report Update Document (2020).

Croton Falls Fire District
Budget Summary
Fiscal Year Ending December 31:

	<u>2021</u>	<u>2020</u>
Revenues:		
Real Property Taxes	\$ 1,501,675	\$ 1,501,800
Interest and Earnings	1,000	1,000
Rentals	<u>99,000</u>	<u>99,000</u>
 Total Revenues	 <u><u>\$ 1,601,675</u></u>	 <u><u>\$ 1,601,800</u></u>
 Expenditures		
Personal Services	\$ 57,000	\$ 57,000
Equipment	55,000	55,000
Contractual Other Expenses	711,400	711,400
Social Security	6,400	6,400
Workers Compensation Insurance	60,000	60,000
Medical Insurance	20,000	20,000
Blanket Insurance	60,000	60,000
Debt Service - Principal	275,000	337,125
Debt Service - Interest	81,875	134,875
Transfer to Reserve Fund	<u>275,000</u>	<u>160,000</u>
 Total Expenditures	 <u><u>\$ 1,601,675</u></u>	 <u><u>\$ 1,601,800</u></u>

Source: Adopted Budget of the Fire District.

**CROTON FALLS FIRE DISTRICT
IN THE TOWN OF NORTH SALEM, WESTCHESTER COUNTY,
AND THE TOWNS OF CARMENT ANDF SOUTHEAST**

APPENDIX B

**ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

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. CONSENT OF THE AUDITORS HAS NOT BEEN REQUESTED OR OBTAINED.

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

ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT
For The
FIRE DISTRICT of Croton Falls
County of Westchester
For the Fiscal Year Ended 12/31/2020

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

FIRE DISTRICT OF Croton Falls

*** 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 2019 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2020:

- (A) GENERAL
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2019 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.

Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Cash	1,031,770	A200	945,731
TOTAL Cash	1,031,770		945,731
TOTAL Assets and Deferred Outflows of Resources	1,031,770		945,731

Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Balance Sheet

Code Description	2019	EdpCode	2020
Accounts Payable	17,709	A600	17,846
TOTAL Accounts Payable	17,709		17,846
TOTAL Liabilities	17,709		17,846
Fund Balance			
Unassigned Fund Balance	1,014,060	A917	927,885
TOTAL Unassigned Fund Balance	1,014,060		927,885
TOTAL Fund Balance	1,014,060		927,885
TOTAL Liabilities, Deferred Inflows And Fund Balance	1,031,770		945,730

Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Results of Operation

Code Description	2019	EdpCode	2020
Revenues			
Real Property Taxes	1,524,414	A1001	1,500,967
TOTAL Real Property Taxes	1,524,414		1,500,967
Interest And Earnings	27,209	A2401	21,090
Rental of Real Property	110,606	A2410	115,253
TOTAL Use of Money And Property	137,816		136,343
Sales of Equipment	24,500	A2665	
Insurance Recoveries		A2680	93
TOTAL Sale of Property And Compensation For Loss	24,500		93
Refunds of Prior Year's Expenditures	3,499	A2701	2,230
TOTAL Miscellaneous Local Sources	3,499		2,230
TOTAL Revenues	1,690,229		1,639,632
TOTAL Detail Revenues And Other Sources	1,690,229		1,639,632

Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Results of Operation

Code Description	2019	EdpCode	2020
Expenditures			
Fire, Pers Serv	80,156	A34101	82,250
Fire, Equip & Cap Outlay	619,248	A34102	621,580
Fire, Contr Expend	543,423	A34104	491,973
TOTAL Fire	1,242,828		1,195,803
TOTAL Public Safety	1,242,828		1,195,803
Social Security, Employer Cont	12,326	A90308	6,404
Worker's Compensation, Empl Bnfts	33,749	A90408	41,449
Disability Insurance, Empl Bnfts		A90558	425
Hospital & Medical (dental) Ins, Empl Bnft		A90608	9,727
TOTAL Employee Benefits	46,075		58,005
Debt Principal, Serial Bonds	375,000	A97106	380,000
TOTAL Debt Principal	375,000		380,000
Debt Interest, Serial Bonds	101,688	A97107	92,000
TOTAL Debt Interest	101,688		92,000
TOTAL Expenditures	1,765,590		1,725,808
TOTAL Detail Expenditures And Other Uses	1,765,590		1,725,808

Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Analysis of Changes in Fund Balance

Code Description	2019	EdpCode	2020
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	1,089,422	A8021	1,014,060
Restated Fund Balance - Beg of Year	1,089,422	A8022	1,014,060
ADD - REVENUES AND OTHER SOURCES	1,690,229		1,639,632
DEDUCT - EXPENDITURES AND OTHER USES	1,765,590		1,725,808
Fund Balance - End of Year	1,014,060	A8029	927,885

Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Budget Summary

Code Description	2020	EdpCode	2021
Estimated Revenues			
Est Rev - Real Property Taxes	1,501,800	A1049N	1,501,675
Est Rev - Use of Money And Property	100,000	A2499N	100,000
TOTAL Estimated Revenues	1,601,800		1,601,675
TOTAL Estimated Revenues And Other Sources	1,601,800		1,601,675

Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Budget Summary

Code Description	2020	EdpCode	2021
Appropriations			
App - Public Safety	963,400	A3999N	1,045,275
App - Employee Benefits	6,400	A9199N	6,400
App - Debt Service	472,000	A9899N	275,000
TOTAL Appropriations	1,441,800		1,326,675
Other Budgetary Purposes	160,000	A962N	275,000
App - Interfund Transfer	0	A9999N	
TOTAL Other Uses	160,000		275,000
TOTAL Appropriations And Other Uses	1,601,800		1,601,675

Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

Balance Sheet

Code Description	2019	EdpCode	2020
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Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

Balance Sheet

Code Description	2019	EdpCode	2020
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Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

Results of Operation

Code Description	2019	EdpCode	2020
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Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

Results of Operation

Code Description	2019	EdpCode	2020
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Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

Code Description	2019	EdpCode	2020
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year		H8021	
Restated Fund Balance - Beg of Year		H8022	
Fund Balance - End of Year		H8029	

Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Buildings	10,460,767	K102	11,727,739
TOTAL Fixed Assets (net)	10,460,767		11,727,739
TOTAL Assets and Deferred Outflows of Resources	10,460,767		11,727,739

Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2019	EdpCode	2020
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	10,460,767	K159	11,727,739
TOTAL Investments in Non-Current Government Assets	10,460,767		11,727,739
TOTAL Fund Balance	10,460,767		11,727,739
TOTAL	10,460,767		11,727,739

Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Total Non-Current Govt Liabilities	3,430,000	W129	3,050,000
TOTAL Provision To Be Made In Future Budgets	3,430,000		3,050,000
TOTAL Assets and Deferred Outflows of Resources	3,430,000		3,050,000

Croton Falls FIRE DISTRICT
Annual Update Document
For the Fiscal Year Ending 2020

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2019	EdpCode	2020
Liabilities, Deferred Inflows And Fund Balance			
Bonds Payable	3,430,000	W628	3,050,000
TOTAL Bond And Long Term Liabilities	3,430,000		3,050,000
TOTAL Liabilities	3,430,000		3,050,000
TOTAL Liabilities	3,430,000		3,050,000

Croton Falls FIRE DISTRICT
Statement of Indebtedness
For the Fiscal Year Ending 2020

5/25/2021

County of: Westchester

Municipal Code: 551160002500

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
2010	BOND N	Construction			09/15/2005	09/15/2020	3.75%			\$130,000	\$130,000	\$0	\$0		\$0
2014	BOND N	Fire House Construction		Y	11/20/2014	11/15/2031	2.00%	Y	\$4,500,000	\$3,300,000	\$250,000	\$0	\$0		\$3,050,000
Total for Type/Exempt Status - Sums Issued Amt only made in AFR Year									\$0	\$3,430,000	\$380,000	\$0	\$0	\$0	\$3,050,000
AFR Year Total for All Debt Types - Sums Issued Amt only made in AFR Year									\$0	\$3,430,000	\$380,000	\$0	\$0	\$0	\$3,050,000

Croton Falls FIRE DISTRICT
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2020

	<u>EDP Code</u>	<u>Amount</u>
CASH:		
On Hand	9Z2001	\$0.00
Demand Deposits	9Z2011	\$945,730.75
Time Deposits	9Z2021	
Total		\$945,730.75
COLLATERAL:		
- FDIC Insurance	9Z2014	\$175,896.99
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$777,532.34
Total		\$953,429.33
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	
- 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	

Croton Falls FIRE DISTRICT
Bank Reconciliation
For the Fiscal Year Ending 2020

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-5881	\$115,601	\$0	\$80,037	\$35,564
*****-8688	\$8,030	\$0	\$0	\$8,030
*****-8703	\$2,278	\$0	\$0	\$2,278
*****-8696	\$12,273	\$0	\$4,263	\$8,010
*****-7527	\$122,014	\$0	\$0	\$122,014
*****-0001	\$423,135	\$0	\$0	\$423,135
*****-0002	\$223,557	\$0	\$0	\$223,557
*****-0003	\$123,142	\$0	\$0	\$123,142
Total Adjusted Bank Balance				\$945,731
Petty Cash				\$0.00
Adjustments				\$0.00
Total Cash			9ZCASH *	\$945,731
Total Cash Balance All Funds			9ZCASHB *	\$945,731
* Must be equal				

Croton Falls FIRE DISTRICT
Fire District Questionnaire
For the Fiscal Year Ending 2020

	Response
1) Has your district adopted a written procurement policy and is it complied with?	Y
2) Has your district contracted to have an independent audit of its financial statements? If not, has the Board of Fire Commissioners performed an internal audit of the Treasurer's records and reports?	Y
3) Does your district have a written travel policy and is it complied with?	N
4) Are monthly bank reconciliations performed?	Y
5) What is your district's statutory spending limitation margin (amount) for the next fiscal	\$552,094
6) Does your district have a Length of Service Award Program (LOSAP) for volunteer firefighters?	
If so, how are the LOSAP funds invested?	
Marketable Securities	
Annuities	
Life Insurance	
Other (describe)	
7) Has your Fire District adopted an investment policy as required by General Municipal Law, Section 39?	Y

Croton Falls FIRE DISTRICT
Employee and Retiree Benefits
For the Fiscal Year Ending 2020

Total Full Time Employees:					
Total Part Time Employees:		4			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System				
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security	\$6,403.81			
90408	Worker's Compensation Insurance	\$37,024.67			
90458	Life Insurance				
90508	Unemployment Insurance				
90558	Disability Insurance	\$424.60			
90608	Hospital and Medical (Dental) Insurance	\$9,727.00			
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
Total		\$53,580.08			
Computed Total From Financial Section (comparative purposes only)		\$58,004.68			

Croton Falls FIRE DISTRICT
Energy Costs and Consumption
For the Fiscal Year Ending 2020

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline			gallons	
Diesel Fuel	\$13,335		gallons	
Fuel Oil	\$6,586		gallons	
Natural Gas			cubic feet	
Electricity	\$12,042		kilowatt-hours	
Coal			tons	
Propane	\$11,856		gallons	

FIRE DISTRICT DEMOGRAPHICS

Postal or Mailing Address:

P.O. Box 5	Croton Falls	NY	10519
Street Address or PO Box	City	State	Zip
(914) 669-5544	(914) 669-6027		
Fire District Telephone Number	Fire District Fax Number		
cffiredistrict@crotonfallsfire.com			
Official Email Address	Website		
Physical Address: (If Different From Postal Address)			
301 Titicus Road	North Salem	NY	10560
Street Address	City	State	Zip

BOARD DEMOGRAPHICS

CHIEF FISCAL OFFICER

Joanne Weber	Treasurer		
Name	Title		
P.O. Box 355	North Salem	NY	10560
Street Address or PO Box	City	State	Zip
(845) 494-0681	() -		
Telephone Number	Fax Number		
joanne.weber@crotonfallsfire.com	12/31/2021		
Email Address	Term End Date		

CHAIRMAN OF THE BOARD

Robert Daros	Chairman		
Name	Title		
P.O. Box 5	Croton Falls	NY	10519
Street Address or PO Box	City	State	Zip
(914)669-5544	() -		
Telephone Number	Fax Number		
	12/31/2022		
Email Address	Term End Date		

I, Joanne Weber hereby certify that I am the Chief Fiscal Officer of the Croton Falls Fire District, and that the information provided in the annual financial report of the Croton Falls Fire District, for the fiscal year ended 12/31/2020, 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 Croton Falls Fire District, and adopted by me as my signature for use in conjunction with the filing of the Croton Falls Fire District's annual financial report, I am evidencing my express intent to authenticate my certification of the Croton Falls Fire District's annual financial report report for the fiscal year ended 12/31/2020 and filed by means of electronic data transmission.

Joanne Weber	*****	05/03/2021
Name of Report Preparer if different than Chief Fiscal Officer	Personal Identification Number of Chief Fiscal Officer	Date

APPENDIX C

FORM OF BOND COUNSEL OPINION

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

August 26, 2021

The Board of Fire Commissioners of the
Croton Falls Fire District, in the Town of North Salem,
Westchester County and the Towns of Carmel
and Southeast, Putnam County, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Croton Falls Fire District (the “Fire District”), in the Town of North Salem, Westchester County and the Towns of Carmel and Southeast, Putnam County, New York, a district corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$2,815,000 Fire District 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. Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the Fire District for which the Fire District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Fire District 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 representations 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 imposed on individuals under the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the 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 Fire District 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 Fire District 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 Fire District'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 Fire District 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.

Except as stated above, 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. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, for any facts or circumstances that may hereafter come to our attention, for any changes in law or in interpretations thereof that may hereafter occur or for any other reason. We express no opinion as to the consequence of any change in law or interpretation thereof, or otherwise, that may hereafter be enacted, arise or occur, and we note that such changes may take place or be proposed from time to time. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel as to the exclusion from gross income for federal income tax purposes of interest on the Bonds, or under state and local tax laws.

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 Fire District which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in said Bonds.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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.

“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 **Croton Falls Fire District, in the Town of North Salem, Westchester County and the Towns of Carmel and Southeast, Putnam County**, a district 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 Fire District Treasurer as of August 12, 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 **\$2,815,000 Fire District Refunding Serial Bonds—2021**, dated August 26, 2021, maturing in various principal amounts on May 15 in each of the years 2022 to 2031, 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) no later than six (6) months following the end of each fiscal year, commencing with the fiscal year ending December 31, 2021, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information no later than six (6) months following the end of each fiscal year, 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;
- (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 FIRE DISTRICT," "ECONOMIC AND

DEMOGRAPHIC INFORMATION,” “INDEBTEDNESS OF THE FIRE DISTRICT,” “FINANCES OF THE FIRE DISTRICT,” “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 subparagraph (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 August 26, 2021.

CROTON FALLS FIRE DISTRICT, IN THE TOWN OF
NORTH SALEM, WESTCHESTER COUNTY AND THE
TOWNS OF CARMEL AND SOUTHEAST, PUTNAM
COUNTY, NEW YORK

By _____
Fire District Treasurer and Chief Fiscal Officer