

NEW ISSUE
SERIAL BONDS – BOOK ENTRY

MOODY'S INVESTOR SERVICE: " " ”
See "Rating", herein

In the opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, and interest on the Bonds will not be subject to the alternative minimum tax on individuals. In the further opinion of Bond Counsel, under existing law interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein for a description of the opinion of Bond Counsel and certain other tax consequences.

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

VILLAGE OF GREENPORT
SUFFOLK COUNTY, NEW YORK
(the "Village")

\$1,350,000* PUBLIC IMPROVEMENT (SERIAL) BONDS – 2023
(the "Bonds")

BOND MATURITY SCHEDULE
(See Inside Front Cover)

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

Prior Redemption: The Bonds maturing on June 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Village, as a whole or in part, on any date on or after June 1, 2030. (See "Optional Redemption" under "THE BONDS," herein.)

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

Payment: Payment of the principal of and interest on any Bonds issued in book-entry form will be made by the Village to DTC which will in turn remit such payment to its Participants for subsequent distribution to the Beneficial Owners of the Bonds in accordance with standing instructions and customary practices. Payment to the Beneficial Owners will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Village, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY SYSTEM," herein. Payment of the principal of and interest on any Bonds registered in the name of the Purchaser will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder, at the bidder's expense.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the legal opinion as to the validity of the Bonds of Norton Rose Fulbright US LLP, Bond Counsel, and certain other conditions. It is anticipated that the Bonds will be available for delivery, through the facilities of DTC in Jersey City, New Jersey, or as otherwise agreed with the purchaser, on or about June 6, 2023.

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

*Preliminary, subject to change.

VILLAGE OF GREENPORT
SUFFOLK COUNTY, NEW YORK

\$1,350,000* PUBLIC IMPROVEMENT (SERIAL) BONDS – 2023

MATURITIES, RATES AND YIELDS

Dated: June 6, 2023

Principal Due: June 1, 2024-2038, inclusive

Interest Due: December 1, 2023, June 1, 2024 and semi-annually thereafter on December 1 and June 1 in each year to maturity

<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
2024	\$65,000			
2025	70,000			
2026	75,000			
2027	75,000			
2028	80,000			
2029	80,000			
2030	85,000			
2031	90,000***			
2032	90,000***			
2033	95,000***			
2034	100,000***			
2035	105,000***			
2036	110,000***			
2037	115,000***			
2038	115,000***			

*Preliminary, subject to change.

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

***Subject to prior redemption.



**VILLAGE OF GREENPORT
SUFFOLK COUNTY, NEW YORK**

236 Third Street
Greenport, New York 11944
Telephone: 631/477-2385
Fax: 631/477-1877

VILLAGE OFFICIALS

Kevin Stuessi, Mayor

Trustees

Patrick Brennan
Mary Bess Phillips

Lily Dougherty-Johnson
Julia Robins

Paul Pallas, Village Administrator
Jeanmarie Oddon, Village Deputy Clerk
Stephen Gaffga, Village Treasurer
Joseph Prokop, Esq., Village Attorney

* * *

BOND COUNSEL

Norton Rose Fulbright US LLP
New York, New York

* * *

MUNICIPAL ADVISOR



Municipal Finance Advisory Service

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Port Jefferson Station, N.Y. 11776
(631) 331-8888
E-mail: info@munistat.com
Website: <http://www.munistat.com>

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

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OFFICIAL STATEMENT

VILLAGE OF GREENPORT SUFFOLK COUNTY, NEW YORK

\$1,350,000 PUBLIC IMPROVEMENT (SERIAL) BONDS – 2023

[BOOK-ENTRY BONDS]

This Official Statement and the appendices hereto present certain information relating to the Village of Greenport, in the County of Suffolk, in the State of New York (the “Village,” “County” and “State,” respectively) in connection with the sale of \$1,350,000 Public Improvement (Serial) Bonds – 2023 (the “Bonds”).

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

THE BONDS

Description of the Bonds

The Bonds will be dated June 6, 2023, and will mature on June 1 in each of the years 2024 to 2038, inclusive, in the principal amounts as set forth on the inside cover page hereof.

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

Interest on the Bonds will be payable on December 1, 2023, June 1, 2024 and semi-annually thereafter on December 1 and June 1 in each year to maturity. For Bonds issued as book-entry bonds through DTC, principal and interest will be paid by the Village to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Village referred to therein.

The Record Date of the Bonds will be the fifteenth day of the month preceding each interest payment date.

The Village’s contact information is as follows: Stephen Gaffga, Village Treasurer, Village of Greenport, 236 Third Street, Greenport, NY 11944, Phone (631) 477-0385 ext. 213, Fax (631) 477-1707 and email: sgaffga@greenportvillage.org.

Optional Redemption for the Bonds

The Bonds maturing on or before June 1, 2030 will not be subject to redemption prior to maturity. The Bonds maturing on June 1, 2031 and thereafter, will be subject to redemption, at the option of the Village, prior to maturity, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after June 1, 2030, at par plus accrued interest to the date of redemption.

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

Authorization and Purpose for the Bonds

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, and a bond resolution duly adopted by the Board of Trustees, authorizing the issuance of serial bonds for the following capital project in and for the Village. Such purpose is as follows:

Date		Amount	Total
<u>Authorized</u>	<u>Purpose</u>	<u>Authorized</u>	<u>Amount to be Issued</u>
02/24/2022	Purchase of a new ladder truck and apparatus	\$ 1,650,000	\$ 1,350,000

BOOK-ENTRY SYSTEM

So long as the Bonds remain in the Book-Entry-Only System, as described below, the Village will give such notice only to Cede & Co., or other successor nominee of DTC, as sole registered holder.

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

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"). The DTC Rules applicable to its participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com.

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 effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping accounts of their holdings on behalf of their customers.

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

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

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

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

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

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

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 Village takes no responsibility for the accuracy thereof. In addition, the Village will not have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to: (i) the accuracy of any records maintained by DTC, any Participant or any Indirect Participant; (ii) the payments by DTC or any Participant or any Indirect Participant of any amount with respect to the principal of, or premium, if any, or interest on the Bonds or (iii) any notice which is permitted or required to be given to Bondowners.

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

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

Security and Source of Payment

The Bonds are general obligations of the Village and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Village is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011, as amended. See "Tax Levy Limit Law" herein.

ENFORCEMENT OF REMEDIES UPON DEFAULT

The following description of factors affecting the possible enforcement of remedies upon a default by the Village is not intended to constitute legal advice and is not a substitute for obtaining the advice of counsel on such matters. Factors governing the availability of remedies against the Village are complex and the obligations of the Village, under certain circumstances, might not be enforced precisely as written.

General Municipal Law Contract Creditors' Provision. The Bonds when duly issued and paid for will constitute a contract between the Village and the purchaser. Such contracts, if not honored, would generally be enforceable through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Village upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might apply if there were a default in the payment of the principal of and interest on the Bonds.

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

Constitutional Non-Appropriation Provision. The Constitution of the State, Article VIII, Section 2, contains the following provision relating to the annual appropriation of monies for the payment of principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any owner of obligations issued for any such indebtedness." If the Village were to fail to make a required appropriation, however, the ability of affected owners of Village indebtedness to enforce this provision as written could be compromised or eliminated as described below under "Bankruptcy", "State Debt Moratorium Law" and "Possible Priority of Continuation of Essential Public Services".

Bankruptcy. The Federal Bankruptcy Code allows municipalities, such as the Village, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Should the Village file for relief under the Federal Bankruptcy Code there could be adverse effects on the owners of the Bonds.

The State, in Section 85.80 of the Local Finance Law, has authorized any municipality in the State to file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

Under the United States Constitution, federal law is supreme and may be enforced irrespective of contrary state law. Accordingly, proceedings in accordance with the Federal Bankruptcy Code could result in an allocation of funds that fails to honor the faith and credit pledge required by the State Constitution.

No current State law purports to create any collateral or priority for owners of the Bonds should the Village be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. The Bonds could be deemed unsecured obligations of the Village in a bankruptcy case.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy Court by a municipality that is insolvent, which generally means the municipality is unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors. Any plan of adjustment can be confirmed by the court over the objections of creditors if the plan is found to be "fair and equitable" and in the "best interests of creditors." The Village may be able, without the consent and over the objection of owners of the Bonds, to impair and alter the terms and provisions of the Bonds, including the payment terms, interest rates, maturity dates, and payment sources, if the bankruptcy court finds that the alterations are "fair and equitable." If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

The rights of the owners of the Bonds to receive interest and principal from the Village and the enforceability of the Village's faith and credit pledge to pay such interest and principal could be adversely affected by the restructuring of the Village's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of owners of debt obligations issued by the Village (including the Bonds) to payment from monies retained in any fund or from other sources would be recognized if a petition were filed by or on behalf of the Village under the Federal Bankruptcy Code. Such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally, or might even be directed to satisfy other claims instead of being paid to the owners of the Bonds.

Regardless of any specific adverse determinations in a bankruptcy proceeding of the Village, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Bonds.

State Debt Moratorium Law. Unless the Federal Bankruptcy Code or other federal law applies, as described above, enforcement of the rights of Bond owners will generally be governed by State law. In 1975, a general State law debt service moratorium statute was enacted.

Under that legislation, the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York was suspended. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

Accordingly, State legislation materially limiting the timing or manner of actions to enforce the faith and credit pledge against an issuer of general obligation debt (including that portion of Title 6-A of Article 2 of the Local Finance Law enacted in 1975 authorizing any municipality in a State-declared financial emergency period to petition to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality) could be determined to conflict with the State Constitution and may not be enforceable.

The Constitutional provision providing for first revenue set asides applies to the payment of interest on all indebtedness and to the payment of principal payments on bonds, but does not apply to pay payment of principal due on tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Possible Priority of Continuation of Essential Public Services. In prior years, certain events and legislation affecting an owner's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of note or bondowners, such courts might hold that future events, including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

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

VILLAGE OF GREENPORT

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

General Information

The Village, which encompasses about 1.3 square miles in area and has an estimated population of 2,058 (2020 U.S. Census Bureau) is located on the eastern portion of the North Fork of Long Island, approximately 100 miles from New York City. The Village is located in a harbor that connects the Peconic Bay with Gardiners Bay, thus providing access to Long Island Sound and the Atlantic Ocean. Shelter Island is located directly across the harbor from Greenport to the south and ferry service is provided to Shelter Island from the Village.

The area was originally settled in 1640, and the Village was incorporated in 1838. The population of the Village increases significantly during the summer months due to tourism and summer residences, but the Village's economy is supplemented by the year-round commercial enterprises in its central business district as well as Eastern Long Island Hospital, a 60 bed facility employing 400 people which is located in the Village. Residential properties consist primarily of single-family homes with some apartment houses and townhouse condominiums. In addition to employment opportunities in the Village, residents commute to the surrounding communities, including the Suffolk County Government Complex and State and County court facilities in Riverhead.

In addition to ferry service to Shelter Island, the Long Island Railroad provides passenger rail service to New York City. Highways include New York State Route 25 which continues beyond the Village to Orient Point, the eastern end of the North Fork, where high speed ferry service is available to New England.

Utilities and Other Services

Electricity, water and sewer service are provided by the Village. The Village had previously provided water service to certain areas outside the Village, but in 1997 it sold the portion of the water department assets located outside its boundaries (including wells, treatment plants and distribution facilities) and the Village water storage tank (which is located on Village land inside the Village boundaries) to the Suffolk County Water Authority (the "Authority") for \$3.5 million. The Authority is now providing such services to areas outside the Village as well as water treatment and distribution to Village residents and properties.

The Village also maintains its own volunteer fire department, and police protection is provided by the Town of Southold and Suffolk County.

Government

The Village was incorporated in 1838. One independently governed school district serves the Village residents and relies on its own taxing powers granted by the State to raise revenues. The school district uses the Town of Southold's assessment roll as its basis for taxation of property located within the Village.

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

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

The Village Clerk is appointed to a 1-year term, the Village Treasurer, who is the chief fiscal officer of the Village under the Local Finance Law, is appointed to a one- year term and the Village Attorney is appointed to a one-year term.

Employees

The Village provides services through approximately 28 full-time and 12 part-time employees and 5 Board Members (including the Mayor), 26 of which are represented by the Civil Service Employees Association under a contract which covers the period of June 1, 2021 through May 31, 2025.

DEMOGRAPHIC AND STATISTICAL INFORMATION

The following tables present certain comparative demographic and statistical information regarding the Village, the Town, the County and the State.

Population Trends

<u>Year</u>	<u>Village</u>	<u>Southold Town</u>	<u>Suffolk County</u>	<u>New York State</u>
1990	2,070	19,836	1,321,684	17,990,455
2000	2,048	20,599	1,419,369	18,976,457
2010	2,346	21,769	1,482,548	19,229,752
2020	2,058	22,177	1,481,364	19,514,849

Sources: U.S. Bureau of the Census Population Reports.

Income Data

	<u>Per Capita Money Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020*</u>
Village of Greenport	\$14,002	\$17,595	\$30,746	\$46,403
Town of Southold	19,037	27,619	41,450	56,282
County of Suffolk	18,481	26,577	35,411	46,466
State of New York	16,501	23,389	30,948	40,898
	<u>Median Household Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020*</u>
Village of Greenport	\$25,562	\$31,675	\$48,398	\$62,045
Town of Southold	35,392	49,898	83,240	87,109
County of Suffolk	49,128	65,288	84,235	105,362
State of New York	32,965	51,591	55,217	71,117

Source: United States Bureau of the Census.

*Note: Based on American Community Survey 5-Year Estimates (2016-2020).

Selected Listing of Larger Employers

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
Eastern Long Island Hospital	Hospital	390
Greenport UFSD	Public School	120
Claudio's Restaurant	Restaurant	120
Stidd Systems	Marine Services	75
Village of Greenport	Municipality	73
IGA Supermarket	Supermarket	43
Safe Harbor Greenport	Marina	40
Townsend Manor Inn	Inn/Lodge	22
Costello Marina	Marine Services	20
US Post Office	Post Office	12

Unemployment Rate Statistics

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

<u>Annual Averages:</u>	<u>Suffolk County (%)</u>	<u>New York State (%)</u>
2018	3.9	4.1
2019	3.7	4.0
2020	8.5	10.0
2021	4.9	7.2
2022	3.1	4.4
2023 (2 Month Average)	3.5	4.6

Source: Department of Labor, State of New York

INDEBTEDNESS OF THE VILLAGE

Constitutional and Statutory Requirements

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

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

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

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

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

Statutory Procedure

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

Pursuant to the Local Finance Law, the Village authorizes the issuance of indebtedness by the adoption of a bond resolution approved by a super-majority of the members of the Board of Trustees, the finance board of the Village. Customarily, the Board of Trustees has delegated to the Village Treasurer, as chief fiscal officer of the Village, the power to authorize and sell bonds and bond anticipation notes in anticipation of the sale of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) such obligations are authorized for a purpose for which the Village is not authorized to expend money, or
 - (2) there has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations, and
- an action contesting such validity is commenced within twenty days after the date of such publication, or,
- (3) such obligations are authorized in violation of the provisions of the State Constitution.

Except on rare occasions the Village complies with the estoppel procedure. It is a procedure that is recommended by Bond Counsel, but is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds and notes subject to the legal restrictions (Constitution, Local Finance Law and case law) relating to the period of probable usefulness thereof.

The Village Board, as the finance Board of the Village, has the power to enact bond resolutions. In addition, such finance Board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the Village Treasurer, the chief fiscal officer of the Village, pursuant to the Local Finance Law.

Statutory law in New York permits bond anticipation notes to be renewed each year, provided that annual principal installments are made in reduction of the total amount of such notes outstanding. These installments must commence no later than two years from the date of the first issuance of such notes, and such renewals may generally not extend more than five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein).

In general, the Local Finance Law contains provisions granting the Village with power to issue certain other short-term general obligation indebtedness, including revenue and tax anticipation notes and budget notes (See "Indebtedness of the Village" herein).

There is no constitutional limitation on the amount that may be raised by the Village by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the procedures necessary for the Village to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the new Tax Levy Limit Law, unless the Village Board overrides the limitation. See "Tax Levy Limit Law" herein.

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

Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of May 16, 2023)

<u>Fiscal Year</u> <u>Ending May 31:</u>	<u>Assessed</u> <u>Valuation</u>	<u>State Equal.</u> <u>Rate (%)</u>	<u>Full Valuation</u>
2020	\$5,150,887	0.94	\$547,966,702
2021	5,256,682	0.93	565,234,624
2022	5,291,904	0.88	601,352,727
2023	5,356,269	0.88	608,666,932
2024	5,481,839	0.70	783,119,857
Total Five Year Full Valuation			\$3,106,340,842
Average Five Year Full Valuation			621,268,168
Debt Limit - 7% of Average Full Valuation			43,488,772
Inclusions:			
General Purpose Bonds			5,675,000
Sewer Bonds			1,243,200
Bond Anticipation Notes			<u>0</u>
Total Inclusions			<u>6,918,200</u>
Exclusions:			
Excluded Sewer Debt			1,243,200
Appropriations			<u>0</u>
Total Exclusions			<u>1,243,200</u>
Total Net Indebtedness Before Issuing the Bonds			<u>5,675,000</u>
The Bonds			1,350,000
Less: BANs Being Redeemed by the Bonds			<u>0</u>
Net Effect of Issuing the Bonds			<u>1,350,000</u>
Total Net Indebtedness After Issuing the Bonds			<u>7,025,000</u>
Net Debt Contracting Margin			<u><u>\$37,813,772</u></u>
Percent of Debt Contracting Margin Exhausted			13.05

Debt Service Requirements - Outstanding Bonds^a

Fiscal Year Ending May 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	589,200	202,883	792,083
2024	614,200	169,525	783,725
2025	384,200	157,969	542,169
2026	394,200	148,672	542,872
2027	404,200	138,300	542,500
2028	409,200	127,550	536,750
2029	309,200	118,025	427,225
2030	294,200	110,297	404,497
2031	294,200	102,928	397,128
2032	304,200	95,409	399,609
2033	309,200	87,641	396,841
2034	319,200	79,581	398,781
2035	329,200	71,156	400,356
2036	334,200	62,456	396,656
2037	354,200	53,225	407,425
2038	359,200	43,459	402,659
2039	369,200	33,344	402,544
2040	329,200	23,719	352,919
2041	339,200	14,600	353,800
2042	349,200	4,963	354,163
2043	59,200	0	59,200
2044	59,200	0	59,200
Totals	<u>\$7,507,400</u>	<u>\$1,845,701</u>	<u>\$9,353,101</u>

a. Does not include payments made to date. Represents the effect of the New York State Environmental Facilities Corporation interest free financing dated December 5, 2013. See “*Village of Greenport Water Pollution Control District*” herein.

No Short-Term Indebtedness Outstanding

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

Authorized But Unissued Indebtedness

As of the date of this Official Statement, the following items are authorized but unissued:

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Unissued</u>
06/18/2011	Parking Meters	\$ 100,000
04/22/2013	Water Quality Improvements	287,801
01/22/2013	Bulkhead Replacement at Mitchell Park	185,268
06/27/2019	North Ferry Terminal Rehabilitation	3,200,000
11/23/2020	New Sanitary Pump Station	750,000
02/24/2022	Purchase of a Ladder Truck	1,650,000 ^a
Totals		<u><u>\$6,173,069</u></u>

a. The Bonds will finance \$1,350,000 of such authorized amount.

Village of Greenport Water Pollution Control District

The Village undertook a full-scale Biological Nitrogen Removal and Ultraviolet Light Disinfection Upgrade and other improvements to its Wastewater Treatment Plant. The project costs were \$8.1 million and were funded with a combination of short-term interest free financing, principal forgiveness and a NYSDEC Clean Water/Clean Air Bond Act Grant for \$1,075,000, a NYSDEC Long Island Sound Restoration Program Grant for \$459,000, an Office of Community Renewal Community Development Block Grant for \$400,000, and a NYSERDA Research & Development Grant for \$200,000. The Village closed on a \$1,773,610 interest free long-term financing through the New York State Clean Water State Revolving Fund Program with the Environmental Facilities Corporation on December 5, 2013.

Trend of Outstanding Debt

	Fiscal Year Ending May 31:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonds	\$7,308,000	\$7,309,000	\$6,626,800	\$6,036,600	\$7,507,400
BAN's	0	0	0	0	0
Other Debt	0	0	0	0	0
Total Debt Outstanding	<u><u>\$7,308,000</u></u>	<u><u>\$7,309,000</u></u>	<u><u>\$6,626,800</u></u>	<u><u>\$6,036,600</u></u>	<u><u>\$7,507,400</u></u>

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage</u> <u>Applicable</u>	<u>Applicable</u> <u>Total</u> <u>Indebtedness</u>	<u>Applicable</u> <u>Net</u> <u>Indebtedness</u>
County of Suffolk	08/11/22	0.14	\$1,933,355	\$1,689,454
Town of Southold	08/31/22	4.05	1,257,635	1,217,760
Greenport UFSD	10/17/22	26.89	3,768,633	3,391,770
Totals			<u><u>\$6,959,623</u></u>	<u><u>\$6,298,984</u></u>

Debt Ratios
(As of May 16, 2023)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage of Full Value^b</u>
Total Direct Debt	\$ 6,918,200	\$3,362	0.883
Net Direct Debt	5,675,000	2,758	0.725
Total Direct & Applicable Total Overlapping Debt	13,877,823	6,743	1.772
Net Direct & Applicable Net Overlapping Debt	11,973,984	5,818	1.529

a. The current estimated population of the Village is 2,058.

b. The full valuation of taxable real property in the Village for 2023-24 is \$783,119,857.

FINANCIAL MATTERS

Financial Statements and Accounting Procedures

The financial statements of the Village are audited each year by an independent public accountant. The latest year for which Audited Financial Statements are available is the fiscal year ended May 31, 2022 and is attached hereto as Appendix B. The financial affairs of the Village are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Village has complied with the requirements of various State and federal statutes. As required by law, the Village also prepares an Annual Financial Report Update Document for submission to the Comptroller. A summary of the operating results for the past five fiscal years is attached as Appendix A hereto.

Investment Policy

The Village has adopted an investment policy which is summarized as follows:

The primary objectives of the local government's investment activities are, in priority order

- to conform with all applicable federal, state and other legal requirements (legal);
- to adequately safeguard principal (safety);
- to provide sufficient liquidity to meet all operating requirements (liquidity); and
- to obtain a reasonable rate of return (yield).

The governing Board's responsibility for administration of the investment program is delegated to the Village Treasurer who has established written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures include an adequate internal control structure to provide a satisfactory level of accountability based on a database of records incorporating descriptions and amounts of investments, transaction dates, and other relevant information. Such procedures also regulate the activities of subordinate employees. Certain aspects of such procedures are summarized as follows:

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Village to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

It is the policy of the Village to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

It is the policy of the Village for all moneys collected by an officer or employee of the government to transfer those funds to the Village Treasurer within the time period specified by law.

The Village Treasurer is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

In accordance with the provisions of General Municipal Law, §10, all deposits of the Village, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

By a pledge of "eligible securities" with an aggregate "market value" as provided by GML §10, equal to the aggregate amount of deposits.

Eligible securities used for collateralizing deposits shall be held by a third party bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Village, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Village or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Village, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Village a perfected interest in the securities.

As authorized by General Municipal Law, §11, the Village authorizes the Village Treasurer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts;
- Certificates of deposit;
- Obligations of the United States of America;
- 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;
- Obligations of the State of New York;
- Obligations issued pursuant to Local Finance Law §24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Village of Greenport;
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or the specific enabling legislation authorizes such investments.

All investment obligations shall be payable or redeemable at the option of the Village 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 at the option of the Village within two years of the date of purchase.

The Village shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the Village conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Village of Greenport. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Village Treasurer is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

Financial Organization and Budgetary Procedures

The Village Treasurer is the chief fiscal officer of the Village. The duties of the Village Treasurer include administration and general supervision of all Village accounting and bookkeeping functions and departmental operations. As required by the Village's adopted Investment Policy, the Village Treasurer has promulgated a policy statement outlining the procedures for operation of the financial management and investment program.

Fund Structure and Accounts

The General Fund is the general operating fund for the Village and is used to account for substantially all revenues and expenditures of the Village. The Village also maintains a Water Fund, an Electric Light Fund, a Sewer Fund, a Capital Projects Fund, and a Trust and Agency Fund.

Basis of Accounting

The Village's governmental funds are accounted for on a modified accrual basis whereby revenues, other than those susceptible ("measurable" and "available" to finance current operations) to accrual, are recorded when received in cash. Revenues susceptible to accrual include real property taxes and State aid. The Village generally records expenditures on an accrual basis when fund liabilities are incurred, except as follows: interest on general obligation debt is recorded when it becomes due; pension costs billed to the Village by the State are recorded as expenditures in full in the fiscal year billed; the estimated unbilled portion of these pension costs for governmental funds is shown as a liability on the balance sheet of the general long-term debt accounts group; accumulated vacation and sick leave are accounted for in the general long-term debt account group; inventory is generally not recorded but expensed at the time of purchase.

Revenues

The Village receives most of its revenues from a real property tax on all non-exempt real property situated within the Village.

Non-Property Taxes, Intergovernmental Charges, Departmental Income and State Aid

A summary of such revenues for the five most recently completed fiscal years and estimated revenues for the current fiscal year may be found in Appendix A.

Real Property Taxes

See "Tax Information", herein.

State Aid

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

Based on the audited financial statements of the Village, the Village received approximately 7.48% of its total General Fund operating revenue from State aid in the fiscal year ending May 31, 2022. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

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

The following table sets forth the percentage of the Village’s General Fund revenue comprised of State aid for each of the fiscal years 2018 through 2022, inclusive and, as budgeted, for fiscal years ending 2023 and 2024.

<u>Fiscal Year</u> <u>Ending May 31:</u>	<u>Total Revenue</u>	<u>State Aid</u>	<u>State Aid to</u> <u>Revenues (%)</u>
2018	\$5,842,843	\$147,165	2.52
2019	4,308,708	61,174	1.42
2020	4,546,890	117,685	2.59
2021	4,627,325	312,487	6.75
2022	5,305,826	396,933	7.48
2023 (Budgeted)	4,981,235	117,282	2.35
2024 (Budgeted)	5,450,515	84,427	1.55

Expenditures

The major categories of expenditure for the Village are General Support, Instruction, Employee Benefits, Pupil Transportation and Debt Service. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A.

Budgetary Procedures

The Village Board, with the assistance of the Village Administrator, prepares a preliminary budget in the spring of each year and holds a public hearing thereon by April 15. Subsequent to the budget hearing, revisions, if any, are made and the budget is then adopted by the Board of Trustees as its final budget for the coming fiscal year by May 1. The budget is not subject to voter approval; however, the annual tax levy is subject to the provisions of the Tax Levy Limit Law. (See “Tax Levy Limit Law” herein).

Status and Financing Employee Pension Benefits

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

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

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

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

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

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

The Employer Contribution Stabilization Program was signed into law on August 11, 2010 as Chapter 57 of the Laws of 2010. This statute enables local governments to amortize a portion of their annual pension costs. The program allows local governments to amortize required contributions in excess of 17.5% for PFRS member and 9.5% for ERS members. Amortized amounts will be paid in equal annual installments over a ten year period.

In Spring 2014, the State and ERS approved a Stable Contribution Option ("SCO"), which modified the existing SCO adopted in 2010, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount.

The primary purpose of participation in the various amortization programs is to manage the volatility in the required pension contributions. However, although such programs reduce payments in the near term, they may result in much higher payments in the future. As such, the Village does not intend to amortize any payments to the Retirement System.

Payments to the Retirement System

Fiscal Year	
<u>Ending May 31:</u>	<u>ERS</u>
2019	\$255,061
2020	254,545
2021	261,059
2022	277,838
2023	207,833
2024 (Budgeted)	289,000

Other Post-Employment Benefits

The Village provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. Accounting rules now require governmental entities, such as the Village, to account for post-retirement health care benefits as they account for vested pension benefits. GASB Statement No. 75 (“GASB 75”) described below requires such accounting.

GASB Statement No. 75 of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees are recorded as an expense.

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

As of May 31, 2019, the Village adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 75, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

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

Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Total OPEB Liability at May 31, 2021	<u>\$9,448,366</u>
Charges for the Year:	
Service Cost	313,616
Interest	282,298
Differences Between Expected and Actual Experience	5,050
Changes in Benefit Terms	
Changes in Assumptions or Other Inputs	856,774
Benefit Payments	<u>(1,020,275)</u>
Net Changes	<u>437,463</u>
Total OPEB Liability at May 31, 2022	<u><u>\$9,885,829</u></u>

Should the Village be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the Village's finances and could force the Village to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the Village to partially fund its actuarial accrued OPEB liability. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Village has decided to continue funding the expenditure on a pay-as-you-go basis.

Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

TAX INFORMATION

Real Property Taxes

The Village derives its power to levy an ad valorem real property tax from the Constitution of the State. The Village's power to levy real property taxes, other than for debt service and certain other purposes, is limited by the State Constitution to two percent of the five-year average full valuation of taxable property of the Village (See "*Tax Limit*" herein). The State Office of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aid and are used by many localities in the calculation or debt contracting and real property taxing limitations.

Tax Collection Procedure

The Village collects its own taxes. Taxes are due on June 1st each year and are collected during the month of June without penalty. A 5% penalty is assessed on taxes paid after July 1, and an additional 1% is assessed each month on taxes paid after July 31. Unpaid Village taxes are collected through an annual tax sale.

The following table sets forth the percentage of the Village's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2018 through 2022 and budgeted for 2023 and 2024.

<u>Fiscal Year</u> <u>Ending May 31:</u>	<u>Total</u> <u>Revenue</u>	<u>Property</u> <u>Taxes</u>	<u>Property</u> <u>Taxes to</u> <u>Revenues (%)</u>
2018	\$5,842,843	\$1,035,743	17.73
2019	4,308,708	1,007,684	23.39
2020	4,546,890	1,077,298	23.69
2021	4,627,325	1,075,445	23.24
2022	5,305,826	1,157,556	21.82
2023 (Budgeted)	4,981,235	1,173,116	23.55
2024 (Budgeted)	5,450,515	1,322,940	24.27

Tax Levy Limit Law

Although the State Legislature is limited by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted”, the State Legislature may from time to time impose additional limitations on the ability to issue new indebtedness or to raise taxes therefor.

Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limit Law” or the “Law”), generally applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities to levy certain year-to-year increases in real property taxes.

The Village has been subject to the Tax Levy Limit Law since the Village’s budget for its fiscal year beginning January 1, 2012. Pursuant to the Tax Levy Limit Law, additional procedural requirements are imposed if a municipality seeks to increase the tax levy by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index, over the amount of the Village’s prior year’s tax levy (the “Tax Levy Increase Limit”). In the event the Village seeks to adopt a budget requiring a tax levy exceeding the Tax Levy Increase Limit, a favorable vote of at least three members of the five-member Board of Trustees would be required. The Board of Trustees would also be required to act by Local Law rather than simply by resolution, and a public hearing would be required.

The Law permits certain exceptions to the Tax Levy Increase Limit. The Village may levy taxes exceeding the Tax Levy Increase Limit, if necessary, to support the following expenditures: (i) funds needed to pay judgments arising out of tort actions that exceed five percent of the total tax levied by the Village in the prior fiscal year and (ii) required pension payments (but only that portion of such payments attributable to the average actuarial contribution rate exceeding two percentage points). Taxes necessary for these expenditures will not be included in the calculation of the Tax Levy Increase Limit.

The Law also provides for adjustments to be made to the Village’s Tax Levy Increase Limit based upon changes in the assessed value of the taxable real property in the Village. Additionally, the Village is permitted to carry forward a certain portion of its unused tax levy capacity from the prior year.

Tax Limit

The Constitution limits the amount that may be raised by the Village ad valorem tax levy on real estate in any fiscal year to two per centum (2%) of the five-year average full valuation of taxable real estate of the Village plus (1) the amounts required for principal and interest on all capital indebtedness, and (2) current appropriations for certain capital purposes. The tax limit for the Village for the 2023-2024 fiscal year is as follows:

Five-year Average Full Valuation	\$621,268,168
Tax Limit - 2% thereof	12,425,363
Tax Levy for General Village Purposes	1,375,930
Less: Exclusions	0
Tax Levy Subject to Tax Limit	\$1,375,930
Constitutional Tax Margin	\$11,049,433

Tax Levies and Rates

Fiscal Year Ending May 31:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Tax Levy	\$1,027,000	\$1,075,552	\$1,107,258	\$1,137,981	\$1,322,940
Taxes Rate per \$100 of Assessed Valuation	\$19.94	\$20.46	\$20.92	\$20.67	\$24.13

Selected Listing of Large Taxable Properties
2023-2024 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Village of Greenport	Municipality	\$447,900
HF Hotel Owner LLC	Hotel	51,500
PWIB Claudio R.E LLC	Restaurant	42,160
Townsend Manor Inn.	Hotel	39,400
SHM Greenport LLC	Marina	27,700
Sterling Square LLC	Commercial	26,300
Research Charters Inc.	Boat Storage	25,600
Greenport Yacht & Shipbuilding	Shipbuilding	24,400
Osinski, Michael	Residential	20,700
Sterlington Commons	Commercial	20,540
Gusmar Enterprises LLC	Commercial	18,500
S.T. Preston & Son, Inc.	Commercial	18,400
		<hr/>
	Total ^a	<u><u>\$763,100</u></u>

^a. Represents 13.92% of the total taxable assessed valuation for 2023-24.

LITIGATION

The Village is involved in certain suits and claims arising from a variety of sources. It is the opinion of Village management after consideration with the Village’s litigation counsel, to the extent deemed necessary by Village management that the liabilities that may arise from such actions would likely not result in losses that would materially affect the financial position of the Village or the results of its operations.

IMPACT OF COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Village’s financial condition and operating results. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the Village’s operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have an adverse effect on the State and municipalities and school districts located in the State, including the Village. The Village is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

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

The financial condition of the Village and the market price of and the market for the Bonds could be affected by a variety of factors, many of which are beyond the Village’s control, including, for example: (i) certain adverse events in the domestic and world economy; (ii) a significant default or other financial crisis occurring in the affairs of the State or its agencies or political subdivisions; and (iii) a seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code. These events may affect the acceptability of obligations issued by borrowers within the State or the ability of the Village to arrange for additional borrowings. In addition, the market for and the market value of the Bonds could be adversely affected if the Village encountered real or perceived difficulty in marketing notes or bonds to pay principal on outstanding notes at maturity. The Village, like other issuers, is dependent on the orderly functioning of the municipal debt markets to refinance existing debt coming due, and could be unable to pay its notes at maturity if market access proved unavailable.

The Village is dependent in part on financial assistance from the State. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State in order to make State aid payments to the Village. (See also “State Aid”.)

The State’s Annual Information Statement and other information about the State’s finances are provided by the State Division of the Budget on its website.

ANNUAL AND CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the “Rule”) promulgated by the Securities and Exchange Commission, the Village has agreed to provide, at the time of delivery of the Bonds, an executed Annual and Continuing Disclosure Undertaking in substantially the form attached as Appendix C.

The following table sets forth the annual filings for each of the five preceding fiscal years.

Fiscal Year Ending <u>May 31:</u>	Financial & Operating <u>Information</u>	Audited Financial <u>Statements</u>
2018	10/26/2018	02/01/2019
2019	11/26/2019	02/11/2020
2020	10/28/2020	03/10/2021
2021	09/06/2022	03/08/2022
2022	11/23/2022	03/03/2023

TAX MATTERS

Tax Exemption

The delivery of the Bonds (the “Obligations”) is subject to the opinion of Bond Counsel to the effect that interest on the Obligations for federal income tax purposes (1) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the “Code”), pursuant to Section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be an item of tax preference for purposes of the alternative minimum tax on individuals. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the Village made in a certificate (the "Tax Certificate") dated the date of delivery of the Obligations pertaining to the use, expenditure, and investment of the proceeds of the Obligations and will assume continuing compliance by the Village with the provisions of the Tax Certificate subsequent to the issuance of the Obligations. The Tax Certificate contains covenants by the Village with respect to, among other matters, the use of the proceeds of the Obligations and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Obligations are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Obligations to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Village described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Obligations is commenced, under current procedures the IRS is likely to treat the Village as the "taxpayer," and the owners of the Obligations would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Obligations, the Village may have different or conflicting interests from the owners of the Obligations. Public awareness of any future audit of the Obligations could adversely affect the value and liquidity of the Obligations during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, under existing law interest on the Obligations is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligations. Prospective purchasers of the Obligations should be aware that the ownership of tax-exempt obligations such as the Obligations may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a Financial Asset Securitization Investment Trust ("FASIT"), corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change so as to reduce or eliminate the benefit to holders of the Obligations of the exclusion of interest thereon from gross income for federal income tax purposes. Proposed legislative or administrative action, whether or not taken, could also affect the value and marketability of the Obligations. Prospective purchasers of the Obligations should consult with their own tax advisors with respect to any proposed changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Obligations

The initial public offering price of certain Obligations (the "Discount Obligations") may be less than the amount payable on such Obligations at maturity. An amount equal to the difference between the initial public offering price of a Discount Obligation (assuming that a substantial amount of the Discount Obligations of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Obligation. A portion of such original issue discount allocable to the holding period of such Discount Obligation by the initial purchaser will, upon the disposition of such Discount Obligation (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Obligations described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Obligation, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Obligation and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Obligation by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Obligation in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Obligation was held) is includable in gross income. Owners of Discount Obligations should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Obligations.

The purchase price of certain Obligations (the “Premium Obligations”) paid by an owner may be greater than the amount payable on such Obligations at maturity. An amount equal to the excess of a purchaser’s tax basis in a Premium Obligation over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Obligation in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Obligation. The amount of premium which is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Obligations should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Obligations.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds will be covered by the unqualified legal opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel. Such legal opinion of Bond Counsel will be delivered in substantially the form attached hereto as “Appendix D”.

RATING

The Village has applied to Moody’s Investors Service (“Moody’s”), 7 WTC 250 Greenwich Street, New York, NY, 10017, Phone: (212) 553-0038 and Fax: (212) 553-1390 for a rating on the Bonds and such rating 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 Moody’s. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such ratings could have an adverse effect on the market price of the Bonds or the availability of a secondary market for such Bonds.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the “Municipal Advisor”), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Village on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement.

The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Village and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Village or the information set forth in this Official Statement or any other information available to the Village with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the business office of the Village: Stephen Gaffga, Village Treasurer, Village of Greenport, 236 Third Street, Greenport, NY 11944, Phone (631) 477-0385 ext. 213, Fax (631) 477-1707 and email: sgaffga@greenportvillage.org. or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888.

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

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

Except for its review of the descriptions of the terms of the Bonds and its approving legal opinion to be rendered on the Bonds as Bond Counsel to the Village, Norton Rose Fulbright US LLP, has not participated in the preparation of this Official Statement, nor verified the accuracy, completeness or fairness of the information contained herein, and accordingly, expresses no opinion with respect thereto.

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

This Official Statement has been duly executed and delivered by the Treasurer of the Village of Greenport, New York.

By: STEPHEN GAFFGA
Village of Greenport
Greenport, New York

May , 2023

APPENDIX A

FINANCIAL INFORMATION

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues:					
Real Property Taxes	\$ 1,035,743	\$ 1,007,684	\$ 1,077,298	\$ 1,075,445	\$ 1,157,556
Other Real Property Tax Items	10,996	16,805	14,663	16,568	10,172
Departmental Income	1,211,762	1,224,621	1,199,357	915,873	1,398,208
Intergovernmental Charges	819,334	819,607	802,135	811,166	813,043
Use of Money and Property	1,042,779	964,107	1,097,486	1,157,058	1,164,293
Licenses & Permits	48,033	75,604	57,846	56,523	43,598
Fine & Forfeitures				60,902	98,643
Sale of Property & Compensation For Loss				2,285	4,412
Miscellaneous	1,527,031	139,106	180,420	101,383	98,595
Interfund Revenues				117,635	120,373
State Aid	147,165	61,174	117,685	312,487	396,933
Total Revenues	<u>5,842,843</u>	<u>4,308,708</u>	<u>4,546,890</u>	<u>4,627,325</u>	<u>5,305,826</u>
Expenditures:					
General Government Support	540,684	480,463	501,566	561,096	569,533
Public Safety	882,745	795,533	1,745,409	367,243	1,244,011
Health	6,968	7,235	7,399	7,841	5,322
Transportation	767,092	659,134	711,258	647,663	687,671
Economic Opportunity & Development					
Culture & Recreation	957,108	1,006,836	894,141	706,134	838,858
Home & Community Service	162,594	190,337	174,149	178,715	197,691
Employee Benefits	685,891	715,181	692,193	662,797	697,866
Debt Service - Principal	450,000	345,000	376,500	381,000	370,000
Debt Service - Interest	52,861	76,179	90,053	70,614	61,519
Total Expenditures	<u>4,505,943</u>	<u>4,275,898</u>	<u>5,192,668</u>	<u>3,583,103</u>	<u>4,672,471</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,336,900</u>	<u>32,810</u>	<u>(645,778)</u>	<u>1,044,222</u>	<u>633,355</u>
Other Financing Sources (Uses)					
BAN Proceeds					
Operating Transfers In	118,600	118,600	118,600	118,600	118,600
Operating Transfers Out	(809,610)	(311,000)	(122,200)	(186,899)	(248,643)
Total Other Financing Sources (Uses)	<u>(691,010)</u>	<u>(192,400)</u>	<u>(3,600)</u>	<u>(68,299)</u>	<u>(130,043)</u>
Excess (Deficiency) of Revenues & Other Financing	<u>645,890</u>	<u>(159,590)</u>	<u>(649,378)</u>	<u>975,923</u>	<u>503,312</u>
Adjustment to Fund Balance from Prior Year			<u>(255,828)</u>		
Fund Balance Beginning of Year	<u>4,378,154</u>	<u>5,024,044</u>	<u>4,608,626</u>	<u>3,959,248</u>	<u>4,935,171</u>
Fund Equity - End of Year	<u>\$ 5,024,044</u>	<u>\$ 4,864,454</u>	<u>\$ 3,959,248</u>	<u>\$ 4,935,171</u>	<u>\$ 5,438,483</u>

Sources: Audited Annual Financial Reports of the Village (2018-2022)

NOTE: This Schedule NOT audited

**Balance Sheet
General Fund ***

	Fiscal Year Ending May 31		
	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assets:			
Cash	\$ 2,482,783	\$ 2,875,501	\$ 4,308,436
Restricted Cash	33	3,805,319	
Investments, Restricted	2,924,142		
Taxes Receivable		199,138	158,130
Accounts Receivable	227,349	1,913	8,148
Due from other funds	426	25,087	24,282
Due from Other Governments	16,920	159,323	52,919
Due from Fiduciary Funds			
Service Award Program			3,323,484
Prepaid items			
	<u>5,651,653</u>	<u>7,066,281</u>	<u>7,875,399</u>
Total Assets			
Liabilities:			
Accounts Payable	133,233	157,080	126,747
Accrued Liabilities		42,840	55,316
Other Liabilities		418,691	395,810
Due to other Governments	19,661	22,754	
Due to other Funds	177,593	30,222	72,313
Unearned Revenue	1,344,997		
Due to Retirement Systems			16,166
Collections in Advanced			1,770,564
Deferred revenue	16,921	1,459,524	
	<u>1,692,405</u>	<u>2,131,111</u>	<u>2,436,916</u>
Total Liabilities			
Fund Equity:			
Nonspendable			
Assigned			298,824
Restricted	2,924,175	3,805,319	4,007,071
Unassigned	1,035,073	1,129,851	1,132,588
	<u>3,959,248</u>	<u>4,935,170</u>	<u>5,438,483</u>
Total Fund Balance			
Total Liabilities and Fund Balance	<u>\$ 5,651,653</u>	<u>\$ 7,066,281</u>	<u>\$ 7,875,399</u>

* The significant increase in the General Fund Balance Sheet is due to recording LOSAP in the current year activity.

Sources: Audited Annual Financial Reports of the Village (2020-2022)

Note: This schedule NOT audited

**Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Fund ***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues:					
Departmental Income	\$ 50,783	\$ 74,299	\$ 59,550	\$ 57,600	\$ 57,600
Use of Money and Property	172	169	170	17	3
Miscellaneous Local Sources	5,133	2,273	14,209	10,925	39,085
Interfund Revenues				12,194	
Federal Aid	942,839	1,009,444	1,096,124	1,173,420	1,147,805
Total Revenues	<u>998,927</u>	<u>1,086,185</u>	<u>1,170,053</u>	<u>1,254,156</u>	<u>1,244,493</u>
Expenditures:					
General Government Support					
Economic Opportunity and Development	52,007	53,574	61,831		79,541
Employee Benefits	38,768	40,452	40,589	44,325	46,066
Home & Community Service	923,368	995,200	1,067,000	1,322,218	1,164,151
Total Expenditures	<u>1,014,143</u>	<u>1,089,226</u>	<u>1,169,420</u>	<u>1,366,543</u>	<u>1,289,758</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(15,216)</u>	<u>(3,041)</u>	<u>633</u>	<u>(112,387)</u>	<u>(45,265)</u>
Operating Transfers (In)	16,043	36,472	36,472		
Operating Transfers (Out)	(16,043)	(36,472)	(36,472)		
Fund Equity, Beginning of Year	<u>313,923</u>	<u>298,707</u>	<u>295,666</u>	<u>296,299</u>	<u>183,912</u>
Prior Period Adjustment					
Fund Balance End of Year	<u>\$ 298,707</u>	<u>\$ 295,666</u>	<u>\$ 296,299</u>	<u>\$ 183,912</u>	<u>\$ 138,647</u>

* Consists of the Community Development Fund and the Housing Authority Fund.
Sources: Audited Annual Financial Reports of the Village (2018-2022)

Note: This schedule NOT audited

Statement of Revenues, Expenditures and Changes in Fund Net Assets
Light Fund *

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Operating Revenues:					
Electricity Sales	\$ 3,780,458	\$ 3,711,444	\$ 3,731,332	\$ 3,632,772	\$ 4,114,803
Use of money and Property	1,283	1,055	1,281	1,348	
Other Operating Revenue					
Total Operating Revenues	<u>3,781,741</u>	<u>3,712,499</u>	<u>3,732,613</u>	<u>3,634,120</u>	<u>4,114,803</u>
Operating Expenditures:					
Electrical					2,317,627
Administrative and Personal	547,555	602,985	638,004	593,116	89,527
Employee Benefits	557,254	873,533	522,228	571,472	685,119
Plant, Transmission and Distribution	1,862,818	1,938,600	2,021,611	1,874,148	
Depreciation	277,319	298,361	303,291	307,852	312,457
Other					
Total Operating Expenditures	<u>3,244,946</u>	<u>3,713,479</u>	<u>3,485,134</u>	<u>3,346,588</u>	<u>3,404,730</u>
Operating Income	<u>536,795</u>	<u>(980)</u>	<u>247,479</u>	<u>287,532</u>	<u>710,073</u>
Nonoperating Revenues (Expenses):					
Interest Revenue					525
Interest Expense	(109,077)	(104,862)	(100,613)	97,451	(95,109)
Amortization of Deferred Charges					
Elimination of sick-time accrual					
Federal Aid					2,190,030
Contribution to General Fund					
Operating Transfers Out	(88,000)	(88,000)	(88,000)	(88,000)	(88,000)
Total Non-Operating Revenues	<u>(197,077)</u>	<u>(192,862)</u>	<u>(188,613)</u>	<u>9,451</u>	<u>2,007,446</u>
Net Income (Loss)	<u>339,718</u>	<u>(193,842)</u>	<u>58,866</u>	<u>296,983</u>	<u>2,717,519</u>
Net Assets - Beginning of Year	<u>5,612,367</u>	<u>5,952,085</u>	<u>4,586,499</u>	<u>4,645,365</u>	<u>4,747,446</u>
Prior Period Adjustment		<u>(1,171,744)</u>		<u>(194,902)</u>	
Net Assets - End of Year	<u>\$ 5,952,085</u>	<u>\$ 4,586,499</u>	<u>\$ 4,645,365</u>	<u>\$ 4,747,446</u>	<u>\$ 7,464,965</u>

* Enterprise Utility Fund

Sources: Audited Annual Financial Reports of the Village (2018-2022)

This schedule NOT audited

Statement of Revenues, Expenditures and Changes in Fund Net Assets
Water Fund

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Operating Revenues:					
Water Sales	\$ 448,513	\$ 452,857	\$ 475,889	\$ 554,099	\$ 554,659
Use of Money and Property	3,057	3,076	2,628	2,087	
Miscellaneous	21,101	12,582	10,680	24,376	
Total Operating Revenues	<u>472,671</u>	<u>468,515</u>	<u>489,197</u>	<u>580,562</u>	<u>554,659</u>
Operating Expenditures:					
Personal Services	93,152	105,239	104,237	91,217	126,561
Contractual Expenses	168,443	241,541	227,919	278,089	
Purification					305,076
Plant , Transmission and Distribution					
Employee Benefits	78,432	144,923	104,972	102,547	72,976
Depreciation	22,654	27,116	27,585	27,324	28,116
Interest Expense					
Total Operating Expenditures	<u>362,681</u>	<u>518,819</u>	<u>464,713</u>	<u>499,177</u>	<u>532,729</u>
Operating Income	<u>109,990</u>	<u>(50,304)</u>	<u>24,484</u>	<u>81,385</u>	<u>21,930</u>
Nonoperating Revenues (Expenses):					
Interest Revenue (Expense)					1,583
Other Revenue					7,182
Operating Transfers Out	(12,240)	(12,240)	(12,240)	(12,240)	(12,240)
Total Non-Operating Revenues	<u>(12,240)</u>	<u>(12,240)</u>	<u>(12,240)</u>	<u>(12,240)</u>	<u>(3,475)</u>
Net Income (Loss)	<u>97,750</u>	<u>(62,544)</u>	<u>12,244</u>	<u>69,145</u>	<u>18,455</u>
Net Assets - Beginning of Year	<u>1,485,604</u>	<u>1,583,354</u>	<u>1,309,896</u>	<u>1,322,140</u>	<u>1,391,283</u>
Other Changes in Net Assets		(210,914)			
Net Assets Equity - End of Year	<u>\$ 1,583,354</u>	<u>\$ 1,309,896</u>	<u>\$ 1,322,140</u>	<u>\$ 1,391,283</u>	<u>\$ 1,409,736</u>

Sources: Audited Annual Financial Reports of the Village (2018-2022)

Note: This schedule NOT audited

Statement of Revenues, Expenditures and Changes in Fund Net Assets
Sewer Fund

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Operating Revenues:					
Sewer Rents	\$ 1,433,898	\$ 1,536,084	\$ 1,513,676	\$ 1,510,665	\$ 1,559,680
Use of Money and Property	2,382	3,388	3,567	15,889	
Sales Tax Revenues	26,984	26,984	26,984	26,984	
Miscellaneous	1,300	292,575	322,644	59,983	
Other General Government Aid					
Total Operating Revenues	<u>1,464,564</u>	<u>1,859,031</u>	<u>1,866,871</u>	<u>1,613,521</u>	<u>1,559,680</u>
Operating Expenditures:					
Personal Services	422,755	471,714	491,856	462,501	20,250
Contractual	376,863	392,457	502,669	823,316	
Home and Community					1,150,556
Employee Benefits	375,650	591,819	440,011	445,276	415,626
Depreciation	286,921	252,324	263,505		289,101
Interest Expense	11,085	7,286	5,078	(1,292)	
Total Operating Expenditures	<u>1,473,274</u>	<u>1,715,600</u>	<u>1,703,119</u>	<u>1,729,801</u>	<u>1,875,533</u>
Operating Income	<u>(8,710)</u>	<u>143,431</u>	<u>163,752</u>	<u>(116,280)</u>	<u>(315,853)</u>
Nonoperating Revenues (Expenses):					
Interest Revenue					1,300
Sales tax revenue					26,984
Miscellaneous					15,098
Premium on obligations					6,297
Federal Aid					
Interest expense					
Other Revenue					
Operating Transfers In (Out)	<u>(18,360)</u>	<u>(18,360)</u>	<u>(18,360)</u>		<u>(18,360)</u>
Total Non-Operating Revenues	<u>(18,360)</u>	<u>(18,360)</u>	<u>(18,360)</u>	<u>0</u>	<u>31,319</u>
Net Income (Loss)	<u>(27,070)</u>	<u>125,071</u>	<u>145,392</u>	<u>(116,280)</u>	<u>(284,534)</u>
Other Changes in Net Assets					
Net Assets - Beginning of Year	<u>7,741,343</u>	<u>7,714,273</u>	<u>7,055,448</u>	<u>7,200,840</u>	<u>7,084,560</u>
Adjustment to Prior Year's Net Assets		<u>(783,896)</u>			<u>(15,900)</u>
Net Assets - End of Year	<u>\$ 7,714,273</u>	<u>\$ 7,055,448</u>	<u>\$ 7,200,840</u>	<u>\$ 7,084,560</u>	<u>\$ 6,784,126</u>

Sources: Audited Annual Financial Reports of the Village (2018-2022)
This schedule NOT audited

Budget Summaries

	Fiscal Year Ending May 31, 2024			
	General Fund	Electric Fund	Water Fund	Sewer Fund
Revenues:				
Real Property Taxes	\$ 1,322,940	\$	\$	\$
Other Real Property Tax Items	62,290			
Departmental Income	1,799,400	3,795,589	680,420	
Public Safety	852,708			
Intergovernmental Income				
Use of Money and Property	989,450	46,000		1,624,984
Licenses & Permits	51,000			
Miscellaneous	258,000	42,100		
State Aid	84,427			
Transfers	30,600	156,580		396,717
	<u>5,450,815</u>	<u>4,040,269</u>	<u>680,420</u>	<u>2,021,701</u>
Total Revenues	\$ 5,450,815	\$ 4,040,269	\$ 680,420	\$ 2,021,701
Expenditures:				
General & Miscellaneous Expenses	\$ 706,415	18,000	550,290	1,413,616
Public Safety	1,359,646	60,700		
Health	5,400	89,969		
Transportation	934,363			
Culture & Recreation	900,864	2,321,550		
Home & Community Service	258,000	559,750		
Employee Benefits	926,500	990,300	130,130	515,400
Debt Service	359,627			92,685
	<u>5,450,815</u>	<u>4,040,269</u>	<u>680,420</u>	<u>2,021,701</u>
Total Expenditures	\$ 5,450,815	\$ 4,040,269	\$ 680,420	\$ 2,021,701

Source: Adopted Budget of the Village

Budget Summaries

	Fiscal Year Ending May 31, 2023			
	General Fund	Electric Fund	Water Fund	Sewer Fund
Revenues:				
Real Property Taxes	\$ 1,105,126	\$	\$	\$
Other Real Property Tax Items	67,990			
Departmental Income	1,399,307	3,703,765	610,705	
Public Safety	842,536			
Intergovernmental Income				
Use of Money and Property	983,190	1,000		1,615,484
Licenses & Permits	57,100			
Miscellaneous	318,204	28,100		
State Aid	117,282			
Transfers	90,500			270,000
	<u>4,981,235</u>	<u>3,732,865</u>	<u>610,705</u>	<u>1,885,484</u>
Total Revenues	<u>\$ 4,981,235</u>	<u>\$ 3,732,865</u>	<u>\$ 610,705</u>	<u>\$ 1,885,484</u>
Expenditures:				
General & Miscellaneous Expenses	\$ 677,725	3,593,255	438,605	1,340,561
Public Safety	1,319,664			
Health	9,000			
Transportation	774,665			
Culture & Recreation	818,580			
Home & Community Service	182,955			
Employee Benefits	816,121	139,610	172,100	460,113
Debt Service	382,525			84,810
	<u>4,981,235</u>	<u>3,732,865</u>	<u>610,705</u>	<u>1,885,484</u>
Total Expenditures	<u>\$ 4,981,235</u>	<u>\$ 3,732,865</u>	<u>\$ 610,705</u>	<u>\$ 1,885,484</u>

Source: Adopted Budget of the Village

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2022**

[▶ Click Here For 2022 Audit](#)

NOTE: SUCH FINANCIAL STATEMENTS 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.

APPENDIX C

FORM OF ANNUAL AND CONTINUING DISCLOSURE UNDERTAKING

**ANNUAL AND CONTINUING DISCLOSURE
UNDERTAKING CERTIFICATE
PURSUANT TO RULE 15c2-12 OF THE
SECURITIES AND EXCHANGE COMMISSION**

On the date hereof, the Village of Greenport, Suffolk County, New York (the “Issuer”) is issuing its Bonds (as defined herein). To facilitate compliance with Rule 15c2-12 of the SEC (as defined herein”) promulgated under the Securities Exchange Act of 1934, as amended by the underwriter (as defined in the Rule), the Issuer hereby undertakes for the benefit of the record and beneficial owners from time to time of the Bonds (the “Holders”) to provide:

A. Definitions. As used in this Undertaking, the following terms have the meanings ascribed to such terms below:

“*Bonds*” means the Issuer’s \$1,350,000 Public Improvement (Serial) Bonds – 2023, dated June 6, 2023.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii); provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Rule*” means SEC Rule 15c2-12, as amended from time to time.

“*SEC*” means the United States Securities and Exchange Commission.

“*Undertaking*” means this Annual and Continuing Disclosure Undertaking.

B. Annual Reports. With respect to the Bonds, the Issuer shall electronically file annually with the MSRB, (1) within six months after the end of each fiscal year ending after the date hereof, financial information and operating data with respect to the Issuer of the general type contained in or cross referenced in the Issuer’s final Official Statement, dated May 24, 2023 under the headings “**VILLAGE OF GREENPORT**”, “**DEMOGRAPHIC AND STATISICAL INFORMATION**”, “**INDEBTEDNESS OF THE VILLAGE**”, “**FINANCIAL MATTERS**”, “**TAX INFORMATION**”, and “**LITIGATION**”, and in **APPENDICES A AND B**, and (2) if not provided as part of such financial information and operating data, audited financial statements of the Issuer, when and if available. If audited financial statements are not available at that time the Village will electronically file unaudited financial statements when available. Any financial statements so to be electronically filed shall be prepared in accordance with the accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and shall be audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided.

If the Issuer changes its fiscal year, it will electronically file with the MSRB notice of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Undertaking.

The financial information and operating data to be electronically filed pursuant to this Undertaking may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's website or filed with the SEC.

C. Event Notices. The Issuer shall electronically file with the MSRB notice of any of the following events with respect to the Bonds in a timely manner and not more than ten business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) 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 United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental 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.

The Issuer shall electronically file with the MSRB, in a timely manner, notice of any failure by the Issuer to provide *financial* information or operating data in accordance with this Undertaking by the time required by this Undertaking.

D. Filings with the MSRB. All financial information, operating data, financial *statements*, notices, and other documents provided to the MSRB in accordance with this Undertaking shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

E. Limitations, Disclaimers, and Amendments. The Issuer shall be obligated to observe and perform the covenants specified in this Undertaking for so long as, but only for so long as, the Issuer remain an “obligated person” with respect to the Bonds within the meaning of the Rule.

The provisions of this Undertaking are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Undertaking, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Undertaking and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Undertaking or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS UNDERTAKING, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Undertaking shall constitute a breach of or default on the Bonds.

Nothing in this Undertaking is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Undertaking may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Undertaking, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of the Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Issuer may also repeal or amend the provisions of this Undertaking if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Undertaking in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer so amends the provisions of this Undertaking, the Issuer shall include with any amended financial information or operating data next provided in accordance with this Undertaking an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

IN WITNESS WHEREOF, I have hereunto set my hand this _____, 2023.

Treasurer

APPENDIX D

FORM OF OPINION OF NORTON ROSE FULBRIGHT US LLP

June 6, 2023

Village of Greenport,
County of Suffolk,
State of New York

Norton Rose Fulbright US LLP
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United States

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Re: Village of Greenport, Suffolk County, New York
\$1,350,000* Public Improvement (Serial) Bonds - 2023

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$1,350,000* Public Improvement (Serial) Bonds - 2023 (the "Obligation") of the Village of Greenport, Suffolk County, New York (the "Obligor"), dated June 6, 2023.

We have examined:

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

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

truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Tax Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights; and (ii) may be subject to the exercise of judicial discretion.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights.
- (c) Under existing law, interest on the Obligation (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, assuming continuing compliance after the date hereof by the Obligor with the provisions of the Tax Certificate, and (2) will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals. Under existing law, interest on the Obligation is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligation. Ownership of tax-exempt obligations such as the Obligation may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect

any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

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

Very truly yours,