

**Post-Issuance Tax Compliance and Continuing Disclosure
Policies and Procedures
For Tax-Exempt Notes & Bonds**

The purpose of these Post-Issuance Tax Compliance and Continuing Disclosure Policies and Procedures is to establish policies and procedures in connection with tax-exempt notes and bonds, or installment purchase agreements, or other tax-exempt or tax-advantaged debt obligations (referred to herein in each case as the "Bonds") issued by, or on behalf of, the VILLAGE OF ALBION (the "Issuer") so as to maximize the likelihood that certain applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Bonds are met and so as to likewise maximize the likelihood that certain applicable post-issuance requirements of the federal securities laws Rule, hereinafter defined, are met. The Issuer reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant, and as permitted by applicable law. The Issuer also reserves the right to change these policies and procedures from time to time. The Issuer shall review and reconfirm and re-adopt these policies and procedures not less frequently than annually at the same time it adopts or re-adopts its other ongoing policies and procedures.

Post-Issuance Tax Compliance Requirements

External Advisors/Documentation

The Issuer shall consult with bond counsel and other legal counsel and with its financial advisor and other advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the tax arbitrage certificate (the "Arbitrage Certificate") and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate or yield restriction requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

When authorized or required in the Arbitrage Certificate, the Issuer shall engage expert advisors, which may include the financial advisor to the Issuer (each a "Rebate Service Provider"), to assist in the determination of whether yield restriction is required or in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds, unless the Arbitrage Certificate documents that arbitrage rebate or yield restriction will not be applicable to an issue of Bonds. When authorized or required by the Arbitrage Certificate, the Issuer shall engage bond counsel for consultation to assist the Issuer in meeting its obligations in the Arbitrage Certificate.

The Issuer shall prepare regular, periodic statements regarding the investments and transactions involving Bond proceeds.

Arbitrage Rebate and Yield

Unless the Arbitrage Certificate documents that arbitrage rebate will not be applicable to an issue of Bonds, the Issuer shall be responsible for:

- engaging the services of a Rebate Service Provider and, prior to each rebate calculation date, delivering periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider;
- providing to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- monitoring efforts of the Rebate Service Provider;
- assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issuer date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;
- during the acquisition and construction period of each capital project financed in whole or in part by Bonds, monitoring the investment and expenditure of Bond proceeds and consulting with the Rebate Service Provider to determine compliance with any applicable small issuer or spending exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months, 24 months, or 36 months, as applicable, following the issue date of the Bonds; and
- retaining copies of all arbitrage reports and spending or investment statements as described below under "Record Keeping Requirements."

Use of Bond Proceeds and Bond-Financed or Refinanced Assets

The Issuer shall be responsible for:

- monitoring the use of Bond proceeds and the use (including, with particular sensitivity, any use or potential for use by any person or entity other than a governmental unit, such as, a private entity or not-for-profit entity) of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Arbitrage Certificate relating to the Bonds;

- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds, including a final allocation of Bond proceeds as described below under “Record Keeping Requirements”;
- consulting with bond counsel and other legal counsel and with the financial advisor or other advisors in the review of any contracts or arrangements involving the transfer, or sale, or lease or other use of all or any portion of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Arbitrage Certificate relating to the Bonds;
- maintaining records for any contracts or arrangements involving the use of Bond-financed or refinanced assets as described below under “Record Keeping Requirements”;
- conferring at least annually with personnel responsible for Bond-financed or refinanced assets to identify and discuss any existing or planned use of Bond-financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Arbitrage Certificate relating to the Bonds; and
- to the extent that the Issuer discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and with the financial advisor or other advisors to determine a course of action to remediate all nonqualified bonds, if such counsel or advisor advises that a remedial action is necessary.

All relevant records and contracts shall be maintained as described below.

Due Diligence Monitoring Compliance

The board of the Issuer will identify in writing the appropriate business official(s) or other individual(s) or employee(s) of the Issuer responsible for conducting due diligence review of all outstanding Bonds at regular intervals and will provide a written description of the training provided, or to be provided, to such responsible individual(s) with regard to monitoring compliance and the Issuer shall maintain a record of such training, including the date(s) of attendance and a general description of the training received. The Issuer will assure adequate maintenance of training of the responsible official/employee and will establish such monitoring procedures, with timely reporting to the chief fiscal officer and/or to the Finance Board of the Issuer, reasonably expected to timely identify tax law noncompliance and procedures ensuring that the Issuer will take steps to timely correct any and all discovered noncompliance with the tax law. If the Issuer engages in an activity causing bond-financed property to be used in a manner

that violates the applicable use and payment limitations in the internal revenue code, the Issuer may take one or more “self-help” remedial actions. Possible remedial actions include defeasing the non-qualified portion of the outstanding Bonds or using the amounts realized from a sale of bond-financed property for another qualifying use; and if the Issuer fails to timely identify noncompliance early enough to qualify for self-help remedial actions or for matters in which self-help is not available, the Issuer can approach the IRS under its VCAP program which is described in more detail in IRS Notice 2008-31 and Internal Revenue Manual Sections 7.2.3.

The Issuer is aware of its ability, pursuant to Revenue Service Notice 2008-31, as it may be modified by the IRS from time to time, to request a voluntary closing agreement with the IRS to correct failures on the part of the Issuer to comply with the federal tax rules related to tax-exempt debt issuances.

Whenever possible, monitoring of tax law compliance will be integrated with the Issuer’s accounting systems so that those who directly manage Bond-financed or refinanced assets will be prompted to identify relevant facts at the time any changes are contemplated and to communicate such plans to the appropriate finance officials of the Issuer.

Record Keeping Requirement

The Issuer shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to the Issuer at or in connection with closing of the issue of Bonds;
- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds;
- a copy of all contracts and arrangements (such as, leases, subleases, management or other service agreements, research contracts, joint venture arrangements, and the like) involving the use of Bond-financed or refinanced assets;
- a copy of all expenditures of Bond proceeds for project expenses and records of all investments, arbitrage reports and underlying documents, including bank statements and copies of all investment bidding documents, if any;

- a copy of expenditure reimbursements incurred for expenditures paid prior to issuing the Bonds; and
- a copy of audited financial statements.

Post-Issuance Continuing Disclosure

Under the provisions of SEC Rule 15c2-12 (the "Rule"), Participating Underwriters (as defined in the Rule) are required to determine that each borrower (such as the Issuer) has entered into a written Continuing Disclosure Agreement to make ongoing disclosure in connection with each debt offering subject to the Rule. Unless the Issuer is exempt from compliance with the Rule or the continuing disclosure provisions of the Rule as a result of certain permitted exemptions, the transcript of closing documentation for each issue of related Bonds will include a Continuing Disclosure Agreement executed by the Issuer ("Continuing Disclosure Agreement").

In addition to the responsibilities of the Issuer set forth in each Continuing Disclosure Agreement, in order to monitor compliance by the Issuer with its Continuing Disclosure Agreements, the appropriate business official(s) or other individual(s) or employee(s) of the Issuer, as designated in writing by the board of the Issuer, will:

- A. Assist in the preparation or review of annual reports of financial information and operating data ("Annual Reports") in the form required by the related Continuing Disclosure Agreements.
- B. Maintain a calendar, with appropriate reminder notifications, listing the filing due dates relating to dissemination of Annual Reports, which annual due date is generally expressed as a date within a certain number of days (e.g., 180 days) following the end of the Issuer's fiscal year (the "Annual Report Due Date"), as provided in the related Continuing Disclosure Agreements.
- C. Ensure timely dissemination of the Annual Report by the Annual Report Due Date, in the format and manner provided in the related Continuing Disclosure Agreements, which may include transmitting such filing to the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB.
- D. Monitor the occurrence of any event notice (as described in the Continuing Disclosure Agreements) and timely file notice of the occurrence of any such event in the manner provided under the Continuing Disclosure Agreements. Maintain an ongoing, updated list of all "financial obligations" of the Issuer, as defined in the Rule so as to be in

a position to timely file any event notice that may be required by the Rule. To be timely filed, any and all such event notices must be transmitted within 10 business days (or such other time period as set forth in the Continuing Disclosure Agreements) of the occurrence of such event.

- E. Ensure timely dissemination of notice of any failure to provide the required Annual Report on or before the date specified in the Continuing Disclosure Agreement, if and as required by the Continuing Disclosure Agreement, and ensure that each official statement of the Issuer describes any instances in the previous five years in which the Issuer failed to comply, in all material respects, with any previous Continuing Disclosure Agreement.

- F. Monitor the performance of any dissemination agent(s) engaged by the Issuer (which may include the financial advisor to the Issuer) to assist in the performance of any obligation under the Continuing Disclosure Agreements.

The Issuer shall provide, or cause to be provided, periodic training of such business official(s) or other individual(s) or employee(s) of the Issuer regarding continuing disclosure obligations pursuant to the Rule to ensure compliance with the federal securities laws and shall maintain a record such training, including the date(s) of attendance and a general description of the training received.

RESOLUTION 2025-06
ADVANCED APPROVAL OF CLAIMS

Pursuant to Village Law § 5-524 (6)

WHEREAS, the Board of Trustees has determined to authorize payment in advance of audit of claims for public utility services, postage, freight, express charges, car rental fees, schooling fees, credit cards, charge cards (ex. Home Depot) and medical reimbursements, and

WHEREAS, all such claims shall be presented at the next regular meeting for audit, and

WHEREAS, the claimant and officer incurring or approving the same shall be jointly and severally liable for any amount the Board of Trustees disallows.

NOW THEREFORE BE IT RESOLVED:

Section 1. That the Board of Trustees authorizes payment in advance of audit of claims for public utility services, postage, freight, express charges, car rental fees, pager fees, schooling fees, credit cards, charge cards and medical reimbursements and all such claims shall be presented at the next regular meeting for audit and the claimant and officer incurring or approving the same be jointly and severally liable for any amount disallowed by the Board of Trustees.

That this resolution shall take effect immediately.

RESOLUTION 2025-07
MILEAGE ALLOWANCE

WHEREAS, THE Board of Trustees has determined to pay a fixed rate for mileage as reimbursement to officers and employees of the Village who use their personal automobiles while performing their official duties on behalf of the Village;

Section 1. That the Board of Trustees shall approve reimbursement to such officers and employees at the rate of .655 cents per mile.

That this resolution is effective immediately.

RESOLUTION 2025-08
ATTEDANCE AT SCHOOLS AND CONFERENCES

Pursuant of General Municipal Law § 77-b

WHEREAS there is to be held during the coming official year;

- A) the New York State Conference of Mayors Annual Meeting and Training School;
- B) the New York State Conference of Mayors Fall Training School for Fiscal Officers and Municipal Clerks;
- C) the New York State Conference of Mayors Public Works School;
- D) the New York State Government Finance Officer Association training and conferences and,

WHEREAS attendance by certain municipal officials and employees at one or more of these meetings, conferences or schools benefits the municipality;

NOW THEREFORE BE IT RESOLVED:

Section 1. That the following officers and employees are authorized to attend the following schools:

- a) Board of Trustees, Mayor, Clerk-Treasurer, Deputy Clerk, Deputy Treasurer, Secretary II are hereby authorized to attend the NY State Conference of Mayors Annual Meeting, NY State Conference of Mayors Fall Training School for Fiscal Officers and Municipal Clerks and NY State Government Finance Officer Association training and conferences
- b) Superintendent of the DPW is hereby authorized to attend the New York State Conference of Mayors Public Works School.

That this resolution shall take effect immediately.

FUND BALANCE POLICY

Policy Statement: The purpose of this policy is to enhance long-term financial planning and mitigate the risks associated with changes in revenues due to economic and local market conditions. These policies also aim to assist in the allocation of sufficient monies for the purchase of capital equipment, construction of capital improvements, and unanticipated expenditures that may occur. Unrestricted reserve balances may be utilized for emergency expenditures, annual budget shortfalls or other approved capital projects.

Definitions:

Governmental Accounting Standards Board (GASB) No. 54 Requirements: Fund balance is the difference between assets and liabilities in a Governmental Fund. In the past, fund balance classifications were “reserved for specific purposes” or “unreserved,” meaning that funds could be spent as the Village saw fit. With Statement No. 54, the new fund classifications are as follows:

- (a) **Non-spendable Fund Balance.** These balances would represent amounts that cannot be spent as they are either not in spendable form (*not expected to be converted to cash*) or must be legally or contractually required to be maintained intact. Also included in this classification would be prepaid items, long-term portions of notes receivable, advance to other funds, and land/assets held for resale.
- (b) **Restricted.** Amounts are considered restricted when constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or laws with constitutional provisions or enabling legislation. Enabling legislation authorized the government to assess, levy, change or mandate payment of resources (*from outside resource providers*) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated by legislation. Legal enforceability means that a government can be compelled by an external party (*citizens, public interest groups, or judicial groups*) to use resources created by enabling legislation only for the purpose specified by legislation. Examples of such funds include grant funds, and specifically levied for property tax (*pensions, debt service, etc.*).
- (c) **Contingent.** Amounts that are used for specific purposes are imposed by constraints of the local government’s level of decision-making authority. For the Village, this would mean any amounts that are committed by resolution by the Village Board of Trustees. This type of classification would mean that the amounts cannot be used for any other purpose unless the Village Board of Trustees removes or changes the

intended use of the funds through Resolution. Examples of such funds may be capital projects or any other programs that were approved by the Village Board of Trustees.

- (d) **Appropriated.** Amounts that are constrained by the Village’s intent to be used for specific purposes, but are neither Restricted nor Contingent, should be reported as Appropriated Fund Balance. The intent of such funds would be determined by the Village Treasurer upon review and approval by the Village Budget Officer (*see delegation to assigned fund balance below*). The constraints imposed on the use of appropriated amounts are more easily removed or modified than those imposed on amounts classified as Contingent. Appropriated funds would include all remaining amounts reported in governmental funds, other than the general fund that are not already classified as Non-spendable, Restricted, or Contingent. Appropriated funds also include amounts in the general fund intended to be used for a specific purpose with less restriction than implied by the Restricted or Contingent classification. Appropriations, however, cannot cause a fund to report a negative fund balance. Appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year’s budget in an amount no greater than the projected excess of expected expenditures, over expected revenues satisfy the criteria to be classified as an appropriation of fund balance as long as it does not cause a negative fund balance. Therefore, this would be the classification of fund balance amounts that would be for a specific purpose but are not restricted by legislation or committed by the Village Board of Trustees.
- (e) **Unappropriated.** This is the residual fund balance amount in the general fund for amounts not Restricted, Contingent, or Appropriated to specific functions within the fund. The general fund balance will be the only fund that will be able to report positive unappropriated fund balance amounts. If expenditures incurred in other governmental funds exceed the amounts of Restricted, Contingent, or Appropriated classifications, it may be necessary at that time to report a negative Unappropriated Fund balance in the fund.

Classification	Definition	Examples
Non-spendable	Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.	Inventories; prepaid items; long-term receivables; permanent endowments
		State statute restrictions; unspent bond proceeds; grants earned, but not spent;

Restricted	Resources that are subject to specific restraints imposed by external parties or enabling legislation	debt covenants; taxes dedicated to a specific purpose; revenues restricted by enabling legislation
Unrestricted		
Contingent	Amounts constrained for specific purposes by Village Board of Trustees through formal resolution	Amounts Village Board of Trustees set aside by resolution
Appropriated	Amounts that are constrained by the Village to be used for specific purposes, but are neither restricted nor contingent	Village Board of Trustees delegates the authority to assign fund balance to the Village Treasurer with review and approval of Village Budget Officer
Unappropriated	Unassigned fund balance is the residual classification for general fund. This is fund balance that has not been reported in any other fund that can report a positive unassigned fund balance. Other governmental funds would report deficit fund balance as unassigned.	Available and expendable for any general fund purpose

Guidelines:

Delegation to Assign Fund Balance. The responsibility to assign fund balances that are not already identified as Non-spendable, Restricted, Contingent, or Unappropriated will be delegated to the Village Clerk-Treasurer with the review and approval of the Village Mayor/Budget Officer. The intent for such amounts to be used for specific purposes will be communicated by the Village Mayor to the Village Clerk-Treasurer so that a full understanding of the assignment is communicated in preparing prior reporting.

Cash Flow Commitment (fund balance). The Village Albion policy is to maintain a committed fund balance within the General Fund, Water Fund, and Sewer Fund as follows:

- (a) **General Fund** — The Village of Albion will strive to maintain a committed fund balance in the General Fund sufficient to fund the Village’s operations for the period of six months. The cash flow commitment in the General Fund is adjusted annually with the adoption of the annual budget and is calculated as six months’ worth of general fund operating expenditures, excluding capital improvements budgeted for that fiscal year.

- (b) **Water Fund** — The Village of Albion will strive to maintain a Committed Fund Balance in the Water Fund sufficient to fund the Village’s operations for a period of three months. The Cash Flow Commitment in the Water Fund is adjusted annually with the adoption of the annual budget and is calculated as three —months’ worth of the water fund operating expenditures excluding capital improvements budgeted for that fiscal year.
- (c) **Sewer Fund** — The Village of Albion will strive to maintain a Committed Fund Balance in the Sewer Fund sufficient to fund the Village’s operations for a period of three months. The Cash Flow Commitment in the Sewer Fund is adjusted annually with the adoption of the annual budget and is calculated as three months’ worth of the sewer fund operating expenditures excluding capital improvements budgeted for that fiscal year.
- (d) **Use of Economic Stabilization Arrangements** —In emergency situations or when revenue shortages or budgetary imbalances arise, formal action is needed to identify and describe the special circumstances. Such circumstances should not be routine. If an emergency situation arises, the policy to retain six months of operating expenses within the general fund would need to be waived by formal action of the Board of Trustees.
- (e) **Application of Funds** — In instances where expenditures are incurred that will require the funding sources to be comprised of two or more types of fund balance categories, the order of exhaustion of the funds will be as follows:
- i. Restricted
 - ii. Contingent
 - iii. Appropriated
 - iv. Unappropriated

Notice that the non-spendable category is not mentioned above as those balances are strictly representative of asset balances that are to serve a future interest for the Village as a result of prior cash disbursement.

- (f) **Amendment of Policy** — This policy may be amended from time to time according to the discretion of the Village of Albion Board of Trustees