

**PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 14, 2022**

**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, however for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of 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 NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to the provision of Section 265(b)(3) of the Code.*

**TAPPAN FIRE DISTRICT,  
IN THE TOWN OF ORANGETOWN,  
ROCKLAND COUNTY, NEW YORK**  
(the "Fire District")

**\$13,400,000 FIRE DISTRICT SERIAL BONDS – 2022**  
(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 maturing on November 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Fire District, on November 1, 2029 and thereafter on any date, in accordance with terms described herein. (See "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 any book-entry 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 October 27, 2022 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 November 10, 2022 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.

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

**TAPPAN FIRE DISTRICT,  
IN THE TOWN OF ORANGETOWN,  
ROCKLAND COUNTY, NEW YORK**

**\$13,400,000 FIRE DISTRICT SERIAL BONDS – 2022**

**BOND MATURITY SCHEDULE**

**Dated: Date of Delivery**

**Principal Due: November 1, 2023 - 2050 inclusive  
Interest Due: May 1, 2023, November 1, 2023 and  
semi-annually thereafter on May 1 and  
November 1 in each year to maturity**

<u>Amount*</u>	<u>Maturity</u>	<u>Rate</u>	<u>Price or Yield</u>	<u>CUSIP #</u>
\$230,000	2023			
240,000	2024			
255,000	2025			
265,000	2026			
280,000	2027			
295,000	2028			
305,000	2029			
325,000	2030**			
340,000	2031**			
355,000	2032**			
375,000	2033**			
390,000	2034**			
410,000	2035**			
435,000	2036**			
455,000	2037**			
475,000	2038**			
500,000	2039**			
525,000	2040**			
550,000	2041**			
580,000	2042**			
610,000	2043**			
640,000	2044**			
670,000	2045**			
705,000	2046**			
740,000	2047**			
775,000	2048**			
815,000	2049**			
860,000	2050**			

\*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.

\*\*Subject to redemption prior to maturity.

**TAPPAN FIRE DISTRICT, IN THE TOWN OF ORANGETOWN  
ROCKLAND COUNTY, NEW YORK**

300 Western Highway  
Tappan, New York 10983  
Telephone: (845) 359-3907

**BOARD OF FIRE COMMISSIONERS**

Thomas Quinn, Chairman

George Garrecht  
Robert Ortman

Frederick Simms  
Raymond Slavin

-----

Dennis M. Leote, Treasurer  
Christine Sullivan, Secretary

Fire District Attorney  
Kornfeld, Rew, Newman & Simeone  
Suffern, 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](mailto: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

### TAPPAN FIRE DISTRICT, IN THE TOWN OF ORANGETOWN, ROCKLAND COUNTY, NEW YORK

#### \$13,400,000 FIRE DISTRICT SERIAL BONDS – 2022

This Official Statement and the appendices hereto present certain information relating to the Tappan Fire District, in the Town of Orangetown, Rockland County, in the State of New York (the “Fire District,” the “Town,” the “County” and the “State,” respectively) in connection with the sale of \$13,400,000 Fire District Serial Bonds – 2022 (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. 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 world-wide event. (See “RISK FACTORS” and “IMPACT OF COVID-19” herein.)

#### THE BONDS

##### Description of the Bonds

The Bonds will be dated the date of delivery, and will mature on November 1 in each of the years 2023 to 2050, inclusive, in the principal amounts as set forth on the inside cover page hereof. Interest on the Bonds will be payable on May 1, 2023, November 1, 2023 and semi-annually thereafter on May 1 and November 1 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 any book-entry 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 fifteenth day (whether or not a business day) of the calendar month immediately preceding each interest payment date.

The Fire District Secretary will act as Fiscal Agent for any Bonds issued in book-entry form. For any Bonds issued as certificated bonds, the purchaser may act as Fiscal Agent. Paying Agent fees, if any, will be paid by the purchaser. The Fire District's contact information is as follows: Dennis M. Leote, Fire District Treasurer, Tappan Fire District in the Town of Orangetown, Rockland County, 300 Western Highway, Tappan, New York 10983, telephone number (845) 359-3907 and email: treasurer@tappanfire.com.

### **Optional Redemption**

The Bonds maturing on or before November 1, 2029 will not be subject to redemption prior to maturity. The Bonds maturing on November 1, 2030 and thereafter will be subject to redemption prior to maturity, at the option of the Fire District, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after November 1, 2029, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

If less than all of any of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Fire District by lot in any customary manner of selection as determined by the Fire District. Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

### **Description of Book-Entry System**

DTC will act as Securities Depository for any Bonds issued in book-entry form. The book-entry 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](http://www.dtcc.com) and [www.dtc.org](http://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. (See "Certificated Bonds," herein.)

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 OBLIGATION 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 any of the Bonds are issued as book-entry bonds and such book-entry-only system is discontinued, and a successor 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 three bond resolutions duly adopted by the Fire District Board of Commissioners on August 24, 2022, and approved as a proposition by a majority of the qualified voters of the Fire District voting thereon at the Special Election held on September 27, 2022, authorizing the issuance of bonds for the following purposes:

Date		Amount	Amount
<u>Authorized</u>	<u>Purpose</u>	<u>Authorized</u>	<u>To Be Issued</u>
08/24/2022	Land Acquisition and Construction of a New Firehouse	\$ 9,600,000	\$ 9,600,000
08/24/2022	Improvements to Existing Firehouse	2,300,000	2,300,000
08/24/2022	Purchase of a New Ladder Truck	<u>1,500,000</u>	<u>1,500,000</u>
TOTALS		\$ <u>13,400,000</u>	\$ <u>13,400,000</u>

### 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 by New York State in May of 1911. The Fire District took over all financial responsibility from the fire company in 1956. The Fire District's duty and responsibility is to provide fire protection and prevention to the approximately 7,500 residents, as well as the visitors, commuters and people that are employed within the Fire District. The financial cost of performing this service is paid for by the residential and business' property tax.

The Tappan Fire District is located in Rockland County, New York and is totally encompassed within the Town of Orangetown. The Fire District's southern border is on the New York-New Jersey state line. The Fire District is responsible for the protection of approximately five square miles. While most of that is residential, it includes three corporate locations and a fair number of retail and religious buildings.

The Fire District has a major CSX railway track that bisects the Fire District, running north- to-south, and NYS Rt 303 and the Palisades Interstate Parkway running north to south and east to west, respectively. Over the past forty years, both of these thoroughfares have become very heavily travelled. The railroad totally bisecting the Fire District sometimes with as many as 44 trains per day is the reason for needing this new fire station.

A very unique feature of Tappan is the Tappan Historic Zone, the first of such a district established in NY State, in 1965. Many still-existing structures were built between 1700 and 1850 and reflect the historical commercial and residential core of the late 18<sup>th</sup> and 19<sup>th</sup> century.

The Fire District serves the South Orangetown Central School District #1 and the Pearl River Union Free School District.

The Fire District residents are provided utilities by Orange & Rockland Utilities.

Fire District services are provided by a volunteer force and their officers from the Volunteer Fire Association of Tappan, organized in 1907.

Emergency medical assistance is provided by the South Orangetown Ambulance Corps and Rockland Paramedics. Police protection is provided by the Orangetown Police Department.

### Form of Government

The Fire District is a political subdivision of the State of New York, governed by a five (5) member Board of Fire Commissioners, elected to five (5) year terms on a staggered basis. The Chairman of the Board is elected annually by the Commissioners at the Organizational Meeting, held each year within the first 15 days of January, at which time the Board appoints the Secretary and Treasurer. A volunteer force is responsible for the operation of the Fire Department equipment and apparatus.

### Employees

The Fire District does not have any employees.

## ECONOMIC AND DEMOGRAPHIC INFORMATION

### Population Trends

Population statistics are not available for the Fire District as such. The following table sets forth population statistics for the Town of Orangetown, Rockland County and New York State.

<u>Year</u>	<u>Town of Orangetown</u>	<u>County of Rockland</u>	<u>State of New York</u>
1990	46,652	265,475	17,990,455
2000	47,711	286,753	18,976,457
2010	48,656	311,687	19,378,102
2021	49,818	339,227	19,835,913

### Income Data

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

	Per Capita Money Income			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2021<sup>a</sup></u>
Town of Orangetown	\$21,325	\$33,170	\$40,401	\$58,016
County of Rockland	20,195	28,082	34,304	38,755
State of New York	16,501	23,389	30,791	43,078

  

	Median Household Income			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2021<sup>a</sup></u>
Town of Orangetown	\$61,710	\$87,341	\$117,199	\$155,491
County of Rockland	60,479	78,806	96,836	110,998
State of New York	39,741	51,691	67,405	92,454

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2017-2021)

## Unemployment Rates

<u>Annual Averages:</u>	<u>Town of Orangetown (%)</u>	<u>County of Rockland (%)</u>	<u>State of New York (%)</u>
2017	4.5	4.3	4.6
2018	3.9	3.7	4.1
2019	3.6	3.6	4.0
2020	7.7	8.1	10.0
2021	4.5	4.6	7.2
2022 (7 Month Average)	3.1	3.0	4.7

Source: Department of Labor, State of New York

### Selected Listing of Larger Employers in the Town of Orangetown (As of 2021)

<u>Name</u>	<u>Industry or Business</u>	<u>Number of Employees</u>
Nyack Hospital	Hospital	1,693
Rockland Psychiatric Center	Health Services	1,293
Pfizer	Pharmaceuticals	800
Orange & Rockland	Public Utility	817
Camp Venture	Health Services	625
Lamont-Doherty Earth Observatory	Earth Sciences Research	480
Dominican College	Education	445
Aluf Plastics	Plastics Manufacturing	401
Active International	Commercial	390
Chromalloy New York	Fabricated Metal Products	315

Source: Rockland Economic Development Corporation.

## 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 October 14, 2022)

<u>Fiscal Year Ending December 31:</u>	<u>Assessed Valuation</u>	State Equalization <u>Rate (%)</u>	<u>Full Valuation</u>
Orangetown (2021-2022)	\$530,229,709	37.48	\$1,414,700,398
Debt Limit - 7% of Average Full Valuation			42,441,012
Inclusions:			
Outstanding Bonds			0
Bond Anticipation Notes			0
Total Inclusions			0
Exclusions:			
Bond Appropriations			0
Total Exclusions			0
Total Net Indebtedness Before Issuing the Bonds			0
The Bonds			13,400,000
Less: BANs Being Redeemed by the Bonds			0
Net Effect of Issuing the Bonds			13,400,000
Total Net Indebtedness After Issuing the Bonds			13,400,000
Net Debt Contracting Margin			\$29,041,012
Percent of Debt Limit Exhausted			31.57%

**Details of Short-Term Indebtedness Outstanding**  
(As of October 14, 2022)

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 authorized but unissued debt in the amount of \$13,400,000; such authorization is being funded by the issuance of the Bonds.

**Debt Service Requirements - Outstanding Bonds**

The Fire District had no long-term debt outstanding.

**Trend of Outstanding Indebtedness**

	Fiscal Year Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Outstanding End of Year:					
Bonds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Leases	<u>325,000</u>	<u>260,000</u>	<u>195,000</u>	<u>130,000</u>	<u>0</u>
Total Debt Outstanding	<u>\$325,000</u>	<u>\$260,000</u>	<u>\$195,000</u>	<u>\$130,000</u>	<u>\$ 0</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 Rockland	08/11/2022	3.13	\$13,815,789	\$13,411,111
Town of Orangetown	05/26/2022	13.96	8,107,073	3,442,536
Pearl River UFSD	06/23/2022	44.48	17,749,744	17,749,744
South Orangetown CSD	12/31/2021	33.07	<u>2,853,941</u>	<u>2,853,941</u>
Totals			<u>\$42,526,547</u>	<u>\$37,457,332</u>

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

**Debt Ratios**  
(As of October 14, 2022)

	<u>Amount</u>	<u>Per Capita<sup>a</sup></u>	<u>Percentage Of Full Value (%)<sup>b</sup></u>
Total Direct Debt	\$ 0	\$ 0	0.00%
Net Direct Debt	0	0	0.00
Total Direct & Applicable Total Overlapping Debt	42,526,547	5,670	3.01
Net Direct & Applicable Net Overlapping Debt	37,457,332	4,994	2.65

a. Current estimated population of the Fire District is 7,500.

b. The full valuation of taxable property is \$1,414,700,398.



## **FINANCES OF THE FIRE DISTRICT**

### **Impact of COVID-19**

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, 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. 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 the restrictions put in place following the initial outbreak. The degree of the impact to the Fire District's operations and finances as a result of COVID-19 is difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or 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 Fire District maintains its financial records in accordance with the Uniform System of Accounts for Fire Districts prescribed by the State Comptroller. The financial records of the Fire District are audited. The last such audited financials made available for public inspection covers the fiscal year ended December 31, 2021 and is attached in Appendix B hereto. In addition, the financial affairs of the Fire District are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

### **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 established a defined benefit LOSAP for the active volunteer firefighters of the Volunteer Fire Association of Tappan. The program took effect on January 1, 1990. The program was established pursuant to Article I I-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Fire District is the sponsor of the program.

### *Program Description*

Under the program, participating volunteers begin to be paid a service award upon attainment of the program "entitlement age". The amount of the service award paid to a volunteer is based upon the number of years of service credit the volunteer earned under the program for performing active volunteer firefighter activities.

### *Participation, Vesting and Service Credit*

Active volunteer firefighters who have reached the age of eighteen (18) and who have completed one (1) year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with five (5) years of firefighting service or upon attaining the program's entitlement age while an active volunteer. The Program's entitlement age is age sixty-two (62). An active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty (50) points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five (5) years of active volunteer firefighting service rendered prior to the establishment of the Program as an active volunteer firefighter member of the Volunteer Fire Association of Tappan.

### *Benefits*

A participant's service award benefit is paid as a ten (10) year certain and continuous monthly payment life annuity. The amount payable each month equals \$20 multiplied by the total number of years of service credit earned by the volunteer under the point system. The maximum number of years of service credit a participant may earn is forty (40) years under the program. The maximum monthly benefit is \$800. Currently, there are no other forms of payment of a volunteer's earned service award under the Program. Except in the case of death or total and permanent disablement service awards commence to be paid when a participant attains the entitlement age. Volunteers who continue to be active after attaining the entitlement age and beginning to be paid a service award continue to have the opportunity to earn program credit and to thereby increase their service award payments.

## **Employee Pension System**

The Fire District does not participate in the New York State and Local Employees' Retirement System (the "Retirement System" of "ERS").

## **Budgetary Procedures**

The Board of Fire Commissioners, with the assistance of the Fire District Treasurer, prepares a budget each year. The budget is then adopted by the Board as its final budget for the coming fiscal year. The budget is not subject to referendum unless the operating portion exceeds the limitations provided by law. The budget is submitted to the Town and the Town is specifically prohibited from making any change in the Fire District budget, which is included in the Town budget. Following adoption by the Town Board such budget becomes the adopted budget of the Town, which levies and collects taxes for Fire District purposes.

## **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 and the amounts budgeted for 2021 and 2022 may be found in Appendix A.

### *Real Property Taxes*

See "*Tax Information*", herein.

## Expenditures

A summary of Expenditures for the five most recently completed fiscal years and the amounts budgeted for 2021 and 2022 may be found in Appendix A.

### TAX INFORMATION

#### Real Property Taxes

Methods and procedures to require the levy, collection and enforcement of real property taxes are governed by the Real Property Tax Law. Real property assessment rolls used by the Fire District are prepared by the Town. 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 of debt contracting and real property taxing limitations. The Fire District is not subject to constitutional real property taxing limitations. However, the Tax Levy Limit Law imposes a statutory limitation on the Fire District's power to increase its annual tax levy. As a result, the power of the Fire District to levy real estate taxes on all the taxable real property within the Fire District is subject to statutory limitations set forth in Tax Levy Limit Law. (See "*Tax Levy Limit Law*," herein.)

The following table sets forth the percentage of the Fire District's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2017 through 2021, inclusive and the amounts budgeted for the 2022 fiscal year.

Fiscal Year Ending <u>December 31:</u>	Total <u>Revenue</u>	Real Property <u>Taxes</u>	Real Property Taxes to <u>Revenues (%)</u>
2017	\$1,011,056	\$1,011,056	100.00
2018	1,030,255	1,029,255	99.90
2019	1,084,400	1,083,400	99.91
2020	1,106,088	1,105,068	99.91
2021	1,260,138	1,175,068	93.25
2022 (Budgeted)	1,508,590	1,508,590	100.00

#### Tax Collection Procedure

Real property taxes are levied and collected on behalf of the Fire District by the Town. The Town tax bills are mailed out at the end of December and are due on or before January 31st. If the payment is not received by January 31st, the payment penalty added to the tax bill is as indicated for the month paid: February 1%, March 2%. In April the unpaid property taxes are returned to the County and the County is responsible for collecting them.

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 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.

## 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 and Levies

A summary of valuations, rates and levies can be found in Appendix A.

#### Selected Listing of Large Taxable Properties <sup>a</sup> 2021-2022 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
FCA US LLC	Commercial	\$ 8,523,787
Subaru Distributor	Commercial	6,402,700
1547 CSR Orangeburg LLC	Commercial	5,793,600
Orange & Rockland	Utility	5,320,545
Spring Valley Water	Utility	4,784,782
280-282 Orangeburg Rd LLC	Commercial	3,908,800
50 Ramland Rd LLC	Commercial	3,711,100
30 Ramland Rd LLC	Commercial	2,952,000
BNM Properties LLC	Commercial	2,425,000
117 Route 30 LLC	Commercial	2,233,470
Total <sup>a</sup>		\$46,055,784

a. Represents 8.69% of the 2021-2022 Assessed Valuation of the Fire District.

## LITIGATION

In common with other fire districts, the Fire District from time to time may receive notices of claim and is party to litigation. In the opinion of the Fire District, after consultation with its 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.

## 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.

## 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 "*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.

A public health threat such as the COVID-19 pandemic may also affect the operations and/or finances of the Fire District. (See "*Impact of COVID-19*," herein.)

## **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, however for tax years beginning after December 31, 2022, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of 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 premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium 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.

## **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 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 Dennis M. Leote, Fire District Treasurer, Tappan Fire District in the Town of Orangetown, Rockland County, 300 Western Highway, Tappan, New York 10983, telephone number (845) 359-3907 and email: [treasurer@tappanfire.com](mailto:treasurer@tappanfire.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](http://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.

TAPPAN FIRE DISTRICT,  
IN THE TOWN OF ORANGETOWN,  
ROCKLAND COUNTY, NEW YORK

By \_\_\_\_\_  
DENNIS LEOTE  
Fire District Treasurer  
Tappan Fire District  
in the Town of Orangetown, Rockland County  
Tappan, New York

October , 2022

**APPENDIX A**

**FINIANCIAL INFORMATION**

**Balance Sheet**  
**General Fund**

	Fiscal Year Ended December 31:	
	2020	2021
Assets:		
Cash	\$ 182,752	\$ 217,099
Prepaired Expenses	35,000	35,000
Other Receivable		1,127
Service Award Program Assets, Restricted		2,721,528
Total Assets	217,752	\$ 2,974,754
Liabilities:		
Accounts Payable	32,845	\$ 81,069
Total Liabilities	32,845	81,069
Fund Balance and Other Credits:		
Unassigned	184,907	172,157
Restricted		2,721,528
Total Fund Equity	184,907	2,893,685
Total Liabilities and Fund Equity	217,752	\$ 2,974,754

Note: This Schedule is not Audited.

Source: Audited Annual Financial Reports (2020-2021)

**Statement of Revenues, Expenditures & Changes in Fund Balance**  
**General Fund**

	Fiscal Year Ended December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 1,011,056	\$ 1,029,255	\$ 1,083,400	\$ 1,105,068	\$ 1,175,068
Sales of Assets		5,550	15,000		5,700
Investment Income	810	1,126	2,970	1,020	79,370
Miscellaneous	7,210				
Loan Proceeds	325,000				
Total Revenues	<u>1,344,076</u>	<u>1,035,931</u>	<u>1,101,370</u>	<u>1,106,088</u>	<u>1,260,138</u>
<b>Expenditures:</b>					
<u>Fire Protection</u>					
Building Repairs & Maintenance	16,164	25,087	25,392	16,616	36,144
Capital Outlays	417,513	7,500	301,681	51,758	80,517
Communication Expenses		37,755	2,095	5,825	10,079
Computer System	8,601	9,191	12,759	21,707	8,726
Education & Training		2,875	1,671	4,790	10,408
Fire Equipment	74,256	92,445	67,026	50,093	104,576
Fire Prevention	8,422				
Fire Hydrants	226,033	236,884	240,677	253,309	287,162
Fire Truck and Vehicle Expenses		62,927	17,347	44,581	28,732
Fuel Costs	5,811	8,654	8,600	3,059	6,344
General & Administrative	28,246	31,156	30,285	21,002	32,058
Insurance	52,049	59,314	72,597	80,886	64,519
Length of Service Award Program	258,053	235,111	237,066	235,319	222,148
Personal Services	2,875	2,600	9,610	8,620	12,024
Physical Examinations	13,670	13,014	17,730	13,467	16,758
Professional Services	32,537	34,202	25,457	24,070	18,520
Property Taxes	908	828	847	881	905
Rent	37,500	37,109	68,853	67,000	68,412
Telephone & Utilities	19,167	20,174	18,555	21,101	21,353
Uniforms & Accessories		3,475	2,308	9,240	2,956
<u>Debt Service</u>					
Interest Charges		6,954	5,105	3,803	1,264
Principal Payments		65,000	65,000	65,000	130,000
Total Expenditures	<u>1,201,805</u>	<u>992,255</u>	<u>1,230,661</u>	<u>1,002,127</u>	<u>1,163,605</u>
<b>Other Financing Sources/(Uses):</b>					
Interfund Transfer In	90,100		241,598		
Interfund Transfer Out		(292,500)		(264,753)	
Total Detail Other Financing Sources/(Uses)	<u>90,100</u>	<u>(292,500)</u>	<u>241,598</u>	<u>(264,753)</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues</b>					
Over Expenditures & Other Uses	232,371	(248,824)	112,307	(160,792)	96,533
Fund Equity Beginning of Year	<u>249,845</u>	<u>482,216</u>	<u>233,392</u>	<u>345,699</u>	<u>184,907</u>
Prior Period Adjustment					2,612,245 <sup>a</sup>
Fund Equity End of Year	<u>\$ 482,216</u>	<u>\$ 233,392</u>	<u>\$ 345,699</u>	<u>\$ 184,907</u>	<u>\$ 2,893,685</u>

a. includes Service Award Program.

Note: This Schedule is not Audited.  
Source: Audited Annual Financial Reports (2017-2021)

## BUDGET SUMMARIES

	<u>Fiscal Year Ended December 31:</u>	
	<u>2021</u>	<u>2022</u>
Revenues:		
Real Property Taxes & Tax Items	\$ 1,175,068	\$ 1,508,590
Interest & Earnings	1,000	1,000
Total Revenues	<u>\$ 1,176,068</u>	<u>\$ 1,509,590</u>
Expenditures:		
Personal Services	\$ 8,750	\$ 8,870
Equipment	87,212	87,212
Contractual Expenditures	345,000	315,000
Administration	90,785	94,785
Building & Grounds Maintenance	25,700	25,700
Utilities	23,000	23,000
Vehicle Expenses	142,770	10,200
Fire Truck Service	35,000	35,000
Equipment Maintenance	19,014	19,014
Benefits	388,049	388,049
Bond Repayment		242,000
Reserve	<u>10,788</u>	<u>260,760</u>
Total Expenditures	<u>\$ 1,176,068</u>	<u>\$ 1,509,590</u>

Source: Adopted Budgets of the Fire District.

## FINANCIAL INFORMATION

### Valuations, Tax Levies and Tax Rates

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	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Town of Orangetown:					
Assessed Valuation	\$ 523,979,507	\$ 526,578,518	\$ 529,137,392	\$ 529,691,482	\$ 530,229,709
Equalization Rate	45.50%	43.59%	42.05%	42.64%	37.48%
Full Valuation	1,151,603,312	\$ 1,208,025,965	\$ 1,258,352,894	\$ 1,242,240,811	\$ 1,414,700,398
Tax Levy	\$ 1,029,255	\$ 1,083,400	\$ 1,105,068	\$ 1,175,068	\$ 1,508,590
Tax Rate Per \$1,000	\$ 1.97	\$ 2.07	\$ 2.10	\$ 2.22	\$ 2.85

**TAPPAN FIRE DISTRICT  
IN THE TOWN OF ORANGETOWN,  
ROCKLAND COUNTY**

**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

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.

**TAPPAN FIRE DISTRICT**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2021**



**TAPPAN FIRE DISTRICT  
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DECEMBER 31, 2021**

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**RRC**  **CPAs P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners of  
Tappan Fire District

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Tappan Fire District (the Fire District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Fire District, as of December 31, 2021, and the respective changes in financial position for the year then ended in conformity with the regulatory basis of accounting described in Note 1.

**Emphasis of Matter—Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared by the Fire District, in accordance Uniform System of Accounts for Fire Districts as set forth in the Fire District Accounting and Reporting Manual, Chapter 7 (Double-Entry Modified Accrual Fire Districts) issued by the Office of the State Comptroller of the State of New York, which is a basis of accounting other than accounting principles generally accepted in the United States of America., to meet the requirements of Uniform System of Accounts for Fire Districts. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fire District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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◆ Please Reply To Orangeburg Office ◆

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in with accordance the regulatory basis of accounting prescribed by New York State Office of the State Comptroller, which includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other Required Supplementary Information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 22, 2022, on our consideration of the Tappan Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fire District's internal control over financial reporting and compliance.

### **Restriction on Use**

This report is intended solely for the information and use of the Board of Commissioners of the Tappan Fire District and the Office of the State Comptroller of the State of New York and is not intended to be and should not be used by anyone other than these specified parties.

*RRC CPAs P.C.*

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RRC CPAs P.C.  
Orangeburg, NY 10962  
June 22, 2022

**TAPPAN FIRE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2021**

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The accompanying management's discussion and analysis of Tappan Fire District's financial performance has been prepared to provide an overview of the Fire District's financial activities for the fiscal year ended December 31, 2021. This discussion and analysis is only an introduction and should be read in conjunction with the Fire District's financial statements.

**FINANCIAL HIGHLIGHTS**

- The Fire District ended its year with a net position of \$3,243,202.
- The General Fund is the chief operating fund of the Tappan Fire District. The total unassigned fund balance at year-end was \$172,157.
- The General Fund is the chief operating fund of the Tappan Fire District. The total restricted fund balance at year-end was \$2,721,528.
- The Reserve Fund is used to account for and report financial resources that are restricted to expenditures for capital outlays including the acquisition or construction of major capital facilities. At the end of the current fiscal year, the fund balance of the Reserve Fund was \$349,517.
- The total revenues for the year were \$1,260,165.
- The total Fire Protection Expenditures for the year were \$1,188,984.
- The total Real Property Taxes increased by \$70,000 in 2021, which was an approximate increase of 6%.
- The negative change in fund balance of \$60,083 represents excess of expenditures over revenues.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Fire District's financial statements. The Fire District's basic financial statements are comprised of three components: 1) Government-Wide Combined Balance Sheet, 2) Governmental Fund Financial Statements and 3) Notes to Financial Statements. In addition to the basic financial statements, this report also contains supplemental information.

Government-Wide Financial Statements

In comparison with fund financial statements, the government-wide financial statements provide the reader with a longer-term view of the Fire District's finances as a whole and include the combined balance sheet – regulatory basis and statement of revenues, expenditures, and changes in fund balances– regulatory basis. The manner of presentation is similar to that of a private sector business.

**TAPPAN FIRE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2021**

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Governmental Fund Financial Statements

The governmental fund financial statements provide more detailed information about the Fire District's Governmental Fund, focusing primarily on the short-term activities of the Fire District. The Governmental Fund Financial Statements measure only current revenues and expenditures and fund balances, excluding capital assets, long-term debts, and other long-term obligations.

Notes to Financial Statements

The notes provide additional information that is essential to the reader for a full understanding of the data provided in the Government-Wide and Governmental Fund Financial Statements.

**BUDGETARY HIGHLIGHTS**

For the year ended December 31, 2021, the General Fund's actual revenues exceeded the budgeted amount by \$84,070. The actual expenditures of the General Fund were consistent with those amounts budgeted, providing savings of \$1,675. The most significant unanticipated budget increases were attributed to Fire Equipment and Capital Outlays for the New Building Project.

**FUDICIARY FUND**

The Fire District has a pension trust fund to build and hold pension assets collected, invested, and disbursed for benefits provided by the Fire District's Length of Service Awards Program (LOSAP). In accordance with the terms of the trust, the Fire Commissioners must serve as trustees and are responsible for the administration of the LOSAP. These assets are recorded in a separately in the General Fund and cannot be used to finance Fire District operations.

**CAPITAL ASSETS**

The Fire District's capital assets as of December 31, 2021, totaled \$1,555,545, which reflects an increase of \$230,993 as compared to the prior year balance. For more detailed information on capital assets, see the corresponding notes to financial statements.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Fire District's finances for all those with an interest in the Fire District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Tappan Fire District, 300 Western Highway S., Tappan, NY 10983.

**TAPPAN FIRE DISTRICT**  
**COMBINED BALANCE SHEET - REGULATORY BASIS**  
**DECEMBER 31, 2021**

	Governmental Fund Type			Total	Account Group	Total		
	General Fund	Reserve Fund	Total				General	Memorandum Only
<b>ASSETS</b>								
Cash	\$ 217,099	\$ 349,517	\$ 566,616	\$ -	\$ 566,616			
Prepaid Expenses	35,000	-	35,000	-	35,000			
Other Receivable	1,127	-	1,127	-	1,127			
Service Award Program Assets, Restricted Property and Equipment	2,721,528	-	2,721,528	-	2,721,528			
	-	-	-	1,555,545	1,555,545			
Total Assets	<u>\$ 2,974,754</u>	<u>\$ 349,517</u>	<u>\$ 3,324,271</u>	<u>\$ 1,555,545</u>	<u>\$ 4,879,816</u>			

**LIABILITIES AND FUND BALANCES**

Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 81,069	\$ -	\$ 81,069	\$ -	\$ 81,069
Total Liabilities	81,069	-	81,069	-	81,069
Fund Balances:					
Unassigned	172,157	-	172,157	-	172,157
Restricted	2,721,528	349,517	3,071,045	-	3,071,045
Non-Current Governmental Assets	-	-	-	1,555,545	1,555,545
Total Fund Balances	2,893,685	349,517	3,243,202	1,555,545	4,798,747
Total Liabilities and Fund Balances	<u>\$ 2,974,754</u>	<u>\$ 349,517</u>	<u>\$ 3,324,271</u>	<u>\$ 1,555,545</u>	<u>\$ 4,879,816</u>

The accompanying notes are an integral part of the financial statements.

**TAPPAN FIRE DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2021**

	Governmental Fund Type		
	General Fund	Reserve Fund	Total
<b>Revenues:</b>			
Real Property Taxes	\$ 1,175,068	\$ -	\$ 1,175,068
Sale of Assets	5,700	-	5,700
Investment Income	79,370	27	79,397
<b>Total Revenues</b>	<b>1,260,138</b>	<b>27</b>	<b>1,260,165</b>
<b>Expenditures:</b>			
<u>Fire Protection</u>			
Building Repairs and Maintenance	36,144	-	36,144
Capital Outlays	80,517	156,176	236,693
Communication Expenses	10,079	-	10,079
Computer System	8,726	-	8,726
Education and Training	10,408	-	10,408
Fire Equipment	104,576	-	104,576
Fire Hydrants	287,162	-	287,162
Fire Truck and Vehicle Expenses	28,732	-	28,732
Fuel Costs	6,344	-	6,344
General and Administrative	32,058	467	32,525
Insurance	64,519	-	64,519
Length of Service Awards Program			
Benefits, Net	217,483	-	217,483
Length of Service Awards Program			
Expense	4,665	-	4,665
Personnel Services	12,024	-	12,024
Physical Examinations	16,758	-	16,758
Professional Services	18,520	-	18,520
Property Taxes	905	-	905
Rent	68,412	-	68,412
Telephone and Utilities	21,353	-	21,353
Uniforms and Accessories	2,956	-	2,956
<b>Total Fire Protection Expenditures</b>	<b>1,032,341</b>	<b>156,643</b>	<b>1,188,984</b>
<u>Debt Service</u>			
Interest Charges	1,264	-	1,264
Principal Payments	130,000	-	130,000
<b>Total Debt Service Expenditures</b>	<b>131,264</b>	<b>-</b>	<b>131,264</b>
<b>Total Expenditures</b>	<b>1,163,605</b>	<b>156,643</b>	<b>1,320,248</b>
Changes in Fund Balance	96,533	(156,616)	(60,083)
Fund Balances, Beginning of Year	2,797,152	506,133	3,303,285
Fund Balances, End of Year	<u>\$ 2,893,685</u>	<u>\$ 349,517</u>	<u>\$ 3,243,202</u>

The accompanying notes are an integral part of the financial statements.



**TAPPAN FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity:**

Located in the Town of Orangetown in Rockland County, New York, Tappan Fire District (the Fire District) is a separate governmental unit created as a special district of the State of New York. The purpose of the Fire District is to provide fire protection, emergency medical, and related services to the residents of Orangetown in Rockland County. The Board of Commissioners is the legislative body responsible for the overall operations of the Fire District. The oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, and designation of management and accountability for fiscal matters.

**Basis of Accounting:**

The accounting policies of the Fire District conform to generally accepted accounting principles applicable to governmental units and the Uniform System of Accounts for Fire Districts as set forth in the *Fire District Accounting and Reporting Manual, Chapter 7 (Double-Entry Modified Accrual Fire District)* issued by the Office of the State Comptroller of the State of New York. The Governmental Accounting Standards Board (GASB) is the responsible body for standard setting for state and local governments through its pronouncements (Statements and Interpretations).

The Fire District's financial statements are prepared in accordance with the generally accepted accounting principles applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting refers to the point at which revenues, expenditures and transfers are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

*Accrual:* The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

*Modified Accrual:* The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or within 60 days after the year-end. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that payments for long-term liabilities portion of general obligation are recognized when due.

**TAPPAN FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (Continued):**

Real property taxes and interest income correspond with the current fiscal period are considered to be susceptible to accrual, and therefore, so have been recognized as revenue during the corresponding tax year. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which are recognized when due, and any payroll related expenses and fringe benefits, which are charged as expenditures when paid or when they are to be paid with currently available resources.

Donated services are not reflected in the financial statements. The value of services performed by the volunteer firefighters has not been determined by the Fire District and is therefore not recorded.

**Government-Wide Financial Statements:**

The Fire District's financial statements include the combined balance sheet of governmental fund type, fiduciary fund type, and account group. In the combined balance sheet, the Fire District's activities are reported on a full accrual economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

Governmental Fund Types

Governmental Fund financial statements are reported using the current financial resources based on the modified accrual basis of accounting.

Fiduciary Fund Types

Pension trust fund is used to account for pension net assets held by the Fire District in the capacity of trustee in connection with the Length of Service Awards Program (LOSAP) adopted by the Fire District in 1991 to provide a retirement type benefit to long serving volunteer firefighters.

**TAPPAN FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide Financial Statements (Continued):**

Account Groups

Account groups are used to establish accounting control and accountability for general capital assets and general long-term debt. The account groups are not funds, and they are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

- General Capital Assets – This account group is established to account for the land, buildings, improvements and other equipment utilized by the Fire District for general operating purposes.
- General Long-Term Debt – This account group is established to account for all long-term obligations of the Fire District. It accounts for assets presently available for retirement of such indebtedness and the amount to be raised in future years to retire those debt obligations.

**Governmental Fund Types:**

The Fire District reports the following major governmental funds:

- General Fund – The General Fund is the operating fund of the Fire District. It is used to account for all financial resources except those required to be accounted for in another fund.
- Reserve Fund – The Reserve Fund is designed to segregate resources to provide for future contingencies and plan for major capital outlays, thereby reducing the need to rely on borrowing or outlays of current revenue to finance such events. For financial reporting purposes, the Reserve Fund is included in the General Fund.
- Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities and other capital assets.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**TAPPAN FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgetary Data:**

The Fire District's budget policies are as follows:

- The Board of Commissioners will create a tentative budget for the fiscal year commencing the following January 1<sup>st</sup>. The tentative budget includes proposed expenditures and estimated revenues as the means of financing for all funds.
- A public hearing is conducted on the third Tuesday of October to obtain the taxpayers' comments. After the Board of Commissioners adopts the approved budget, certified copies are filed with the tax roll coordinator no later than November 7<sup>th</sup> for purposes of preparing the tax levy.
- All modifications of the budget must be approved by the Board of Commissioners.

**Financial Statements Amounts:**

Cash

Cash includes (1) cash on hand, (2) cash in demand deposits, and (3) other types of deposits and accounts that have the same characteristics as demand deposits (deposits or withdrawals may be made at any time without notice or penalty). All cash is carried at cost plus accrued interest.

The Fire District's investment policies are governed by the State Statutes. In addition, the Fire District has its own written investment policy. According to its investment policy, the Fire District monies are required to deposit at commercial banks, which are insured by Federal Deposit Insurance Company (FDIC) and located within the State of New York. The Fire District is authorized to hold demand accounts and certificates of deposits into the following three classified categories: Category 1 includes deposits that are insured by the FDIC; Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or its agent in the Fire District's name; and Category 3 includes deposits uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Fire District's name.

**TAPPAN FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statements Amounts (Continued):**

Cash (Continued)

As of the year ended December 31, 2021, the Fire District held total cash of \$3,433,959 in the following categories:

	Category 1	Category 2	Category 3	Total
Cash	\$ 712,431	\$ -	\$ 2,721,528	\$ 3,433,959

Investments

Other than investments for the Length of Service Awards Program, permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Fire District follows the provisions of *GASB Statement No. 72 Fair Value Measurements and Application*, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets that may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments for the LOSAP are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Fire District. Investments consist of insurance contracts backed by an insurance company with a credit rating of Aa2. The investments are priced using level 3 inputs.

Fund Balance Classification

The Fire District has unassigned and restricted fund balances:

- a. *Unassigned Fund Balance* – Includes all other general funds that are deemed to be available for general use by the Fire District. As of the year ended December 31, 2021, the Fire District has total of \$172,157 unassigned fund balance.

**TAPPAN FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statement Amounts (Continued):**

Fund Balance Classification (Continued)

- *Restricted Fund Balance* – New York State statutes allow local governments to establish reserve funds for various purposes. The Fire District established separate accounts for the reserve fund and capital projects fund.
  - a. Reserve Fund – The Reserve Fund is designed to segregate resources to provide for future contingencies and plan for major capital outlays, thereby reducing the need to rely on borrowing or outlays of current revenue to finance such events. The balance of the Reserve Fund at the end of 2021 totaled \$349,517.
  - b. Service Award Program Assets for the benefit of those participating in the length of service awards program. The balance of the fund at the end of 2021 totaled \$2,721,528.

Real Property Tax Revenues

Real property taxes are collected by the Town of Orangetown and remitted to the Fire District. The Fire District receives the entire amount of the real property taxes during the tax year. As such, no receivable is recorded.

Capital Assets

Acquisitions of land, capital facilities, and equipment are recorded as expenditures in the various Governmental Funds at the time of purchase and are also recorded in the General Capital Asset Account Group at cost. No depreciation has been provided on general capital assets. The Fire District has not maintained historical cost records for some of its capital asset inventory.

Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**TAPPAN FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE 2 – OPERATING LEASE COMMITMENT**

On November 5, 2019, the Fire District entered into a ten-year lease agreement with Volunteer Fire Association of Tappan for storage facilities to house the apparatus and fire equipment. With the annual base rent payment of \$42,000, this lease agreement offers an option to purchase the premises for \$420,000.

The Fire District has a second lease agreement in place with Volunteer Fire Association of Tappan for storage facilities to house the apparatus and fire equipment. With the annual base rent payment of \$25,000, the lease is required to be renewed each year.

The Fire District’s estimated future minimum contractual lease payments are as follows:

<u>Year Ending December 31,</u>		
2022	\$	42,000
2023		42,000
2024		42,000
2025, and thereafter		<u>203,000</u>
Total Future Minimum Lease Obligation	\$	<u>329,000</u>

**NOTE 3 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)**

The accompanying Tappan Fire District’s financial statements are presented for the year ended December 31, 2021. However, the information contained in this note concerning the Length of Service Awards Program is based on information for the plan year ending on March 31, 2021, which is the most recent plan year for which complete information is available.

The Fire District established a defined benefit LOSAP for the active volunteer firefighters of the Tappan Fire District. Effective on April 1, 1990, the program was established pursuant to Article 11-A of New York General Municipal Law. The program provides municipally funded pension-like benefits to improve the recruitment and retention of volunteer firefighters. Tappan Fire District is the sponsor of the program.

**Program Description:**

Participation, Vesting and Service Credit

Active volunteer firefighters who have reached the age of 18 are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program’s entitlement age. The program’s current entitlement age is 62.

**TAPPAN FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE 3 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (CONTINUED)**

Participation, Vesting and Service Credit (Continued)

In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for up to 5 years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is the monthly payment for life with 120 payments guaranteed, equal to \$20.00 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 40. Benefits are not payable until the first day of the month following entitlement age except in the case of disability or death. The program provides statutorily mandated death and disability benefits.

**Fiduciary Investment and Control:**

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board.

The governing board of the sponsor has retained and designated VFIS to assist in the administration of the program. The designated program administrator's functions include installation assistance, administrative assistance, and basic annual administration. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the plan administrator defined as Tappan Fire District.

As outlined by New York GML Article 11-A, program assets are held in trust for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program.

Authority to invest program assets is vested in Tappan Fire District. Program assets are invested in accordance with a statutory "prudent person" rule.

The sponsor has retained Gail E Johnson Consulting Actuary as an actuary to determine the recommended sponsor contribution to the plan. Portions of the following information are derived from a report certified by the actuary dated November 14, 2021.



**TAPPAN FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (CONTINUED)**

**Program Financial Condition Assets and Liabilities:**

Assets and Liabilities

Actuarial Present Value of Projected Benefits at 4/1/2021	\$ 5,412,270
Less: Assets Available for Benefits:	
Fixed Group Annuity Contract      100%	<u>2,721,528</u>
Total Unfunded Benefits	<u>\$ 2,690,742</u>

Contributions

Fire District’s Contribution Recommended by Actuary:	<u>\$ 216,447</u>
Fire District’s Actual Contribution:	<u>\$ 252,558</u>

Administration Fees

Fees Paid for Administrative / Actuarial Services	<u>\$ 4,665</u>
Fees Paid for Investment Management	<u>\$ -</u>
Other Administration Fees	<u>\$ 300</u>

Receipts and Disbursements

Plan Net Assets, April 1, 2020	\$ 2,612,245
Plan Contribution	235,318
Plan Distribution	(200,243)
Plan Expenses	(4,665)
Gain and Loss	78,873
Plan Net Assets, March 31, 2021	<u>\$ 2,721,528</u>

Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor’s contribution is Entry age normal frozen initial liability. The assumptions used by the actuary to determine the sponsor’s contribution and the actuarial present value of benefits are:

Assumed rate of return on investment: 4.25%

**TAPPAN FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (CONTINUED)**

Normal Costs (Continued)

Table Used for:

Post Entitlement Age disability:	
Male	RP2000M>2030
Female	RP2000F>2030
Pre-Entitlement Age mortality (*):	
Male	N/A
Female	N/A
Pre-Entitlement Age disability (*)	N/A
Pre-Entitlement Age withdrawal (*)	N/A

\*All pre-entitlement active volunteer firefighters are assumed to survive until Entitlement Age, earn 50 points each year, and begin to receive a service award upon attainment of Entitlement Age.

Risks and Uncertainties

The Fire District's LOSAP invests in MassMutual's general investment account. Such accounts are exposed to various risks, such as interest rate and credit risks. Due to the level of risk associated with such accounts, it is at least reasonably possible that changes in the values will occur in the near term, and that such changes in the values could materially affect the plan balances and the amounts reported in the balance sheet.

**NOTE 4 – CAPITAL ASSETS**

A summary of changes in the general capital assets during fiscal year 2021 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Building	186,048	231,193	-	417,241
Truck and Equipment	1,128,504	5,500	5,700	1,128,304
Total	<u>\$ 1,324,552</u>	<u>\$ 236,693</u>	<u>\$ 5,700</u>	<u>\$ 1,555,545</u>

**TAPPAN FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE 5 – GENERAL LONG-TERM DEBT**

The Fire District had an outstanding loan in the prior year for the purchase of a 2016 Smeal Custom Pumper, which was paid off during the year ended December 31, 2021. The Fire District made principal and interest payments totaling \$130,000 and \$1,264, respectively.

**NOTE 6 – EVALUATION OF SUBSEQUENT EVENTS**

Events that occur after the balance sheet date, but before the financial statements were available for issuance, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions, which existed at the balance sheet date, are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes.

Management has evaluated activities of the Fire District through June 22, 2022, which is the date the financial statements are available for issuance and has determined there are no subsequent events that require disclosure under accounting principles generally accepted in the United States of America.

**TAPPAN FIRE DISTRICT**  
**BUDGETARY COMPARISON STATEMENT OF**  
**GOVERNMENTAL GENERAL FUND - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts	Actual Amounts	Variance with Budget
<b>Revenues:</b>			
Real Property Taxes	\$ 1,175,068	\$ 1,175,068	\$ -
Sale of Assets	-	5,700	5,700
Investment Income	1,000	79,370	78,370
<b>Total Revenues</b>	<b>1,176,068</b>	<b>1,260,138</b>	<b>84,070</b>
<b>Expenditures:</b>			
Building Repairs and Maintenance	24,700	36,144	(11,444)
Capital Outlays	-	80,517	(80,517)
Communication Expenses	16,226	10,079	6,147
Computer System	18,000	8,726	9,274
Debt Service - Interest	2,570	1,264	1,306
Debt Service - Principal	130,000	130,000	-
Education and Training	10,200	10,408	(208)
Fire Equipment	65,000	104,576	(39,576)
Fire Hydrants	275,000	287,162	(12,162)
Fire Truck and Vehicle Expenses	35,000	28,732	6,268
Fuel Costs	10,000	6,344	3,656
General and Administrative	29,105	32,058	(2,953)
Insurance	120,849	64,519	56,330
Length of Service Awards Program Contributions			
Benefits, Net	272,880	217,483	55,397
Length of Service Awards Program			
Expense	-	4,665	(4,665)
Personnel Services	8,750	12,024	(3,274)
Physical Examinations	16,000	16,758	(758)
Professional Services	30,000	18,520	11,480
Property Taxes	1,000	905	95
Rent	68,000	68,412	(412)
Telephone and Utilities	25,000	21,353	3,647
Uniforms and Accessories	7,000	2,956	4,044
<b>Total Expenditures</b>	<b>1,165,280</b>	<b>1,163,605</b>	<b>1,675</b>
<b>Other Financing Uses:</b>			
Interfund Transfers Out	(10,788)	-	(10,788)
<b>Changes in Fund Balance</b>	<b>-</b>	<b>96,533</b>	<b>96,533</b>
General Fund Balances, Beginning of Year	2,797,152	2,797,152	-
<b>General Fund Balances, End of Year</b>	<b>\$ 2,797,152</b>	<b>\$ 2,893,685</b>	<b>\$ 96,533</b>

The accompanying notes are an integral part of the financial statements.

**TAPPAN FIRE DISTRICT**  
**BUDGETARY COMPARISON STATEMENT OF**  
**GOVERNMENTAL RESERVE FUND - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts	Actual Amounts	Variance with Budget
Revenues:			
Interest and Earnings	\$ -	\$ 27	\$ 27
Expenditures:			
General and Administrative	-	467	(467)
Capital Outlays	-	156,176	(156,176)
Total Expenditures	-	156,643	(156,643)
Other Financing Sources:			
Interfund Transfers In	10,788	-	(10,788)
Changes in Fund Balance	10,788	(156,616)	(167,404)
Reserve Fund Balances, Beginning of Year	506,133	506,133	311,020
Reserve Fund Balances, End of Year	<u>\$ 516,921</u>	<u>\$ 349,517</u>	<u>\$ 143,616</u>

The accompanying notes are an integral part of the financial statements.

**TAPPAN FIRE DISTRICT**  
**SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2021**

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**FIRE DISTRICT QUESTIONNAIRE**

	<u>Response</u>
1) Has your Fire District adopted a written procurement policy, and been in compliance with the policy?	Y
2) Has your Fire District contracted to have an audit of its financial statements by an independent auditor?	Y
3) Does your district have a written travel policy, and has it been complied with?	N/A
4) Are monthly bank reconciliations performed?	Y
5) Does your district have a Length of Service Awards Program (LOSAP) for volunteer firefighters?	Y
6) Has your Fire District adopted an investment policy as required by General Municipal Law, Section 39?	Y

**RRC**  **CPAs P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

WWW.RRCCPAPC.COM

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Fire Commissioners  
Tappan Fire District  
Tappan, NY 10983

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each fund of Tappan Fire District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 22, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Tappan Fire District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tappan Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of Tappan Fire District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tappan Fire District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RRC CPAs P.C.*

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RRC CPAs P.C.  
Orangeburg, NY 10962  
June 22, 2022



**TAPPAN FIRE DISTRICT**  
**SCHEDULE OF AUDIT SUMMARY AND FINDINGS**  
**DECEMBER 31, 2021**

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**A. Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of Tappan Fire District.
2. No material weakness was identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Tappan Fire District were disclosed during the audit.
4. The auditor's report on Tappan Fire District's internal control over financial reporting and on compliance and other matters in accordance with the Government Auditing Standards expresses an unmodified opinion.
5. There are no audit findings or questioned costs relative to Tappan Fire District's financial reporting for the year ended December 31, 2021.

**B. Findings – Financial Statement Audit**

None

**C. Findings – Internal Control and Compliance**

None

**D. Prior year Findings**

None

**APPENDIX C**

**FORM OF BOND COUNSEL OPINION**

Hawkins Delafield & Wood LLP  
7 World Trade Center at 250 Greenwich Street 41<sup>st</sup> floor  
New York, New York 10007

November 10, 2022

The Board of Fire Commissioners of  
the Tappan Fire District,  
in the Town of Orangetown,  
Rockland County, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Tappan Fire District, in the Town of Orangetown, Rockland County (the “Fire District”), 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 Fire District’s \$13,400,000 Fire District Serial Bonds-2022 (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 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, however for tax years beginning after December 31, 2022, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the

Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the 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.

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

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

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

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

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

“Issuer” shall mean the Tappan Fire District, in the Town of Orangetown, Rockland County, New York, 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 October 14, 2022.

“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 **\$13,400,000 Fire District Serial Bonds-2022**, dated November 10, 2022, maturing in various principal amounts on November 1 in each of the years 2023 to 2050, 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, 11776, 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, 2022, 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:
  - (i) principal and interest payment delinquencies;
  - (ii) non-payment related defaults, if material;
  - (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
  - (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
  - (v) substitution of credit or liquidity providers, or their failure to perform;
  - (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
  - (vii) modifications to rights of Securities holders, if material;
  - (viii) Bond calls, if material, and tender offers;
  - (ix) defeasances;
  - (x) release, substitution, or sale of property securing repayment of the Securities, if material;
  - (xi) rating changes;
  - (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (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;

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

(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 material 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", "INDEBTEDNESS OF THE FIRE DISTRICT", "FINANCES OF THE FIRE DISTRICT", "TAX INFORMATION", and "LITIGATION" and in Appendix A.

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

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



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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **November 10, 2022**.

By \_\_\_\_\_  
**FIRE DISTRICT TREASURER**