

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE

S&P GLOBAL RATING: "A-" STABLE OUTLOOK

SERIAL BONDS

See "BOND RATING" herein

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

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

\$2,582,500

NICHOLS JOINT FIRE DISTRICT
IN THE TOWN OF NICHOLS
TIOGA COUNTY, NEW YORK
GENERAL OBLIGATIONS

\$2,582,500 Fire District Serial Bonds - 2019

(the "Bonds")

Dated: September 25, 2019

Due: June 15, 2020-2044

MATURITIES\*

Table with 5 columns: Year, Amount\*, Rate, Yield, CSP. It lists maturity amounts for years 2020 through 2028 and 2029 through 2044.

\* Subject to change in order to achieve substantially level or declining annual debt service.

\*\*The Bonds maturing in the years 2028-2044 are subject to redemption prior to maturity as described herein under the heading "Optional Redemption."

The Bonds are general obligations of the Nichols Joint Fire District, Tioga County, New York (the "Fire District"), and will contain a pledge of the faith and credit of the Fire District for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Fire District, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011. See "TAX LEVY LIMIT LAW" herein.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination for the Bonds maturing in 2020. In the alternative, and at the option of the successful bidder, the Bonds may be registered in the name of the successful bidder. If the Bonds are issued registered in the name of the successful bidder, a single certificate will be issued for each maturity in the principal amount of each maturity as stated on the cover page to this Official Statement. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity, commencing June 15, 2020. Principal and interest will be paid by the Fire District 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. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Hawkins Delafield & Wood LLP, Bond Counsel, New York, New York. It is anticipated that the Bonds will be available for delivery in New York, New York or as may be otherwise agreed upon on or about September 25, 2019.

ELECTRONIC BIDS for the Bonds must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on September 12, 2019 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the Fire District each bid will constitute an offer to purchase the Bonds pursuant to the terms provided in the Notice of Bond Sale.

August 29, 2019

THE FIRE DISTRICT 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 OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER. FOR A DESCRIPTION OF THE FIRE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THE RULE, SEE "APPENDIX - B. UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE" ATTACHED HERETO.

**NICHOLS JOINT FIRE DISTRICT  
IN THE TOWN OF NICHOLS  
TIOGA COUNTY, NEW YORK**

**FIRE DISTRICT OFFICIALS**

**BOARD OF FIRE COMMISSIONERS**

CHRISTOPHER J. WILLIAMS  
CHAIRMAN

THOMAS FIELD, VICE CHAIRMAN  
JEFFREY E. PIERSON, SECRETARY  
BRYAN COLE, COMMISSIONER  
JAMES WILLIAMS, COMMISSIONER

\* \* \* \* \*

MARIE PIERSON  
Fire District Treasurer

 **Coughlin &  
Gerhart LLP**  
Fire District Attorney



FISCAL ADVISORS & MARKETING, INC.  
Municipal Advisor

**BOND COUNSEL**

*Hawkins*  
DELAFIELD & WOOD LLP  
7 World Trade Center  
250 Greenwich Street  
New York, New York 10007  
(212) 820-9300

No person has been authorized by Fire District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Fire District.

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PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.  
 120 Walton Street, Suite 600  
 Syracuse, New York 13202  
 (315) 752-0051  
<http://www.fiscaladvisors.com>

**OFFICIAL STATEMENT**  
**of the**  
**NICHOLS JOINT FIRE DISTRICT**  
**IN THE TOWN OF NICHOLS**  
**TIOGA COUNTY, NEW YORK**  
**Relating To**  
**\$2,582,500 Fire District Serial Bonds - 2019**

This Official Statement, which includes the cover page, has been prepared by the Nichols Joint Fire District in the Town of Nichols, Tioga County, New York (the "Fire District", "Town", "County", and "State", respectively) in connection with the sale by the Fire District of \$2,582,500 principal amount of Fire District Serial Bonds - 2019 (the "Bonds").

The factors affecting the Fire District's financial condition and the Bonds are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Fire District's tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

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

**THE BONDS**

**Description of the Bonds**

The Bonds are general obligations of the Fire District, 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 laws of the State (Local Finance Law, Section 100.00). All the taxable real property within the Fire District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by the Tax Levy Limit Law. See "TAX LEVY LIMIT LAW" herein.

The Bonds will be dated September 25, 2019 and will mature in the principal amounts as set forth on the cover page. The Bonds maturing on or after June 15, 2028 are subject to redemption prior to maturity. See "Optional Redemption" herein. The "Record Date" of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination for the Bonds maturing in 2020. Purchasers will not receive certificates representing their ownership interests in the Bonds. Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity, commencing June 15, 2020. Principal and interest will be paid by the Fire District 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. In the alternative, and at the option of the successful bidder, the Bonds may be registered in the name of the successful bidder. If the Bonds are issued registered in the name of the successful bidder, a single certificate will be issued for each maturity in the principal amount of each maturity as stated on the cover page to this Official Statement.

**Optional Redemption**

The Bonds maturing on or before June 15, 2027 shall not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2028 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Fire District on June 15, 2027 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the Fire District by lot in any customary manner of selection as determined by the Fire District. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. 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, and interest shall cease to be paid thereon after such redemption date.

## **Purpose of Issue**

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Town Law, Local Finance Law, and a bond resolution adopted by the Board of Fire Commissioners on December 19, 2017 and thereafter approved by a majority of the Fire District's voters present and voting at the Special Election duly called and held on January 23, 2018 authorizing the construction of an addition and improvements to the existing fire station, at an aggregate estimated cost of \$3,737,500 appropriating said amount for such purpose include the expenditure of approximately \$1,155,000 expected to be received from the Governor's Office of Storm Recovery, and authorizing the issuance of not exceeding \$2,582,500 serial bonds of said Fire District to pay the balance of said appropriation.

The proceeds of the Bonds will redeem \$225,000 bond anticipation notes currently outstanding and provide \$2,357,500 new monies for the above-mentioned purposes.

## **BOOK-ENTRY-ONLY SYSTEM**

In the event the Bonds are issued as book-entry only bonds, the Depository Trust Company ("DTC"), New York, New York, 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 in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://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 and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 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 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 account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to 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.

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

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

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

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

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

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

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

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE FIRE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

### **Certificated Bonds**

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Fire District and discharging its responsibilities with respect thereto under applicable law, or the Fire District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity, except for one necessary odd denomination for the Bonds maturing in 2020. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the Fire District upon termination of the book-entry-only system. Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity, commencing June 15, 2020. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificate of Determinations of the Fire District Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

## SECURITY AND SOURCE OF PAYMENT

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

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

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

Pursuant to the Section 100.00 of the New York State Local Finance Law, the Fire District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds. The State is precluded from restricting the power of the Fire District to require the levy of taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Fire District's power to cause an increase to its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Towns, on behalf of the Fire District, to levy certain year-to-year increases in real property taxes. (See "TAX LEVY LIMIT LAW" herein).

## REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds if the Fire District defaults in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of such default. Each Bond is a general obligation contract between the Fire District and the owner for which the faith and credit of the Fire District is pledged and while remedies for enforcement of payment are not expressly included in the Fire District's contract with such holders, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional. (See also "Security and Source of Payment" herein for discussion of the statutory (but not constitutional) mandate that a fire district, including the Fire District, pledge its faith and credit to the payment of its indebtedness.)

Upon default of the payment of principal of or interest on the Bonds, at suit of the owner, a Court has power in proper and appropriate proceedings to render a judgment against the Fire District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. Courts also have the power in proper and appropriate proceedings to order payment of a judgment on such Bonds from funds lawfully available therefor or, in the absence thereof, to order the Fire District to take all lawful action to obtain the same, including the inclusion of the required amount in the next request to the Town to place such amount in the next annual tax levy. In exercising its discretion as to whether to enter such an order, the Courts may take into account all relevant factors, including the current operating needs of the Fire District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Bond, the owner of such Bond could, among other things, seek to obtain a writ of mandamus from a Court requiring the governing body of the Fire District to cause the assessment, levy and collection of an ad valorem tax, upon all property of the Fire District subject to taxation by the Fire District, sufficient to pay the principal of and interest on the Bonds as the same shall come due (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto, all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds and notes, there can be no assurance as to what a Court may determine with respect to future events,

including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 41 N.Y.2d 644 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

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

Pursuant to Article VIII, Section 2 of the State Constitution, municipalities and school districts are required to provide an annual appropriation of monies for the payment of due principal of and interest on indebtedness. Specifically this Constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This Constitutional provision providing for first revenue set aside does not apply by its terms to the Fire District. However, pursuant to Section 100.00 of the Local Finance Law, a fire district, including the Fire District, must pledge its faith and credit to the payment of its indebtedness.

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

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While Courts in the State have upheld and sustained the rights of bondholders and/or noteholders, a Court might hold that future events, including a financial crisis as such may occur in the State or in any of its political subdivisions, including municipalities and fire districts of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

### **NO DEFAULT STATEMENT**

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

### **BANKRUPTCY**

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts and fire districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the Fire District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the Fire District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Fire District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the Fire District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the Fire District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.



## THE FIRE DISTRICT

### General Information

Organized in 1908, the Fire District is located in the Town of Nichols in Tioga County, New York, about 30 miles west of the City of Binghamton.

The Town of Nichols is approximately 34.7 square miles in size with a population of approximately 2,712 residents. The Fire District operates out of one station that provides fire protection and rescue, emergency medical services and fire police services to a primarily rural area. The Fire District members are on an all-volunteer status.

Source: Fire District officials.

### Population and Service Area

<u>Year</u>	<u>Town of Nichols</u>	<u>County of Tioga</u>	<u>New York State</u>
2000	2,584	51,784	18,976,457
2010	2,525	51,125	19,378,102
2017 <sup>(1)</sup>	2,712	49,322	19,798,228

<sup>(1)</sup> Represents 2013-2017 American Community Survey 5-Year estimate.

Source: U.S. Bureau of the Census.

### Larger Employers

Larger employers located within the Fire District or in close proximity to the Fire District and the number of persons employed by each are as follows:

<u>Name</u>	<u>Business</u>	<u>Approximate Number of Employees</u>
Tioga Downs	Casino	800+
Crown Cork & Seal	Manufacturing	300+
Best Buy	Distribution Center	300+
Jewel Brothers	Jim's RV Camper Sales	50+
On Track Enterprises	Dandy Mini Mart	40+

### Selected Wealth and Income Indicators

Per capita income statistics are not available for the Fire District as such. The smallest areas for which such statistics are available, which includes the Fire District, are the Town and County listed below. The figures set below are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that such data, are necessarily representative of the Fire District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2013-2017</u>	<u>2000</u>	<u>2006-2010</u>	<u>2013-2017</u>
Towns of:						
Nichols	\$ 15,728	\$ 20,216	\$ 25,428	\$ 38,558	\$ 53,933	\$ 66,125
County of:						
Tioga	18,673	24,596	30,252	46,509	59,907	72,992
State of:						
New York	23,389	30,948	31,177	51,691	67,405	70,850

Note: 2014-2018 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2013-2017 American Community Survey data.

## Unemployment Rate Statistics

Unemployment statistics are not available for the Fire District as such. The smallest area for which such statistics are available (which includes the Fire District) is the County. The information set forth below is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement are necessarily representative of the Fire District, or vice versa.

	<u>Annual Average</u>							
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Tioga County	7.7%	7.9%	7.1%	6.1%	5.5%	5.1%	5.1%	4.4%
New York State	8.3%	8.5%	7.7%	6.3%	5.3%	4.9%	4.7%	4.1%

	<u>2019 Monthly Figures</u>							
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>
Tioga County	4.7%	4.8%	4.6%	3.7%	3.6%	3.6%	3.8%	N/A
New York State	4.6%	4.4%	4.1%	3.6%	3.8%	3.8%	4.2%	N/A

Note: Unemployment rates for the month of August 2019 are unavailable as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

## Form of Fire District Government

The Fire District is governed by a five-member Board of Fire Commissioners who are appointed to five-year terms on a rotating basis. The Chairman of the Board is appointed by the Commissioners at the Organizational Meeting each year. The Treasurer is appointed to a one-year term and the Fire District Secretary is appointed to a one-year term annually by the Commissioners at the Organizational Meeting. A 100% volunteer force staff is responsible for the operation of the equipment and apparatus within the Fire District.

## Budgetary Procedures

The Board of Fire Commissioners, with the assistance of the Fire District Treasurer, prepares the annual budget for the General Fund and allocation to the Reserve Funds, which is approved by the Board of Fire Commissioners. The budget is not subject to referendum. Any revisions to the annual budget are adopted by resolution of the Board of Fire Commissioners. The budget is submitted to the Town for inclusion with the Town Budgets for submission to the County. The Town and County have no authority to alter the budget as submitted.

## Financial Organization

Pursuant to Town Law, the Treasurer is Chief Fiscal Officer of the Fire District. The Treasurer is responsible to the Board of Commissioners and serves as the Fire District's Budget Officer. Pursuant to the Town Law, during the absence of the Fire District Treasurer or the inability to act as the Fire District Treasurer or while the office of the Fire District Treasurer is vacant, the Deputy Fire District Treasurer shall be vested with all of the powers and may perform all of the duties of the Fire District Treasurer.

## Investment Policy

Pursuant to the statutes of the State of New York, the Fire District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, bond anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Fire District; (6) obligations of a New York public corporation which are made lawful investments by the Fire District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Fire District moneys held in certain reserve funds established pursuant to law, obligations issued by the Fire District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the Fire District's current policy to invest in: (1) certificates of deposit or time deposit accounts with Commercial banks or Trust Companies that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America, or for obligation of the State of New York or its municipal subdivisions. In the case of obligations of the United States government, the Fire District may also purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian bank or trust company. The Fire District does not invest in reverse repurchase agreements or other derivative type investments.

## **Employees**

The Fire District currently has 40 active volunteers. The Fire District does not have paid full-time or part-time employees.

## **Status and Financing of Employee Pension Benefits**

The Fire District provides no employee pension benefits.

## **Other Post Employee Benefits**

The Fire District has no post-employment benefit liabilities.

## **Length of Service Award Program (LOSAP)**

The Fire District does not have any Length of Service Award Programs (LOSAP) for its volunteer firefighters.

## **Other Information**

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which the Bonds are to be issued, is the Town Law, the General Municipal Law and the Local Finance Law.

No principal or interest upon any obligation of this Fire District is past due.

The fiscal year of the Fire District is January 1 through December 31.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Fire District.

## **Financial Statements**

The Fire District has not previously retained an independent certified public accountant to audit its financial records. The Fire District prepares annual updated documents which are submitted to the State. Such annual update documents are available by contacting the office of Fiscal Advisors & Marketing, Inc. at (315) 752-0051. The financial affairs of the Fire District are also subject to periodic audits by the State Comptroller. Certain unaudited financial information of the Fire District is included in the Appendices to this Official Statement.

## **New York State Comptroller Report of Examination**

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Fire District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no recent State Comptrollers audits of the Fire District nor any that are currently in progress.

Note: Reference to website implies no warranty of accuracy of information therein.

**TAX INFORMATION**

**Taxable Valuations**

<u>Years Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Taxable Assessed Valuation	\$ 51,655,448	\$ 41,742,086	\$ 58,613,404	\$ 85,057,643	\$ 85,993,895

**New York State Equalization Rate**

	22.00%	23.00%	23.50%	24.00%	24.50%
Taxable Full Valuation	\$ 234,797,491	\$ 181,487,330	\$ 249,418,740	\$ 354,406,846	\$ 350,995,490

**Tax Rate Per \$1000 (Assessed)**

<u>Years Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
	\$ 3.36	\$ 3.27	\$ 4.55	\$ 3.87	\$ 4.20

**Tax Collection Procedure**

The Town Tax Receiver collects all the real estate taxes of the Town, County, Fire District and special district purposes. The Town Tax Receiver distributes the collected tax money to both the Town and Fire District prior to distributing the balance collected to the County. The Fire District is thereby assured 100% tax collections. Responsibility for the collecting of unpaid taxes rests with the County.

**Tax Levy and Tax Collection Record**

<u>Years Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Tax Levy	\$ 157,990	\$ 157,985	\$ 169,990	\$ 227,070	\$ 357,715
Uncollected Taxes <sup>(1)</sup>	0	0	0	0	0
% Uncollected	0.0%	0.0%	0.0%	0.0%	0.0%

<sup>(1)</sup> See "Tax Collection Procedure".

**Ten Largest Taxpayers for 2018-2019 Tax Assessment Roll**

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Tioga Downs	Hotel	\$ 26,435,000
Crown Cork & Seal	Can Manufacturer	12,000,000
Tioga Downs	Race Track	7,286,919
Best Buy	Distribution Center	4,342,700
Norman Cross-Nichols	Fed EX	3,298,220
Tioga Downs Virgil's	Restaurant	1,645,000
Tioga Downs	Parking Garage	1,149,835
Tioga Downs	Golf Club	980,000
Jewell Brothers Properties	Camping Sales	475,000
On Track Enterprises	Dandy Mini Mart	252,000

The larger taxpayers listed above have a total assessed valuation of \$57,864,674 which represents 67% of the tax base of the Fire District.

Source: Fire District Tax Rolls.

**Additional Tax Information**

Real property located in the Fire District is assessed by the Town.

Veterans' and senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the Fire District is approximately residential 26% and commercial 74%

The estimated total annual property tax bill of a \$100,000 average market value residential property located in the Fire District is approximately \$ 2,536 including State, County, Town, School District and Fire District Taxes.

### **TAX LEVY LIMIT LAW**

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

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Fire District, subject to certain exceptions. The Tax Levy Limit Law permits the Fire District to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Fire District is required to calculate its tax levy limit for the upcoming year in accordance with the provisions above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Fire District, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Fire District. The Board of Fire Commissioners of the Fire District can adopt a resolution, approved by a vote of sixty percent of the total voting power of the Board of Fire Commissioners, to override the tax levy limit for a given year.

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

### **STATUS OF INDEBTEDNESS**

#### **Constitutional Requirements.**

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

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

**Purpose and Pledge.** Pursuant to the Local Finance Law, the Fire District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

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

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

**General.** The Fire District is subject to certain statutory limitations restricting the powers of the Fire District in the areas of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Fire District, so as to prevent abuses in the exercise of such powers. The State Legislature is prohibited from restricting the power of the Fire District to cause the levy of taxes on real estate for the payment of interest on or principal of indebtedness therefore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Fire District's power to increase its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Fire District to cause the levy of certain year-to-year increases in real property taxes. (See "Tax Levy Limit Law" herein).

## **Statutory Procedure**

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

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

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, appropriates the requisite funds, authorizes the issuance of bonds to finance the appropriation, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect to such object or purpose.

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

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

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

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

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

There is no constitutional limitation on the amount that may be raised by the Fire District by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the Fire District to increase its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Fire District to cause the levy of certain year-to-year increases in real property taxes. (See "Tax Levy Limit Law" herein).

**Debt Outstanding End of Fiscal Year**

<u>Fiscal Years Ending December 31<sup>st</sup>:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Bonds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the Fire District evidenced by notes as of August 29, 2019:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bond Anticipation Notes	June 26, 2020	\$ <u>225,000</u> <sup>(1)</sup>
Total Indebtedness		\$ <u>225,000</u>

<sup>(1)</sup> To be redeemed with the proceeds of the Bonds at the redemption date, September 27, 2019.

**Debt Statement Summary**

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of August 29, 2019:

Full Valuation of Taxable Real Property .....	\$ 350,995,490
Debt Limit 3% thereof .....	10,529,865

Inclusions:

Bonds.....	\$ 0	
Bond Anticipation Notes .....	<u>225,000</u>	
Total Inclusions .....		\$ 225,000

Exclusions:

Appropriations.....	\$ <u>0</u>	
Total Exclusions .....		\$ <u>0</u>

Total Net Indebtedness .....	<u>\$ 225,000</u>
Net Debt-Contracting Margin .....	<u>\$ 10,304,865</u>
The percent of debt contracting power exhausted is .....	2.14%

Note: The issuance of the Bonds will increase the net indebtedness of the Fire District by \$2,357,500.

**Capital Project Plans**

The Fire District anticipates entering into a 7 year lease agreement for the purchase of equipment in the fall of 2019. The total lease amount is estimated to be \$152,856 with annual payments of approximately \$21,804.

The Fire District has no other authorized and unissued indebtedness for capital or other purposes other than the issuance of the Bonds.

**Cash Flow Borrowings**

The Fire District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes and does not expect to issue such notes in the future

**Lease Obligations**

The Fire District entered into an equipment lease purchase agreement for \$400,000 during the fiscal year ending December 31, 2018. The Fire District is scheduled to make annual payments of \$35,407 through 2033.

Additionally, the Fire District entered into an equipment lease purchase agreement during the fiscal year ending December 31, 2016. The Fire District is scheduled to make annual payments of \$17,080 through 2021.

**Estimated Overlapping Indebtedness**

In addition to the Fire District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Fire District. The estimated net outstanding indebtedness of such political subdivisions are as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Exclusions</u> <sup>(2)</sup>	<u>Net Indebtedness</u>	<u>Fire District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Tioga	12/31/2017	\$ 13,775,000	\$ -	\$ 13,775,000	13.49%	\$ 1,858,248
School District:						
Tioga CSD	6/30/2018	13,480,453	12,402,017 <sup>(3)</sup>	1,078,436	32.05%	345,639
Owego-Apalachin CSD	6/30/2018	42,061,373	35,668,044 <sup>(3)</sup>	6,393,329	10.11%	646,366
Town of:						
Nichols	12/31/2017	-	-	-	41.45%	-
Village of:						
Nichols	5/31/2018	-	-	-	5.71%	-
					<b>Total:</b>	<b>\$ 2,850,252</b>

<sup>(1)</sup> Bonds and bond anticipation notes not adjusted to include subsequent bond sales, if any.

<sup>(2)</sup> Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

<sup>(3)</sup> Estimated State building aid

Source: Comptroller’s Special Report on Municipal Affairs for Local Finance Years Ended in 2017 for the County and Town and 2018 for the School Districts and Villages.

**Debt Ratios**

The following table sets forth certain ratios relating to the District's indebtedness as of August 29, 2019:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 225,000	\$ 82.96	0.06%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(c)</sup> .....	3,075,252	1,133.94	0.88

<sup>(a)</sup> The current estimated population of the Fire District is 2,712. (See “THE FIRE DISTRICT - Population” herein.)

<sup>(b)</sup> The Fire District’s full value of taxable real estate for the 2019 fiscal year is \$350,995,490. (See “TAX INFORMATION – Taxable Valuations” herein.)

<sup>(c)</sup> See "Debt Statement Summary" for calculation of Net Direct Indebtedness herein.

<sup>(d)</sup> Estimated net overlapping indebtedness is \$2,850,252. (See "Estimated Overlapping Indebtedness" herein.)



## **MARKET AND RISK FACTORS**

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

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

There are a number of general factors which could have a detrimental effect on the ability of the Fire District to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Fire District. Unforeseen developments could also result in substantial increases in Fire District expenditures, thus placing strain on the Fire District's financial condition. These factors may have an effect on the market price of the Bonds.

If a holder elects to sell his or her investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the Fire District. Any such future legislation would have an adverse effect on the market value of the Bonds (See "TAX MATTERS" herein).

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or, with the Bonds, to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Bonds, or the tax status of interest on the Bonds. See "TAX MATTERS" herein.

The Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Fire District and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the Fire District and hence upon the market price of the Bonds. See "TAX LEVY LIMIT LAW" herein.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

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

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

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

### **Certain Ongoing Federal Tax Requirements and Certifications**

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

### **Certain Collateral Federal Tax Consequences**

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds. Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

### **Original Issue Discount**

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

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

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

## **Bond Premium**

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

## **Information Reporting and Backup Withholding**

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient. If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

## **Miscellaneous**

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

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

## **Cybersecurity**

The Fire District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Fire District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. No assurances can be given that any such security and operational control measures implemented would be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Fire District digital networks and systems and the costs of remedying any such damage could be substantial.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Fire District, substantially in the form as set forth in “APPENDIX – C” hereto.

## **LITIGATION**

The Fire District is subject to a number of lawsuits in the ordinary conduct of its affairs. The Fire District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Fire District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Fire District, threatened against or affecting the Fire District to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the Fire District taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the Fire District.

## **DISCLOSURE UNDERTAKING**

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Fire District will enter into an Undertaking to Provide Continuing Disclosure, substantially the form as set forth as "APPENDIX – B" hereto.

### **Historical Compliance**

The Fire District has not previously entered into any continuing compliance agreements or undertakings.

## **BOND RATING**

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its rating of "A-" with a stable outlook to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to them and on investigations, studies and assumptions by the respective 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 the rating of the Bonds may have an adverse effect on the market price of the Bonds.

## **CUSIP IDENTIFICATION NUMBERS**

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the Fire District, provided, however, the County assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

## **MUNICIPAL ADVISOR**

Fiscal Advisors & Marketing, 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 financial advisor to the Fire District on matters relating to debt management. The Municipal Advisor is a financial 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. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Fire District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Fire District or the information set forth in this Official Statement or any other information available to the Fire District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Fire District to the Municipal Advisor are partially contingent on the successful closing of the Bonds.

## MISCELLANEOUS

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

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Fire District management's beliefs as well as assumptions made by, and information currently available to, the Fire District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Fire District's files with the repositories. When used in Fire District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

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

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

Concurrently with the delivery of the Bonds, the Fire District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Fire District.

The Official Statement is submitted only in connection with the sale of the Bonds by the Fire District and may not be reproduced or used in whole or in part for any other purpose.

The Fire District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at [www.fiscaladvisors.com](http://www.fiscaladvisors.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. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Fire District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the Fire District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the Fire District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Fire District's contact information is as follows: Ms. Marie Pierson, Fire District Treasurer, 106 W. River Road, P.O. Box 335, Nichols, New York 13812, Phone (607) 239-8933, Email: [nicholsjfdt@gmail.com](mailto:nicholsjfdt@gmail.com)

Additional copies of the Notice of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at [www.fiscaladvisors.com](http://www.fiscaladvisors.com)

**NICHOLS JOINT FIRE DISTRICT  
IN THE TOWN OF TIOGA**

**Dated: August 29, 2019**

**MARIE PIERSON**  
**FIRE DISTRICT TREASURER AND**  
**CHIEF FISCAL OFFICER**

**GENERAL FUND**

**Balance Sheets**

Fiscal Year Ending December 31:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b><u>ASSETS</u></b>					
Cash	\$ 54,127	\$ 33,401	\$ 24,589	\$ 2,865	\$ 8,945
Cash in Time Deposits	-	-	-	276	3
TOTAL ASSETS	\$ 54,127	\$ 33,401	\$ 24,589	\$ 3,141	\$ 8,948
<b><u>LIABILITES AND FUND EQUITY</u></b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -
<b><u>FUND EQUITY</u></b>					
Unassigned Fund Balance	\$ 54,127	\$ 33,401	\$ 24,589	\$ 3,141	\$ 8,948
TOTAL FUND EQUITY	\$ 54,127	\$ 33,401	\$ 24,589	\$ 3,141	\$ 8,948
TOTAL LIABILITES and FUND EQUITY	\$ 54,127	\$ 33,401	\$ 24,589	\$ 3,141	\$ 8,948

Source: Unaudited Annual Update Documents of the Fire District. This Appendix itself is not audited.

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance**

Fiscal Years Ending December 31:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b><u>REVENUES</u></b>					
Real Property Taxes & Tax Items	\$ 137,900	\$ 157,990	\$ 157,985	\$ 169,990	\$ 227,070
Intergovernmental Charges	-	-	-	3,000	-
Interest and Earnings	16	13	7	5	8
Sale of Equipment	402	-	3,800	600	7,000
Insurance Recoveries	-	-	-	-	-
Gifts and Donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Refund of Prior Year's Expenditures	-	-	-	-	-
Federal Aid	35,118	-	-	-	-
Total Revenues	<u>\$ 173,435</u>	<u>\$ 158,003</u>	<u>\$ 161,792</u>	<u>\$ 173,595</u>	<u>\$ 234,078</u>
<b><u>EXPENDITURES</u></b>					
Fire, Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -
Fire, Equipment & Capital Outlay	18,893	44,670	56,085	23,338	5,429
Fire, Contractual Expenditures	94,062	119,059	101,067	154,443	195,262
Fire, Employee Benefits	-	-	-	-	-
Debt Service	-	-	-	17,080	17,080
Total Expenditures	<u>\$ 112,955</u>	<u>\$ 163,729</u>	<u>\$ 157,152</u>	<u>\$ 194,861</u>	<u>\$ 217,771</u>
Excess of Revenues Over (Under) Expenditures	<u>60,480</u>	<u>(5,726)</u>	<u>4,640</u>	<u>(21,266)</u>	<u>16,307</u>
Other Financing Sources (Uses):					
Operating Transfers In	\$ -	\$ -	\$ -	\$ -	\$ 4,500
Operating Transfers Out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
Total Other Financing	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	<u>\$ -</u>	<u>\$ (10,500)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>45,480</u>	<u>(20,726)</u>	<u>(10,360)</u>	<u>(21,266)</u>	<u>5,807</u>
<b><u>FUND BALANCE</u></b>					
Fund Balance - Beginning of Year	8,646	54,126	33,401	24,589	3,141
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>1,548</u>	<u>(183)</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 54,126</u>	<u>\$ 33,401</u>	<u>\$ 24,589</u>	<u>\$ 3,141</u>	<u>\$ 8,948</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	2018		2019
	Adopted Budget	Actual	Adopted Budget
<b>REVENUES</b>			
Real Property Taxes & Tax Items	\$ 227,070	\$ 227,070	\$ 357,715
Intergovernmental Charges	-	\$ -	-
Interest and Earnings	10	8	-
Sale of Equipment	-	7,000	-
Insurance Recoveries	-	-	-
Gifts and Donations	-	-	-
Unclassified	-	-	-
Refund of Prior Year's Expenditures	-	-	-
Federal Aid	-	-	-
Total Revenues	<u>\$ 227,080</u>	<u>\$ 234,078</u>	<u>\$ 357,715</u>
<b>EXPENDITURES</b>			
Fire, Personal Services	\$ -	-	\$ -
Fire, Equipment & Capital Outlay	40,000	5,429	25,000
Fire, Contractual Expenditures	155,000	195,262	236,650
Fire, Employee Benefits	-	-	-
Debt Service	17,080	17,080	56,080
Other Budgetary Purposes	-	-	-
Total Expenditures	<u>\$ 212,080</u>	<u>\$ 217,771</u>	<u>\$ 317,730</u>
Excess of Revenues Over (Under) Expenditures	<u>15,000</u>	<u>16,307</u>	<u>39,985</u>
Other Financing Sources (Uses):			
Operating Transfers In	-	4,500	-
Operating Transfers Out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(40,000)</u>
Total Other Financing	<u>\$ (15,000)</u>	<u>\$ (10,500)</u>	<u>\$ (40,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>5,807</u>	<u>(15)</u>
<b>FUND BALANCE</b>			
Fund Balance - Beginning of Year	-	3,141	15
Prior Period Adjustments (net)	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 8,948</u>	<u>\$ -</u>



**UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

## UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

### Section 1. Definitions

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

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

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

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

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

“Issuer” shall mean the **Nichols Joint Fire District, in the Town of Nichols, Tioga County**, a district corporation of the State of New York.

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

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Fire District Treasurer as of September 12, 2019.

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

“Securities” shall mean the Issuer’s **\$2,582,500 Fire District Serial Bonds-2019**, dated September 25, 2019, maturing in various principal amounts on June 15 in each of the years 2020 to 2044, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York, to the EMMA System:

- (i) no later than six (6) months following the end of each fiscal year, commencing with the fiscal year ending December 31, 2019, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements

are not prepared or are not then available, unaudited financial statements shall be provided with the Annual Information no later than six (6) months following the end of each fiscal year, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and

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

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

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

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

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

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does

not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

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

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

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

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

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

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

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

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

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

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

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

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

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law. IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of September 25, 2019.

NICHOLS JOINT FIRE DISTRICT, IN THE TOWN OF  
NICHOLS, TIOGA COUNTY, NEW YORK

By \_\_\_\_\_  
Fire District Treasurer and Chief Fiscal Officer

**FORM OF BOND COUNSEL'S OPINION**



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

September 25, 2019

The Board of Fire Commissioners of the  
Nichols Joint Fire District,  
in the Town of Nichols, Tioga County, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Nichols Joint Fire District (the “Fire District”), in the Town of Nichols, Tioga County, New York, a district corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$2,582,500 Fire District Serial Bonds-2019 (the “Bonds”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof. Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

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

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

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

date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

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

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

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

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

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

Very truly yours,

/s/ Hawkins Delafield & Wood LLP