

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 3, 2019

NEW ISSUE/RENEWALS

BOND ANTICIPATION NOTES

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York.) Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "Tax Matters". The Notes will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

VILLAGE OF LAKE SUCCESS NASSAU COUNTY, NEW YORK (the "Village")

\$1,302,036

BOND ANTICIPATION NOTES, 2019

Dated Date: June 19, 2019

Maturity Date: June 19, 2020

Security and Sources of Payment: The Notes will constitute general obligations of the Village and will contain a pledge of its faith and credit for the punctual payment of the principal of and interest on the Notes, and all the taxable real property within the Village will be subject to the levy of ad valorem taxes, for such purpose, subject to applicable statutory limitations. See "Tax Levy Limitation Law" herein.

Prior Redemption: The Notes will not be subject to redemption prior to their maturity.

At the option of the purchaser(s), the Notes may either be registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York ("DTC") as book-entry notes. Note certificates shall bear a single rate of interest and shall be in a denomination equal to the aggregate principal amount awarded to such purchaser at such interest rate.

Form and Denomination: The Notes will be issued as registered notes, and, when issued, will be registered in the name of Cede & Co. as partnership nominee of The Depository Trust Company, ("DTC") New York, New York, or such other name as may be requested by an authorized representative of DTC, which will act as the securities depository for the Notes. Individual purchases of the Notes may be made only in book-entry-only form in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination. Noteholders will not receive certificates representing their ownership interest in the notes purchased. (See "Book-Entry System" herein.)

Payment: Payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name." Payment will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Village, subject to any statutory and regulatory requirements as may be in effect from time to time. (See "Book-Entry System" herein.) The Village will act as paying agent for the Notes.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of an approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey or such other place as may be agreed upon with the purchaser on or about June 19, 2019.

THE VILLAGE DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. IN ADDITION, THE VILLAGE WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. (SEE "DISCLOSURE UNDERTAKING," HEREIN).

No person has been authorized by the Village of Lake Success to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, any of the Notes 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 the Village of Lake Success since the date hereof.

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**VILLAGE OF LAKE SUCCESS
NASSAU COUNTY, NEW YORK**

318 Lakeville Road
Lake Success, New York 11020
Telephone: (516) 482-4411

VILLAGE OFFICIALS

Adam C. Hoffman, Mayor
Stephen Lam, Deputy Mayor

Trustees

Sugnam Peter Chang
Lawrence Farkas
Robert Gal
Gene Kaplan
David Milner

Patrick E. Farrell, Village Administrator/Clerk/Treasurer
Andrea Tsoukalas Curto, Esq., Village Attorney

* * *

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP
New York, New York

* * *

MUNICIPAL ADVISOR

MUNISTAT SERVICES, INC.

Municipal Finance Advisory Service

12 Roosevelt Avenue
Port Jefferson Station, NY 11776
(631) 331-8888

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

OFFICIAL STATEMENT

Relating to

VILLAGE OF LAKE SUCCESS NASSAU COUNTY, NEW YORK

\$1,302,036

BOND ANTICIPATION NOTES, 2019

This Official Statement, including the cover page and appendices thereto, has been prepared by the Village of Lake Success, Nassau County, New York (the "Village") and presents certain information relating to the Village's \$1,302,036 Bond Anticipation Notes, 2019 (the "Notes"). All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York (the "State") and acts and proceedings of the Village contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the Village relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes will be dated June 19, 2019 and will mature, without right of redemption prior to maturity, on June 19, 2020, with interest payable at maturity.

At the option of the purchaser, the Notes may be either registered to the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes.

For those Notes registered to the purchaser, a single note certificate shall be delivered to the purchaser(s), for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at the office of the Village Clerk/Treasurer in Lake Success, New York.

For those Notes issued as book-entry notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their respective interests in the Notes. Individual purchases of such registered Notes may be made in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Village to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. See "Book-Entry System" herein.

The Village will act as Paying Agent for the Notes. The Village's contact information is as follows: Patrick E. Farrell, Village Clerk/Treasurer, Village of Lake Success, 318 Lakeville Road, Lake Success, NY 11020, Phone (516) 482-4411 and email: vlsadmin@optonline.net.

Optional Redemption

The Notes will not be subject to redemption prior to their maturity.

Book-Entry System

In the event that the Notes are issued in registered book-entry form, DTC will act as securities depository for the Notes and the Notes will be issued as fully-registered Notes 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 note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest 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 or 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. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes 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 Notes 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 the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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.

Redemption notices shall be sent to DTC. If less than all of the Notes 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.

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village, on 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 Village, 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 Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

Disclosure Undertaking

This Official Statement is in a form "deemed final" by the Village for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Notes, the Village will provide an executed copy of its "Material Event Notices Certificate" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Village for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Notes:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Village; note to clause (xii): For the purposes of the event identified in clause (xii) 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 Village 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 Village, 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 Village; (xiii) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, 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; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation (as defined in the Rule) of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Village, any of which affect bondholders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Village, any of which reflect financial difficulties.

Event (iii) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (iii) is not applicable, since no "debt services reserves" will be established for the Notes.

With respect to event (iv) the Village does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (xii) 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 Village 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 Village, 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 Village.

The Village may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Notes; but the Village does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

The Village's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Village, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Village to comply with the Undertaking will not constitute a default with respect to the Notes.

The Village reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

Compliance History

Except as noted below, the Village is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

The Village failed to file its Audited Financial Statement fiscal year ending May 31, 2015 in a timely manner pursuant to a prior continuing disclosure undertaking. The audited report was filed November 28, 2016. A material event notice was filed November 30, 2016.

Authorization and Purpose for the Notes

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, and various bond resolutions duly adopted by the Village Board on their respective dates, authorizing the issuance of serial bonds for various capital projects in and for the Village.

The proceeds of the Notes in the amount of \$977,395, along with \$426,128 in available funds, will be used to redeem \$1,403,523 outstanding bond anticipation notes for certain projects. An additional amount of \$324,642 will be issued for various improvements.

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Such projects, and the respective principal amounts of Notes to be issued for each, are as follows:

| <u>Date</u> <u>Authorized</u> | <u>Purpose</u> | <u>Amount</u> <u>Outstanding</u> | <u>Amount</u> <u>to be Paid</u> | <u>Amount</u> <u>to be Issued</u> |
|----------------------------------|--|-------------------------------------|------------------------------------|--------------------------------------|
| 01/12/2015 | Acquisition of Golf Course Equipment | \$ 80,000 | \$ 40,000 | \$ 40,000 |
| 03/09/2015 | Acquisition of Heavy Equipment | 80,000 | 40,000 | 40,000 |
| 03/09/2015 | Tax Certiorari - FMCC | 56,000 | 28,000 | 28,000 |
| 03/09/2015 | Tax Certiorari - AB | 120,000 | 60,000 | 60,000 |
| 02/08/2016 | Tax Certiorari - 1 HL | 99,000 | 33,000 | 66,000 |
| 03/14/2016 | Repair of Sinkhole on Golf Course | 14,400 | 4,800 | 9,600 |
| 05/09/2016 | Purchase of Vehicle for DPW | 13,333 | 13,333 | - |
| 10/17/2016 | Purchase of Truck with Plow | 22,789 | 11,395 | 11,394 |
| 10/16/2017 | Purchase of Golf Equipment | 89,000 | 17,800 | 71,200 |
| 03/19/2018 | Purchase of Golf Mowers & Garage Doors | 82,000 | 16,400 | 65,600 |
| 03/19/2018 | Purchase of Police Cars | 90,000 | 30,000 | 60,000 |
| 03/19/2018 | Purchase of DPW Trucks | 190,000 | 38,000 | 152,000 |
| 03/19/2018 | Path/Roads Improvements | 149,000 | 29,800 | 119,200 |
| 03/19/2018 | Tax Certiorati - 560 NB & WA | 318,000 | 63,600 | 254,400 |
| 03/11/2019 | Golf Equipment/Mowers | | | 115,400 |
| 03/11/2019 | DPW Bathrooms & Drainage Project | | | 209,242 |
| TOTALS | | <u>\$1,403,522</u> | <u>\$426,128.00</u> | <u>\$1,302,036.00</u> |

Nature of Obligation

Each of the Notes when duly issued and paid for will constitute a contract between the Village and the holder thereof.

Holders of any series of notes or bonds of the Village may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village subject to such taxation by the Village, subject to applicable statutory limitations. See "Tax Levy Limitation Law, herein.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (as amended, the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Village's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "Tax Levy Limitation Law," herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the Village’s faith and credit is both a commitment to pay and a commitment of the Village’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the Village’s “faith and credit” is secured by a promise both to pay and to use in good faith the Village’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. That is what the words say and this is what the courts have held they mean . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the Village’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted.... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the Village of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the Village to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York 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.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (as amended, the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo). It also applies to independent special districts and to improvements districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Each municipality, prior to adoption of each fiscal year budget, must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision

Each Note when duly issued and paid for will constitute a contract between the Village and the holder thereof. Under current law, provision is made for contract creditors of the Village to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Village upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property

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

Authority to File For Municipal Bankruptcy

The Federal Bankruptcy Code allows public bodies, such as counties, city, town or village, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for 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, there can be no assurance that it will not be made so applicable in the future.

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

No current state law purports to create any priority for holders of the Notes should the Village be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Notes to receive interest and principal from the Village could be adversely affected by the restructuring of the Village's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Village (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Village under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law

There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such Village of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), 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, as described below, 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 Village.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a "material change in circumstances" the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Village is presently not working with the FRB and does not reasonably anticipate doing so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "Nature of Obligation" and "State Debt Moratorium Law" herein.

No Past Due Debt

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

THE VILLAGE

General Information

The Village of Lake Success was incorporated in December, 1926. It is one of 32 incorporated villages in the Town of North Hempstead, which constitutes the northwestern quarter of Nassau County. The Village borders New York City and is only 16 miles from the heart of Manhattan. Due to the Village's close proximity, wage earners primarily commute to New York City for employment. In area it encompasses 1.8 square miles. Most of the area of Lake Success is developed with homes or golf courses, while the rest of the Village is commercial or industrial property. Banking facilities located in the Village include branch offices of Citibank and The First National Bank of Long Island.

Some of the benefits derived by residents living in the Village are zoning protection, a locally controlled police department, a village level court system, six-day a week garbage collection, a Village park system (including a golf course, 11 tennis courts, ball fields, playgrounds and swimming pools), snow removal, and year round street repair and drainage maintenance.

Rail transportation is provided by Long Island Railroad. Bus service is available to all points in the County and also into New York City. Major highways serving the Village include the Lakeville Road (N-S), the Long Island Expressway (E-W) and the Northern State Parkway (E-W). The area is also covered by an extensive network of County, Town and Village roads.

Government

As prescribed by Village Law, the Chief Executive Officer of the Village is the Mayor who is elected for a term of two years and is eligible to succeed himself. He is also a member of the Board of Trustees. In addition to the Mayor there are six Trustees who are elected for two-year terms. The terms are staggered so that every year, three Trustees run for election. The Mayor runs every second year. The Mayor and Trustees are elected at large.

The Mayor, with the approval of the board of Trustees appoints a Village Administrator/Clerk/Treasurer to serve a two-year term. The Village Treasurer serves as the tax collector.

Financial Organization

The Village Treasurer is the Chief Fiscal Officer, the accounting officer, Village Auditor and the budget officer.

Employees

The Village provides services through approximately 71 full-time and part-time employees and 41 seasonal employees. The two collective bargaining units, approximate number of members and contract expiration dates and as follows:

| <u>Bargaining Unit</u> | <u>Number of Members</u> | <u>Contract Expiration Date</u> |
|------------------------|--------------------------|---------------------------------|
| PBA | 24 | May 31, 2024 |
| CSEA | 26 | May 31, 2020 |
| Non-Union Employees | 25 | N/A |

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Characteristics

The Village has had a population trend, as compared to the Town, the County and the State, as indicated below:

| <u>Year</u> | <u>Village</u> | <u>Town of North Hempstead</u> | <u>Nassau County</u> | <u>New York State</u> |
|-------------|----------------|--------------------------------|----------------------|-----------------------|
| 1990 | 2,484 | 211,393 | 1,287,348 | 17,990,455 |
| 2000 | 2,797 | 220,364 | 1,333,776 | 18,976,457 |
| 2010 | 2,934 | 226,322 | 1,339,532 | 19,378,102 |
| 2017 | 3,112 | 231,085 | 1,363,069 | 19,798,228 |

Source: U.S. Bureau of the Census.

Income Data

| | <u>Per Capita Income</u> | | |
|-------------------------|--------------------------------|-------------|-------------------------|
| | <u>2000</u> | <u>2010</u> | <u>2017^a</u> |
| Village of Lake Success | \$58,002 | \$74,555 | \$64,172 |
| Town of North Hempstead | 41,621 | 49,426 | 56,755 |
| County of Nassau | 32,151 | 39,935 | 46,839 |
| State of New York | 23,389 | 30,011 | 35,752 |
| | <u>Median Household Income</u> | | |
| | <u>2000</u> | <u>2010</u> | <u>2017^a</u> |
| Village of Lake Success | \$107,710 | \$212,708 | \$167,083 |
| Town of North Hempstead | 81,039 | 95,221 | 111,570 |
| County of Nassau | 72,030 | 91,104 | 105,744 |
| State of New York | 43,393 | 54,148 | 62,765 |

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2013-2017)

Unemployment Rate Statistics

| <u>Annual Averages:</u> | <u>Town of North Hempstead (%)</u> | <u>County of Nassau (%)</u> | <u>New York State (%)</u> |
|-------------------------|------------------------------------|-----------------------------|---------------------------|
| 2014 | 4.5 | 5.0 | 6.4 |
| 2015 | 3.9 | 4.3 | 5.3 |
| 2016 | 3.6 | 3.9 | 4.9 |
| 2017 | 3.8 | 4.1 | 4.7 |
| 2018 | 3.3 | 3.5 | 4.1 |
| 2019 (3 Month Average) | 3.2 | 3.5 | 4.4 |

Source: Department of Labor, State of New York

Largest Employers Located Within the Vicinity of the Village

The following major employers are located in the vicinity of the Village, but are not necessarily representative of the Village.

| <u>Name of Employer</u> | <u>City</u> | <u>Nature of Business</u> | <u>Number of Employees</u> |
|--------------------------------------|---------------|-----------------------------|----------------------------|
| Northwell Health | Lake Success | Healthcare | 60,000 |
| Pro Health ENT | New Hyde Park | Healthcare | 5,000 |
| Astoria Financial Corp | New Hyde Park | Healthcare | 500 |
| North Shore University Hospital Lab | New Hyde Park | Laboratories | 450 |
| St. Mary's Home & Community Programs | New Hyde Park | Home Health Service | 300 |
| IBC/Shell Packaging | New Hyde Park | Package Design | 270 |
| Island Peer Review, Inc. | New Hyde Park | Healthcare Instruction | 260 |
| Kimco Realty Corp. | New Hyde Park | Real Estate | 257 |
| Canon Solutions America | New Hyde Park | Copying Machines & Supplies | 220 |
| IPRO | New Hyde Park | Hospitals | 201 |

INDEBTEDNESS OF THE VILLAGE

Constitutional Requirements

The New York State Constitution limits the power of the Village (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the Village and the Notes.

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

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

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

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

Statutory Procedure

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

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness by the adoption of a bond ordinance approved by at least two-thirds of the members of the Board of Trustees, the finance board of the Village. Certain such resolutions may be subject to permissive referendum, or may be submitted to the Village voters at the discretion of the Board of Trustees.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except on rare occasions, the Village complies with this estoppel procedure. The Village is in compliance with such requirements with respect to the other bond ordinances authorizing the issuance of the Notes.

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

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. See "Payment and Maturity" under "Constitutional Requirements".

In addition, under each bond resolution, the Board of Trustees may delegate, and has delegated, power to issue and sell bonds, to the Village Treasurer, the chief fiscal officer of the Village.

In general, the Local Finance Law contains similar provisions providing the Village with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes.

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

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

Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of June 3, 2019)

| <u>Fiscal Year Ending May 31:</u> | <u>Assessed Valuation</u> | <u>State Equal. Rate (%)</u> | <u>Full Valuation</u> |
|---|-------------------------------|----------------------------------|----------------------------|
| 2015 | \$1,303,849,486 | 100.00 | \$1,303,849,486 |
| 2016 | 1,370,101,498 | 100.00 | 1,370,101,498 |
| 2017 | 1,389,302,964 | 100.00 | 1,389,302,964 |
| 2018 | 1,396,798,243 | 100.00 | 1,396,798,243 |
| 2019 | 1,446,188,245 | 100.00 | 1,446,188,245 |
| Total Five Year Full Valuation | | | \$6,906,240,436 |
| Average Five Year Full Valuation | | | 1,381,248,087 |
| Debt Limit - 7% of Average Full Valuation | | | 96,687,366 |
| Inclusions: | | | |
| General Purpose Bonds | | | 5,670,000 |
| Bond Anticipation Notes | | | 1,475,523 |
| Total Inclusions | | | <u>7,145,523</u> |
| Exclusions: | | | |
| Appropriations for the Bonds | | | 1,735,000 |
| Appropriations for the Notes | | | 426,128 |
| Total Exclusions | | | <u>2,161,128</u> |
| Total Net Indebtedness Before the Issuance of the Notes | | | <u>4,984,395</u> |
| The Notes | | | 1,302,036 |
| Less BANs to be Redeemed by the Issuance of the Notes | | | 977,394 |
| Net Effect of the Notes | | | <u>324,642</u> |
| Total Net Indebtedness After the Issuance of the Notes | | | 5,309,037 |
| Net Debt Contracting Margin | | | <u><u>\$91,378,329</u></u> |
| Percent of Debt Contracting Margin Exhausted (%) | | | 5.49 |

Trend of Village Indebtedness

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|---------------------------|
| Bonds | \$12,805,000 | \$11,005,000 | \$9,180,000 | \$7,360,000 | \$5,670,000 |
| BANs | <u>1,508,934</u> | <u>2,057,669</u> | <u>1,434,333</u> | <u>886,717</u> | <u>1,475,523</u> |
| Total Debt Outstanding | <u>\$14,313,934</u> | <u>\$13,062,669</u> | <u>\$10,614,333</u> | <u>\$8,246,717</u> | <u>\$7,145,523</u> |

Debt Service Requirements - Outstanding Bonds^a

| Fiscal Year Ending <u>May 31:</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|---------------------------|-------------------------|---------------------------|
| 2020 | \$1,735,000 | \$151,407 | \$1,886,407 |
| 2021 | 1,795,000 | 94,081 | 1,889,081 |
| 2022 | 620,000 | 45,376 | 665,376 |
| 2023 | 505,000 | 33,219 | 538,219 |
| 2024 | 390,000 | 22,338 | 412,338 |
| 2025 | 375,000 | 11,788 | 386,788 |
| 2026 | 80,000 | 5,638 | 85,638 |
| 2027 | 85,000 | 4,038 | 89,038 |
| 2028 | <u>85,000</u> | <u>2,125</u> | <u>87,125</u> |
| | <u>\$5,670,000</u> | <u>\$370,010</u> | <u>\$6,040,010</u> |

a. Does not include payments made to date.

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the Village has bond anticipation notes outstanding in the amount of \$72,000 that mature on October 12, 2019 for various purposes. The Village also has bond anticipation notes outstanding in the amount of \$1,403,523 of which \$977,394 will be redeemed with the issuance of the Notes, along with \$426,128 of available funds.

Calculation of Estimated Overlapping and Underlying Indebtedness

| <u>Overlapping Units</u> | <u>Date of Report</u> | <u>Percentage Applicable (%)</u> | <u>Applicable Total Indebtedness</u> | <u>Applicable Net Indebtedness</u> |
|--------------------------|-----------------------|----------------------------------|--------------------------------------|------------------------------------|
| County of Nassau | 03/31/19 | 0.61 | \$23,785,388 | \$20,048,254 |
| Town of North Hempstead | 03/06/19 | 2.46 | 8,909,766 | 6,730,334 |
| Great Neck UFSD | 06/30/18 | 8.81 | <u>181,486</u> | <u>181,486</u> |
| Totals | | | <u>\$32,876,640</u> | <u>\$26,960,074</u> |

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Statements.

Debt Ratios

| | <u>Amount</u> | <u>Per Capita^a</u> | <u>Percentage of Full Value (%)^b</u> |
|--|---------------|-------------------------------|---|
| Total Direct Debt | \$ 7,145,523 | \$ 2,296 | 0.494 |
| Net Direct Debt | 4,984,395 | 1,602 | 0.345 |
| Total Direct & Applicable Total Overlapping Debt | 40,022,163 | 12,861 | 2.767 |
| Net Direct & Applicable Net Overlapping Debt | 31,944,469 | 10,265 | 2.209 |

a. Estimated population of the Village is 3,112.

b. The full valuation of taxable property is \$1,446,188,245.

Authorized but Unissued Indebtedness

As of the date of this Official Statement, the Village has authorized but unissued indebtedness in the amount of \$324,642 for various village improvements. The issuance of the Notes will finance such authorized amount.

FINANCES OF THE VILLAGE

Financial Statements

The financial statements of the Village are audited each year by an independent public accountant. The latest year for which an audited financial statement is available is the fiscal year ended May 31, 2017. The audited financials for fiscal year ending May 31, 2018 are not yet completed, but are expected to be completed within the first quarter of the fiscal year. The financial affairs of the Village are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Village has complied with the requirements of various State and Federal statutes. As required by law, the Village also prepares an Annual Financial Report Update Document ("AUD") for submission to the State Comptroller which is attached hereto as Appendix C. A summary of the operating results for the past five fiscal years is attached as Appendix A hereto.

Fund Structure and Accounts

The Village utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are two basic fund types: (1) governmental funds that are used to account for basic services and capital projects; and (2) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Village presently maintains the following governmental funds: General Fund and a Parkland Reserve Fund. There are no proprietary funds. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The government-wide financial statements are reported on the accrual basis of accounting using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related case transaction takes place. Non-exchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, grants and donations. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the related expenditures are incurred.

The fund financial statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases and installment debt are reported as other financing sources.

Investment Policy

Pursuant to the statutes of the State of New York, the Village is generally permitted to invest only in the following investments: (1) special time deposit accounts in or certificates of deposits issued by 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, in tax anticipation notes and revenue anticipation notes issued by any New York municipality, school district, or district corporation, other than the Village; (6) obligations of New York public benefit corporations which are made lawful investments by the Village 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 Village moneys held in certain reserve funds established pursuant to law, in obligations issued by the Village. 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.

The Village's investments are governed by a formal investment policy. The Village's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Village is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies.

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

Financial Organization and Budgetary Procedures

The Village Treasurer functions as the chief fiscal officer as provided in Section 2 of the Local Finance Law; in this role, the Village Treasurer is responsible for the Village's accounting and financial reporting activities. In addition, the Village Treasurer is also the Village's budget officer and prepares the annual tentative budget for submission to the Village Board. Budgetary control during the year is the responsibility of the Village Treasurer. Pursuant to Section 30 of the Local Finance Law, the Village Treasurer has been authorized to issue or renew bonds and notes. As required by law, the Village Treasurer must execute an authorizing certificate which then becomes a matter of public record.

The Board of Trustees, as a whole, serves as the finance board of the Village and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt.

Village finances are operated primarily through the General Fund. All real property taxes and most of the other Village revenues are credited to this fund. Current operating expenditures are paid from this fund subject to available appropriations. Capital projects and selected equipment purchases are accounted for in special capital projects funds. The Village observes a June 1- May 31 fiscal year for operating and reporting purposes.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial

information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the Village as “No Designation” (Fiscal Score: 10.0%).

See the State Comptroller’s official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

In addition, the Office of the State Comptroller helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. There have been no audits on the Village in the past five fiscal years.

Revenues

The Village receives most of its revenues from real property taxes and assessments. A summary of such revenues and other financing sources for the five most recently completed fiscal years may be found in Appendix A hereto. See also “Real Property Taxes” or “Sales Tax Revenue” herein.

Real Property Taxes

See "Real Property Tax Information", herein.

State Aid

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

Based on the audited Financial Statement of the Village, the Village received approximately 3.61% of its total General Fund operating revenue from State aid in 2018. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

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

The following table sets forth the percentage of the Village’s General Fund revenue (including transfers) comprised of State aid for each of the fiscal years 2014 through 2018 and the budgeted amounts for 2019 and 2020.

| Fiscal Year Ended <u>May 31:</u> | General Fund <u>Total Revenue</u> | <u>State Aid</u> | State Aid to <u>Revenues (%)</u> |
|-------------------------------------|--------------------------------------|------------------|-------------------------------------|
| 2014 | \$12,287,108 | \$286,950 | 2.34 |
| 2015 | 12,834,600 | 372,760 | 2.90 |
| 2016 | 13,822,752 | 591,986 | 4.28 |
| 2017 | 13,935,738 | 375,109 | 2.69 |
| 2018 (Unaudited) | 14,522,624 | 524,904 | 3.61 |
| 2019 (Budgeted) | 14,922,447 | 300,000 | 2.01 |
| 2020 (Budgeted) | 15,618,766 | 300,000 | 1.92 |

Sources: Audited financial statements (2014-2018) and Adopted Budgets (2019-2020).

Expenditures

The major categories of expenditure for the Village are General Government Support, Public Safety, Transportation, Culture and Recreation, Employee Benefits and Debt Service. A summary of the expenditures for the five most recently completed fiscal years and the estimated expenditures for the current fiscal year may be found in Appendix A - Financial Statements.

Pension Systems

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System (the "Retirement System" or "ERS") or the New York State and Local Police and Fire Retirement System (PFRS). The Retirement Systems are a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for Tier 6 employees. The Retirement Systems Law generally provides that all participating employers in the Retirement Systems are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. Generally, all members hired on or after July 27, 1976 through and including December 31, 2009 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement Systems, at such time contributions become voluntary. On December 10, 2009, the Governor signed into law the creation of a new Tier 5, which is effective for ERS employees hired after January 1, 2010 through March 31, 2012. Tier 5 contribute 3% of their salaries and there is no provision for these contributions to cease for Tier 5 employees after a certain period of service. Additionally, on March 16, 2012, the Governor signed into law the new Tier 6 pension program, effective for ERS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

As a result of significant capital market declines in the recent past, in certain years the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, it is anticipated that the employer contribution rate for the State's Retirement System in future years may be higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the Retirement System. However, although these options reduce near term payments, it will require higher than normal contributions in later years. The Village has not found it necessary to amortize any payments to the retirement system.

The amount of payments by the Village to the respective Retirement Systems for the past five years and the current year is presented below:

Contributions to the Retirement Systems

| <u>Fiscal Year</u> <u>Ending May 31:</u> | <u>ERS & PFRS</u> |
|---|-----------------------|
| 2014 | \$1,355,645 |
| 2015 | 1,367,262 |
| 2016 | 1,272,136 |
| 2017 | 1,111,404 |
| 2018 | 1,180,728 |
| 2019 (Budgeted) | 1,308,834 |

Other Post-Employment Benefits

The Village provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. Accounting rules now require governmental entities, such as the Village, to account for post-retirement health care benefits as its accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") described below requires such accounting.

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," meaning benefits other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

GASB 45 requires municipalities and school districts to account for OPEB liabilities in the same manner as they already account for pension liabilities. It requires them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB Statement No. 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

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

GASB 45 does not require that the liability actually be amortized nor that it be funded only that the municipality or school district account for its unfunded accrued liability and comply in meeting its ACR.

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

| <u>Annual OPEB Cost and Net OPEB Obligation</u> | <u>Fiscal Year Ending May 31, 2017:</u> |
|---|---|
| Annual required contribution (ARC) | \$1,946,229 |
| Interest on net OPEB obligation | 340,892 |
| Less: Adjustments to ARC | (551,565) |
| Annual OPEB cost (expense) | <u>1,735,556</u> |
| Less: Contributions made | (578,420) |
| Increase in net OPEB obligation | <u>1,157,136</u> |
| Net OPEB obligation-beginning of year | <u>8,522,302</u> |
| Net OPEB obligation-end of year | <u><u>9,679,438</u></u> |

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2016 and the two preceding years were as follows:

| <u>Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Annual OPEB Cost Contributed (%)</u> | <u>Net OPEB Obligation</u> |
|-------------------|-------------------------|---|--------------------------------|
| May 31, 2017 | \$1,946,229 | 33.30 | \$9,679,438 |
| May 31, 2016 | 1,829,611 | 32.20 | 8,522,302 |
| May 31, 2015 | 2,224,310 | 24.00 | 7,397,120 |

Actuarial Valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The Village derives a significant portion of its annual revenue through a direct real property tax.

Tables presenting the tax levy, by purpose, collection performance and tax rates can be found in Appendix A.

The following table sets forth the percentage of the Village's General Fund revenue (including transfers) for each of the fiscal years 2014 through 2018 and the amounts budgeted for 2019 and 2020.

| <u>Fiscal Year Ended May 31:</u> | <u>Total Revenue</u> | <u>Real Property Taxes</u> | <u>Real Property Taxes to Revenues (%)</u> |
|--------------------------------------|--------------------------|--------------------------------|--|
| 2014 | \$12,287,108 | \$10,025,238 | 81.59 |
| 2015 | 12,834,600 | 9,406,182 | 73.29 |
| 2016 | 13,822,752 | 9,243,648 | 66.87 |
| 2017 | 13,935,738 | 9,093,973 | 65.26 |
| 2018 (Unaudited) | 14,522,624 | 9,672,846 | 66.61 |
| 2019 (Budgeted) | 14,922,447 | 9,958,829 | 66.74 |
| 2020 (Budgeted) | 15,618,766 | 10,370,716 | 66.40 |

Sources: Audited financial statements (2014-2018) and Adopted Budgets (2019-2020).

Tax Collection Procedure

Tax payments are due on June 1st each year and are payable without penalty during the month of June. Penalties for tax delinquencies are imposed at the rate of 5% for the first month and an additional percentage (which is set by the State each year and in recent years has approximated 1%) for each month or fraction thereof thereafter. In April of each year tax liens are sold by the Village at auction pursuant to proceedings set forth in the Real Property Tax Law. The Village sells tax liens for any uncollected taxes and since the Village only sells the liens for 100% of the value of the uncollected taxes, the Village is assured of full collections.

Tax Limit

The Constitution limits the amount that may be raised by the Village ad valorem tax levy on real estate in any fiscal year to two per centum (2%) of the five-year average full valuation of taxable real estate of the Village plus (1) the amounts required for principal and interest on all capital indebtedness, and (2) current appropriations for certain capital purposes. The tax limit for the Village for the 2018-19 fiscal year is as follows:

| | |
|----------------------------------|------------------------|
| Five-year Average Full Valuation | <u>\$1,381,261,284</u> |
| Tax Limit - 2% thereof | <u>27,625,226</u> |
| Add: Exclusions | <u>2,145,684</u> |
| Total Taxing Power | <u>29,770,910</u> |
| Tax Levy Subject to Tax Limit | <u>\$ 10,370,716</u> |
| Constitutional Tax Margin | <u>\$ 19,400,194</u> |

Tax Levy and Rates

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|-------------|-------------|-------------|-------------|--------------|
| Total Tax Levy | \$9,406,182 | \$9,244,182 | \$9,672,846 | \$9,958,829 | \$10,370,716 |
| Taxes Rate per \$1,000 of Assessed Valuation | | | | | |
| Homestead | \$4.94 | \$4.60 | \$4.69 | \$4.99 | \$5.26 |
| Non-Homestead | 14.61 | 14.34 | 14.93 | 15.72 | 16.11 |

Selected Listing of Large Taxable Properties 2018 Assessment Roll^a

| <u>Name</u> | <u>Type</u> | <u>Assessed Valuation</u> |
|------------------------|------------------|-----------------------------|
| We're Developing Corp. | Real Estate | \$51,700,000 |
| We're Associates, Inc. | Office Building | 46,300,000 |
| 1111 Marcus Ave | Real Estate | 25,416,330 |
| LI Medical Center | Medical Building | 23,159,281 |
| M. Parisi & Sons | Office Building | 17,841,073 |
| Northwell Health | Medical Building | 16,710,685 |
| 600 Company | Medical Building | 14,800,000 |
| Northwell Health | Medical Building | 14,600,000 |
| Marcus Park, LLC | Commercial | 13,500,000 |
| Eli Goldberg | Real Estate | <u>12,226,500</u> |
| Total ^b | | <u><u>\$236,253,869</u></u> |

a. Assessment Roll established in 2018 for levy and collection of taxes in 2019.

b. Represents 16.34% of the 2019 Taxable Assessed Valuation of the Village.

Tax Certiorari Claims

In common with other municipalities, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of Village taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money.

A portion of the proceeds of the Notes will finance \$408,400 in tax certiorari settlements.

LITIGATION

In common with other villages, the Village from time to time receives notices of claim and is party to litigation. In the opinion of the attorney for the Village, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Village has not asserted a substantial and adequate defense, nor which, if determined against the Village, would have a adverse material effect on the financial condition of the Village, in view of the Village's ability to fund the same through use of appropriate funding mechanisms provided by the Local Finance Law.

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 Village, threatened against or affecting the Village to restrain or enjoin sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the Village taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the Village.

MARKET AND RISK FACTORS

The Village, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. To mitigate the risks of impact on the Village operations and/or damage from cyber incidents or cyber-attacks, the Village has invested in cybersecurity and other operational controls. While the Village continues to review its policies and practices in this regard, there can be no assurances that such security and operational control measures will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. 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 Village as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the Village'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 Notes. 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 Village to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes could be adversely affected.

The Village is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Village, in any year, the Village may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Village. In some years, the Village has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "State Aid").

There are a number of general factors which could have a detrimental effect on the ability of the Village 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 Village. Unforeseen developments could also result in substantial increases in Village expenditures, thus placing strain on the Village's financial condition. These factors may have an effect on the market price of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note 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 Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes 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 Notes and other debt issued by the Village. Any such future legislation would have an adverse effect on the market value of the Notes (See “Tax Exemption” herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Village and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the Village and hence upon the market price of the Notes. See “Tax Levy Limitation Law” herein.

CYBERSECURITY

The Village, 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 Village faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Village invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix B hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The Village has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, 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, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of New York and its political subdivisions (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect a Owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owners or the Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigations, as to which Bond Counsel expresses no opinion.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Other proposals have been made in the past that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incidental to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix B.

RATING

The Notes are not rated.

Moody's Investors Services, Inc. has assigned a rating of "Aaa" to the outstanding bonds of the Village. This rating reflects only the view of the rating agency furnishing the same, and an explanation of the significance of this rating may be obtained only from the rating agency. There is no assurance such rating will continue for any given period of time, or that such rating will not be revised or withdrawn by such rating agency, if in its judgment, circumstances so warrant. Any such action could have an adverse effect on the market for and market price of the Notes.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Village 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 Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the Village and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Village or the information set forth in this Official Statement or any other information available to the Village with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

OTHER MATTERS

The Village is in compliance with the procedure for the validation of the Notes provided in Title 6 of Article 2 of the Local Finance Law.

There is no bond or note principal or interest past due.

The fiscal year of the Village is June 1 to May 31.

This Official Statement does not include the financial data of any political subdivision of the State of New York having power to levy taxes within the Village, except as expressed in the "Calculation of Estimated Overlapping and Underlying Indebtedness."

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Patrick E. Farrell, Village Clerk/Treasurer, Village of Lake Success, 318 Lakeville Road, Lake Success, NY 11020, Phone (516) 482-4411 and email: vlsadmin@optonline.net or from the office of Munistat Services Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888 and website: <http://www.munistat.com>.

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 such opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing with regard to the Notes is to be construed as a contract with the holders of the Notes.

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 Notes.

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

Orrick, Herrington & Sutcliffe LLP expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the Village for use in connection with the offer and sale of the Notes, including this Official Statement.

The preparation and distribution of this Official Statement have been approved by the Village Clerk/Treasurer pursuant to the power delegated to him by the authorizing note resolutions to sell and deliver the Notes.

This Official Statement has been duly executed and delivered by the Village Clerk/Treasurer of the Village of Lake Success.

VILLAGE OF LAKE SUCCESS, NASSAU COUNTY, NEW YORK

By: s/s PATRICK E. FARRELL
Village Clerk/Treasurer and Chief Fiscal Officer

June , 2019

APPENDIX A

FINANCIAL INFORMATION

**Balance Sheets
General Funds
Fiscal Year Ended May 31:**

| | <u>2018</u> | <u>2017</u> |
|-----------------------------------|--------------|--------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 4,318,364 | \$ 3,427,439 |
| Taxes Receivable | 20,590 | |
| Other Receivables | 166,210 | 271,504 |
| Due from Other Funds | 1,233,648 | 1,375,580 |
| Due from Other Governments | 135,394 | 172,372 |
| Due from State & Federal Sources | 149,118 | |
| Prepays | | 90 |
| | _____ | _____ |
| Total | \$ 6,023,324 | \$ 5,246,985 |
| LIABILITIES | | |
| Accounts Payable | \$ 274,191 | \$ 176,419 |
| Accrued Liabilities | 111,181 | 393,750 |
| Due to Other Funds | 132,360 | 166,609 |
| Due to Other Governments | 264,926 | 189,526 |
| Other Liabilities | 4,641 | 55,809 |
| Deferred Inflows | 948,820 | 28,530 |
| | _____ | _____ |
| Total Liabilities | 1,736,119 | 1,010,643 |
| Fund Equity: | | |
| Nonspendable | 414,664 | 276,775 |
| Restricted | 275,743 | 275,287 |
| Assigned | 1,159,477 | 1,473,245 |
| Unassigned | 2,436,721 | 2,211,035 |
| | _____ | _____ |
| Total Fund Equity | 4,286,605 | 4,236,342 |
| Total Liabilities and Fund Equity | \$ 6,022,724 | \$ 5,246,985 |

Source: Audited Financials (2017) & Annual Financial Report Update Document (2018)

NOTE: This Schedule NOT audited

**Statement of Revenues, Expenditures and Fund Balances
General Fund**

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenues: | | | | | |
| Real Property Taxes | \$ 10,025,238 | \$ 9,406,182 | \$ 9,243,648 | \$ 9,093,973 | \$ 9,672,846 |
| Other Real Property Tax Items | 547,807 | 1,235,856 | 1,373,800 | 2,006,191 | 1,999,188 |
| Non-Property Taxes | 218,028 | 248,267 | 222,754 | 227,991 | 221,844 |
| Departmental Income | 795,816 | 944,585 | 1,157,083 | 1,466,024 | 1,180,410 |
| Use of Money and Property | 114,166 | 113,610 | 113,306 | 59,730 | 149,605 |
| Licenses and Permits | 18,342 | 6,900 | 18,413 | 18,176 | 192,235 |
| Fines and Forfeitures | 240,258 | 292,527 | 305,710 | 296,100 | 402,152 |
| Sale of Property and Compensation for Loss | 34,969 | 113,783 | 42,811 | 280,290 | 51,938 |
| Miscellaneous | 5,534 | 100,130 | 753,241 | 112,154 | 127,502 |
| State Aid | 286,950 | 372,760 | 591,986 | 375,109 | 524,904 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Revenues | \$ 12,287,108 | \$ 12,834,600 | \$ 13,822,752 | \$ 13,935,738 | \$ 14,522,624 |
| Expenditures: | | | | | |
| General Government Support | 1,818,628 | 2,214,125 | 2,368,789 | 2,218,031 | 2,049,968 |
| Public Safety | 3,639,006 | 3,972,143 | 4,272,733 | 4,542,563 | 4,861,621 |
| Transportation | 760,920 | 827,813 | 908,683 | 867,648 | 1,129,248 |
| Culture and Recreation | 334,909 | 396,912 | 428,497 | 380,210 | 453,830 |
| Home and Community Services | 338,983 | 357,761 | 383,389 | 396,310 | 404,625 |
| Employee Benefits | 2,800,833 | 2,896,939 | 3,048,106 | 3,249,065 | 3,556,078 |
| Debt Service | 2,274,308 | 2,111,181 | 2,373,428 | 2,912,031 | 2,439,947 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Expenditures | \$ 11,967,587 | \$ 12,776,874 | \$ 13,783,625 | \$ 14,565,858 | \$ 14,895,317 |
| Other Financing Sources (Uses): | | | | | |
| Proceeds From: | | | | | |
| Proceeds of obligations | | | 440,000 | 165,000 | |
| Unrestricted Gift and Donation | 1,100,000 | | | | |
| Operating Transfers - In | 100,000 | 55,000 | 55,000 | 55,000 | 422,959 |
| Operating Transfers - Out | (2,160,000) | | | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Other Financing Sources (Uses) | (960,000) | 55,000 | 495,000 | 220,000 | 422,959 |
| Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses | (640,479) | 112,726 | 534,127 | (410,120) | 50,266 |
| Fund Balance Beginning of Year | 4,640,088 | 3,999,609 | 4,112,335 | 4,646,462 | 4,236,342 |
| Prior Period Adjustments | | | | | (3) |
| Fund Balance End of Year | \$ 3,999,609 | \$ 4,112,335 | \$ 4,646,462 | \$ 4,236,342 | \$ 4,286,605 |

Sources: Audited Financial Statements of the Village (2014-2017) and Annual Financial Report Update Document (2018)

NOTE: This Schedule NOT audited

**Budget Summaries
General Fund**

| | <u>2020</u> | <u>2019</u> |
|-----------------------------|--------------------------|--------------------------|
| Revenues: | | |
| Real Property Taxes | \$ 10,370,716 | \$ 9,958,829 |
| Real Property Tax Items | 1,983,000 | 2,015,000 |
| Non Property Tax Items | 185,050 | 185,050 |
| Departmental Income | 1,064,000 | 788,968 |
| Culture & Recreation | 85,000 | 90,000 |
| Use of Money & Property | 819,000 | 812,600 |
| Licenses and Permits | 367,000 | 367,000 |
| Fines and Forfeitures | 290,000 | 250,000 |
| Miscellaneous | 100,000 | 100,000 |
| State Aid | 300,000 | 300,000 |
| Interfund Transfer | <u>55,000</u> | <u>55,000</u> |
| Total | <u>\$ 15,618,766</u> | <u>\$ 14,922,447</u> |
| Expenditures: | | |
| General Support | \$ 2,433,835 | \$ 2,384,606 |
| Public Safety | 5,564,646 | 5,237,478 |
| Transportation | 1,021,795 | 967,481 |
| Culture and Recreation | 497,142 | 479,462 |
| Home and Community Services | 442,939 | 430,315 |
| Employee Benefits | 3,512,725 | 3,402,407 |
| Debt Service | <u>2,145,684</u> | <u>2,020,698</u> |
| Total Expenditures | <u>\$ 15,618,766</u> | <u>\$ 14,922,447</u> |

Sources: Adopted budgets of the Village

APPENDIX B

FORM OF BOND COUNSEL'S OPINION

June 19, 2019

Village of Lake Success,
County of Nassau,
State of New York

Re: Village of Lake Success, Nassau County, New York
\$1,302,036 Bond Anticipation Note, 2019

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a \$1,302,036 Bond Anticipation Note, 2019 (the "Obligation"), of the Village of Lake Success, Nassau County, New York (the "Obligor"), dated June 19, 2019, numbered _____, of the denomination of \$ _____, bearing interest at the rate of _____ % per annum, payable at maturity, and maturing June 19, 2020.

We have examined:

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

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

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

Very truly yours,

/es

APPENDIX C

**ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE FISCAL YEAR ENDED MAY 31, 2018**

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED BY THE VILLAGE'S AUDITORS IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. .

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

ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT
For The
VILLAGE of Lake Success
County of Nassau
For the Fiscal Year Ended 05/31/2018

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

VILLAGE OF Lake Success

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2017 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2018:

- (A) GENERAL
- (CR) RECREATION
- (G) SEWER
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (TA) AGENCY
- (V) DEBT SERVICE
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2017 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption

All numbers in this report will be rounded to the nearest dollar.

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

(A) GENERAL

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|--|------------------|---------|------------------|
| Assets | | | |
| Cash | 3,151,697 | A200 | 4,293,492 |
| Petty Cash | 453 | A210 | 562 |
| TOTAL Cash | 3,152,150 | | 4,294,054 |
| Taxes Receivable, Current | | A250 | 20,590 |
| TOTAL Taxes Receivable (net) | 0 | | 20,590 |
| Accounts Receivable | 271,504 | A380 | 166,210 |
| TOTAL Other Receivables (net) | 271,504 | | 166,210 |
| Due From State And Federal Government | | A410 | 149,118 |
| TOTAL State And Federal Aid Receivables | 0 | | 149,118 |
| Due From Other Funds | 1,375,580 | A391 | 1,233,648 |
| TOTAL Due From Other Funds | 1,375,580 | | 1,233,648 |
| Due From Other Governments | 172,372 | A440 | 135,394 |
| TOTAL Due From Other Governments | 172,372 | | 135,394 |
| Prepaid Expenses | 90 | A480 | |
| TOTAL Prepaid Expenses | 90 | | 0 |
| Cash Special Reserves | 275,287 | A230 | 24,310 |
| TOTAL Restricted Assets | 275,287 | | 24,310 |
| TOTAL Assets and Deferred Outflows of Resources | 5,246,983 | | 6,023,324 |

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

(A) GENERAL

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|---|------------------|---------|------------------|
| Accounts Payable | 176,419 | A600 | 274,791 |
| TOTAL Accounts Payable | 176,419 | | 274,791 |
| Accrued Liabilities | 393,750 | A601 | 111,181 |
| TOTAL Accrued Liabilities | 393,750 | | 111,181 |
| Overpayments & Clearing Account | 55,809 | A690 | 4,641 |
| TOTAL Other Liabilities | 55,809 | | 4,641 |
| Due To Other Funds | 166,608 | A630 | 132,360 |
| TOTAL Due To Other Funds | 166,608 | | 132,360 |
| Due To Other Governments | | A631 | 16,954 |
| Due To Employees' Retirement System | 189,526 | A637 | 247,972 |
| TOTAL Due To Other Governments | 189,526 | | 264,926 |
| TOTAL Liabilities | 982,112 | | 787,899 |
| Deferred Inflows of Resources | | | |
| Deferred Inflow of Resources | 28,530 | A691 | 37,895 |
| Deferred Taxes | | A694 | 910,925 |
| TOTAL Deferred Inflows of Resources | 28,530 | | 948,820 |
| TOTAL Deferred Inflows of Resources | 28,530 | | 948,820 |
| Fund Balance | | | |
| Not in Spendable Form | 276,775 | A806 | 414,664 |
| TOTAL Nonspendable Fund Balance | 276,775 | | 414,664 |
| Reserve for Emp Benefits & Acc Liabilities | 251,001 | A867 | 251,445 |
| Capital Reserve | 24,286 | A878 | 24,298 |
| TOTAL Restricted Fund Balance | 275,287 | | 275,743 |
| Assigned Appropriated Fund Balance | 940,000 | A914 | 700,000 |
| Assigned Unappropriated Fund Balance | 533,245 | A915 | 459,477 |
| TOTAL Assigned Fund Balance | 1,473,245 | | 1,159,477 |
| Unassigned Fund Balance | 2,211,035 | A917 | 2,436,721 |
| TOTAL Unassigned Fund Balance | 2,211,035 | | 2,436,721 |
| TOTAL Fund Balance | 4,236,342 | | 4,286,605 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 5,246,984 | | 6,023,324 |

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

(A) GENERAL

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|---|-------------------|---------|-------------------|
| Revenues | | | |
| Real Property Taxes | 9,093,973 | A1001 | 9,672,846 |
| TOTAL Real Property Taxes | 9,093,973 | | 9,672,846 |
| Other Payments In Lieu of Taxes | 1,972,485 | A1081 | 1,967,225 |
| Interest & Penalties On Real Prop Taxes | 33,706 | A1090 | 31,963 |
| TOTAL Real Property Tax Items | 2,006,191 | | 1,999,188 |
| Utilities Gross Receipts Tax | 183,829 | A1130 | 187,366 |
| Franchises | 44,162 | A1170 | 34,478 |
| TOTAL Non Property Tax Items | 227,991 | | 221,844 |
| Charges For Tax Redemption | 75 | A1235 | 125 |
| Clerk Fees | 2,473 | A1255 | 628 |
| Other General Departmental Income | 325,000 | A1289 | 325,000 |
| Police Fees | 3,543 | A1520 | 3,850 |
| Safety Inspection Fees | 549,578 | A1560 | 489,940 |
| Park And Recreational Charges | 100,369 | A2001 | 67,005 |
| Special Recreational Facility Charges | 439,426 | A2025 | 271,812 |
| Zoning Fees | 13,500 | A2110 | 4,300 |
| Planning Board Fees | 32,060 | A2115 | 17,750 |
| TOTAL Departmental Income | 1,466,024 | | 1,180,410 |
| Interest And Earnings | 9,005 | A2401 | 43,702 |
| Rental of Real Property | 48,250 | A2410 | 104,500 |
| Commissions | 2,475 | A2450 | 1,403 |
| TOTAL Use of Money And Property | 59,730 | | 149,605 |
| Business & Occupational License | 5,990 | A2501 | 187,685 |
| Permits, Other | 12,186 | A2590 | 4,550 |
| TOTAL Licenses And Permits | 18,176 | | 192,235 |
| Fines And Forfeited Bail | 296,100 | A2610 | 402,152 |
| TOTAL Fines And Forfeitures | 296,100 | | 402,152 |
| Sales of Equipment | | A2665 | |
| Insurance Recoveries | 280,290 | A2680 | 51,938 |
| TOTAL Sale of Property And Compensation For Loss | 280,290 | | 51,938 |
| Refunds of Prior Year's Expenditures | 10,012 | A2701 | 27,047 |
| Gifts And Donations | 100,000 | A2705 | 100,000 |
| Unclassified (specify) | 2,142 | A2770 | 455 |
| TOTAL Miscellaneous Local Sources | 112,154 | | 127,502 |
| Interfund Revenues | | A2801 | |
| TOTAL Interfund Revenues | 0 | | 0 |
| St Aid, Revenue Sharing | 24,697 | A3001 | 24,390 |
| St Aid, Mortgage Tax | 238,763 | A3005 | 235,840 |
| St Aid - Other (specify) | 1,942 | A3089 | 3,349 |
| St Aid, Other Public Safety | 109,707 | A3389 | 92,537 |
| St Aid, Consolidated Highway Aid | | A3501 | 168,788 |
| St Aid Emergency Disaster Assistance | | A3960 | |
| TOTAL State Aid | 375,109 | | 524,904 |
| TOTAL Revenues | 13,935,738 | | 14,522,624 |

VILLAGE OF Lake Success
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(A) GENERAL

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|--|-------------------|---------|-------------------|
| Other Sources | | | |
| Interfund Transfers | 55,000 | A5031 | 422,959 |
| TOTAL Interfund Transfers | 55,000 | | 422,959 |
| Bond Anticipation Notes | 165,000 | A5730 | |
| TOTAL Proceeds of Obligations | 165,000 | | 0 |
| TOTAL Other Sources | 220,000 | | 422,959 |
| TOTAL Detail Revenues And Other Sources | 14,155,738 | | 14,945,583 |

VILLAGE OF Lake Success
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(A) GENERAL

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|---|------------------|---------|------------------|
| Expenditures | | | |
| Legislative Board, Pers Serv | 10,800 | A10101 | 10,800 |
| Legislative Board, Contr Expend | 2,092 | A10104 | 1,565 |
| TOTAL Legislative Board | 12,892 | | 12,365 |
| Municipal Court, Pers Serv | 37,686 | A11101 | 40,829 |
| Municipal Court, Equip & Cap Outlay | 1,087 | A11102 | 1,140 |
| Municipal Court, Contr Expend | 28,290 | A11104 | 33,098 |
| TOTAL Municipal Court | 67,063 | | 75,067 |
| Mayor, Pers Serv | 3,600 | A12101 | 3,600 |
| Mayor, Contr Expend | 850 | A12104 | 1,950 |
| TOTAL Mayor | 4,450 | | 5,550 |
| Auditor, Contr Expend | 20,350 | A13204 | 21,350 |
| TOTAL Auditor | 20,350 | | 21,350 |
| Treasurer, Pers Serv | 459,448 | A13251 | 458,017 |
| Treasurer, Contr Expend | 115,543 | A13254 | 133,392 |
| TOTAL Treasurer | 574,991 | | 591,409 |
| Assessment, Contr Expend | 23,500 | A13554 | 60,000 |
| TOTAL Assessment | 23,500 | | 60,000 |
| Tax Advertising, Contr Expend | 234 | A13624 | |
| TOTAL Tax Advertising | 234 | | 0 |
| Law, Pers Serv | 18,000 | A14201 | 15,000 |
| Law, Contr Expend | 37,107 | A14204 | 59,996 |
| TOTAL Law | 55,107 | | 74,996 |
| Engineer, Contr Expend | 396 | A14404 | |
| TOTAL Engineer | 396 | | 0 |
| Elections, Contr Expend | 598 | A14504 | 546 |
| TOTAL Elections | 598 | | 546 |
| Records Mgmt, Contr Expend | 1,357 | A14604 | 1,357 |
| TOTAL Records Mgmt | 1,357 | | 1,357 |
| Buildings, Pers Serv | 246,317 | A16201 | 254,795 |
| Buildings, Equip & Cap Outlay | | A16202 | 30,872 |
| Buildings, Contr Expend | 619,819 | A16204 | 529,111 |
| TOTAL Buildings | 866,136 | | 814,778 |
| Central Comm System, Contr Expend | 10,594 | A16504 | 8,686 |
| TOTAL Central Comm System | 10,594 | | 8,686 |
| Central Print & Mail,contr Expend | 13,654 | A16704 | 15,087 |
| TOTAL Central Print & Mail | 13,654 | | 15,087 |
| Unallocated Insurance, Contr Expend | 319,367 | A19104 | 299,402 |
| TOTAL Unallocated Insurance | 319,367 | | 299,402 |
| Municipal Assn Dues, Contr Expend | 3,431 | A19204 | 3,586 |
| TOTAL Municipal Assn Dues | 3,431 | | 3,586 |
| Judgements And Claims, Contr Expend | 222,700 | A19304 | 44,182 |
| TOTAL Judgements And Claims | 222,700 | | 44,182 |
| Payment of Mta Payroll Tax,contr Expend | 21,212 | A19804 | 21,607 |
| TOTAL Payment of Mta Payroll Tax | 21,212 | | 21,607 |
| TOTAL General Government Support | 2,218,032 | | 2,049,968 |

VILLAGE OF Lake Success
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(A) GENERAL

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|--|------------------|---------|------------------|
| Expenditures | | | |
| Police, Pers Serv | 4,307,858 | A31201 | 4,516,103 |
| Police, Equip & Cap Outlay | 738 | A31202 | 868 |
| Police, Contr Expend | 148,171 | A31204 | 257,715 |
| TOTAL Police | 4,456,767 | | 4,774,686 |
| Safety Inspection, Contr Expend | 85,796 | A36204 | 86,935 |
| TOTAL Safety Inspection | 85,796 | | 86,935 |
| TOTAL Public Safety | 4,542,563 | | 4,861,621 |
| Street Admin, Pers Serv | 107,738 | A50101 | 110,041 |
| Street Admin, Contr Expend | | A50104 | 181 |
| TOTAL Street Admin | 107,738 | | 110,222 |
| Maint of Streets, Pers Serv | 539,665 | A51101 | 516,904 |
| Maint of Streets, Equip & Cap Outlay | 666 | A51102 | 6,608 |
| Maint of Streets, Contr Expend | 147,288 | A51104 | 258,042 |
| TOTAL Maint of Streets | 687,619 | | 781,554 |
| Perm Improve Highway, Equip & Cap Outlay | 19,670 | A51122 | 149,118 |
| TOTAL Perm Improve Highway | 19,670 | | 149,118 |
| Snow Removal, Pers Serv | 31,136 | A51421 | 57,847 |
| Snow Removal, Contr Expend | 5,483 | A51424 | 13,423 |
| TOTAL Snow Removal | 36,619 | | 71,270 |
| Street Lighting, Contr Expend | 16,002 | A51824 | 17,084 |
| TOTAL Street Lighting | 16,002 | | 17,084 |
| TOTAL Transportation | 867,648 | | 1,129,248 |
| Parks, Pers Serv | 227,642 | A71101 | 267,241 |
| Parks, Equip & Cap Outlay | 13,025 | A71102 | 35,341 |
| Parks, Contr Expend | 117,417 | A71104 | 120,932 |
| TOTAL Parks | 358,084 | | 423,514 |
| Celebrations, Contr Expend | 1,920 | A75504 | 1,920 |
| TOTAL Celebrations | 1,920 | | 1,920 |
| Other Culture And Rec, Contr Expend | 20,207 | A79894 | 28,396 |
| TOTAL Other Culture And Rec | 20,207 | | 28,396 |
| TOTAL Culture And Recreation | 380,211 | | 453,830 |
| Zoning, Contr Expend | 2,032 | A80104 | 1,529 |
| TOTAL Zoning | 2,032 | | 1,529 |
| Planning, Contr Expend | 5,294 | A80204 | 4,758 |
| TOTAL Planning | 5,294 | | 4,758 |
| Refuse & Garbage, Contr Expend | 388,579 | A81604 | 398,008 |
| TOTAL Refuse & Garbage | 388,579 | | 398,008 |
| Misc Home & Comm Serv, Contr Expend | 405 | A89894 | 330 |
| TOTAL Misc Home & Comm Serv | 405 | | 330 |
| TOTAL Home And Community Services | 396,310 | | 404,625 |
| State Retirement System | 253,634 | A90108 | 278,615 |
| Police & Firemen Retirement, Empl Bnfts | 927,094 | A90158 | 1,019,339 |
| Social Security, Employer Cont | 364,503 | A90308 | 395,285 |
| Worker's Compensation, Empl Bnfts | 240,266 | A90408 | 243,120 |
| Unemployment Insurance, Empl Bnfts | | A90508 | 3,163 |

VILLAGE OF Lake Success
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(A) GENERAL

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|---|-------------------|---------|-------------------|
| Expenditures | | | |
| Disability Insurance, Empl Bnfts | 2,007 | A90558 | 2,283 |
| Hospital & Medical (dental) Ins, Empl Bnft | 1,461,561 | A90608 | 1,614,273 |
| TOTAL Employee Benefits | 3,249,065 | | 3,556,078 |
| Debt Principal, Serial Bonds | 1,712,500 | A97106 | 1,679,792 |
| Debt Principal, Bond Anticipation Notes | 900,335 | A97306 | 505,001 |
| TOTAL Debt Principal | 2,612,835 | | 2,184,793 |
| Debt Interest, Serial Bonds | 293,768 | A97107 | 243,100 |
| Debt Interest, Bond Anticipation Notes | 5,428 | A97307 | 12,054 |
| TOTAL Debt Interest | 299,196 | | 255,154 |
| TOTAL Expenditures | 14,565,860 | | 14,895,317 |
| TOTAL Detail Expenditures And Other Uses | 14,565,860 | | 14,895,317 |

VILLAGE OF Lake Success
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For the Fiscal Year Ending 2018

(A) GENERAL

Analysis of Changes in Fund Balance

| Code Description | 2017 | EdpCode | 2018 |
|--|------------------|--------------|------------------|
| Analysis of Changes in Fund Balance | | | |
| Fund Balance - Beginning of Year | 4,646,462 | A8021 | 4,236,339 |
| Prior Period Adj -Increase In Fund Balance | -1 | A8012 | |
| Restated Fund Balance - Beg of Year | 4,646,461 | A8022 | 4,236,339 |
| ADD - REVENUES AND OTHER SOURCES | 14,155,738 | | 14,945,583 |
| DEDUCT - EXPENDITURES AND OTHER USES | 14,565,860 | | 14,895,317 |
| Fund Balance - End of Year | 4,236,339 | A8029 | 4,286,605 |

VILLAGE OF Lake Success
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For the Fiscal Year Ending 2018

(A) GENERAL

Budget Summary

| Code Description | 2018 | EdpCode | 2019 |
|---|-------------------|---------|-------------------|
| Estimated Revenues | | | |
| Est Rev - Real Property Taxes | 9,672,846 | A1049N | 9,958,829 |
| Est Rev - Real Property Tax Items | 2,075,000 | A1099N | 2,015,000 |
| Est Rev - Non Property Tax Items | 185,050 | A1199N | 185,050 |
| Est Rev - Departmental Income | 1,025,000 | A1299N | 878,968 |
| Est Rev - Use of Money And Property | 58,000 | A2499N | 112,600 |
| Est Rev - Licenses And Permits | 9,500 | A2599N | 367,000 |
| Est Rev - Fines And Forfeitures | 290,000 | A2649N | 250,000 |
| Est Rev - Miscellaneous Local Sources | 100,000 | A2799N | 100,000 |
| Est Rev - State Aid | 340,000 | A3099N | 300,000 |
| TOTAL Estimated Revenues | 13,755,396 | | 14,167,447 |
| Estimated - Interfund Transfer | 55,000 | A5031N | 55,000 |
| Appropriated Fund Balance | 940,000 | A599N | 700,000 |
| TOTAL Estimated Other Sources | 995,000 | | 755,000 |
| TOTAL Estimated Revenues And Other Sources | 14,750,396 | | 14,922,447 |

VILLAGE OF Lake Success
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(A) GENERAL

Budget Summary

| Code Description | 2018 | EdpCode | 2019 |
|--|-------------------|---------|-------------------|
| Appropriations | | | |
| App - General Government Support | 2,233,092 | A1999N | 2,384,606 |
| App - Public Safety | 5,005,996 | A3999N | 5,237,478 |
| App - Transportation | 978,843 | A5999N | 967,481 |
| App - Culture And Recreation | 461,317 | A7999N | 479,462 |
| App - Home And Community Services | 414,900 | A8999N | 430,315 |
| App - Employee Benefits | 3,212,437 | A9199N | 3,402,407 |
| App - Debt Service | 2,443,811 | A9899N | 2,020,698 |
| TOTAL Appropriations | 14,750,396 | | 14,922,447 |
| TOTAL Appropriations And Other Uses | 14,750,396 | | 14,922,447 |

VILLAGE OF Lake Success
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For the Fiscal Year Ending 2018

(CR) RECREATION

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|--|------------------|---------|----------------|
| Assets | | | |
| Cash | 1,204,476 | CR200 | 890,695 |
| TOTAL Cash | 1,204,476 | | 890,695 |
| Accounts Receivable | 3,276 | CR380 | 10,140 |
| TOTAL Other Receivables (net) | 3,276 | | 10,140 |
| Due From Other Funds | 56,814 | CR391 | 4,786 |
| TOTAL Due From Other Funds | 56,814 | | 4,786 |
| Prepaid Expenses | | CR480 | 8,985 |
| TOTAL Prepaid Expenses | 0 | | 8,985 |
| Cash Special Reserves | 27,723 | CR230 | 27,735 |
| TOTAL Restricted Assets | 27,723 | | 27,735 |
| TOTAL Assets and Deferred Outflows of Resources | 1,292,289 | | 942,341 |

VILLAGE OF Lake Success
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(CR) RECREATION

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|---|------------------|---------|------------------|
| Accounts Payable | 54,020 | CR600 | 106,208 |
| TOTAL Accounts Payable | 54,020 | | 106,208 |
| Accrued Liabilities | 62,061 | CR601 | 12,274 |
| TOTAL Accrued Liabilities | 62,061 | | 12,274 |
| Due To Other Funds | 306,043 | CR630 | 111,541 |
| TOTAL Due To Other Funds | 306,043 | | 111,541 |
| Due To Other Governments | 9,776 | CR631 | 6,582 |
| Due To Employees' Retirement System | 25,140 | CR637 | 29,312 |
| TOTAL Due To Other Governments | 34,916 | | 35,894 |
| TOTAL Liabilities | 457,040 | | 265,917 |
| Deferred Inflows of Resources | | | |
| Deferred Inflow of Resources | 1,084,211 | CR691 | 1,054,368 |
| TOTAL Deferred Inflows of Resources | 1,084,211 | | 1,054,368 |
| TOTAL Deferred Inflows of Resources | 1,084,211 | | 1,054,368 |
| Fund Balance | | | |
| Not in Spendable Form | | CR806 | 8,985 |
| TOTAL Nonspendable Fund Balance | 0 | | 8,985 |
| Capital Reserve | 27,723 | CR878 | 27,735 |
| TOTAL Restricted Fund Balance | 27,723 | | 27,735 |
| Assigned Unappropriated Fund Balance | | CR915 | |
| TOTAL Assigned Fund Balance | 0 | | 0 |
| Unassigned Fund Balance | -276,685 | CR917 | -414,664 |
| TOTAL Unassigned Fund Balance | -276,685 | | -414,664 |
| TOTAL Fund Balance | -248,962 | | -377,944 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 1,292,289 | | 942,341 |

VILLAGE OF Lake Success
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For the Fiscal Year Ending 2018

(CR) RECREATION

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|---|------------------|---------|------------------|
| Revenues | | | |
| Special Recreational Facility Charges | 2,685,276 | CR2025 | 2,762,663 |
| TOTAL Departmental Income | 2,685,276 | | 2,762,663 |
| Interest And Earnings | 422 | CR2401 | 480 |
| TOTAL Use of Money And Property | 422 | | 480 |
| Sales, Other | | CR2655 | 2,100 |
| TOTAL Sale of Property And Compensation For Loss | 0 | | 2,100 |
| Refunds of Prior Year's Expenditures | 915 | CR2701 | 949 |
| Unclassified (specify) | 2,127 | CR2770 | 1,552 |
| TOTAL Miscellaneous Local Sources | 3,042 | | 2,501 |
| Interfund Revenues | | CR2801 | |
| TOTAL Interfund Revenues | 0 | | 0 |
| TOTAL Revenues | 2,688,740 | | 2,767,744 |
| Interfund Transfers | | CR5031 | 64,261 |
| TOTAL Interfund Transfers | 0 | | 64,261 |
| TOTAL Other Sources | 0 | | 64,261 |
| TOTAL Detail Revenues And Other Sources | 2,688,740 | | 2,832,005 |

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(CR) RECREATION

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|---|------------------|---------|------------------|
| Expenditures | | | |
| Payment of Mta Payroll Tax, Contr Expend | 4,058 | CR19804 | 3,784 |
| TOTAL Payment of Mta Payroll Tax | 4,058 | | 3,784 |
| TOTAL General Government Support | 4,058 | | 3,784 |
| Special Recreation Facilities-Pers Serv | 1,087,408 | CR71801 | 1,116,628 |
| Special Rec Facility Equip & Cap Outlay | 71,812 | CR71802 | 82,090 |
| Special Recreation Facilities-Contr Expend | 899,505 | CR71804 | 947,408 |
| TOTAL Special Recreation Facilities-Contr Expend | 2,058,725 | | 2,146,126 |
| TOTAL Culture And Recreation | 2,058,725 | | 2,146,126 |
| State Retirement Empl Bnfts | 145,343 | CR90108 | 165,920 |
| Social Security Empl Bnfts | 80,430 | CR90308 | 82,590 |
| Worker's Compensation, Empl Bnfts | 25,116 | CR90408 | 25,197 |
| Unemployment Insurance, Empl Bnfts | 12,185 | CR90508 | 12,306 |
| Disability Insurance, Empl Bnfts | 463 | CR90558 | 564 |
| Hospital & Medical (dental) Ins, Empl Bnft | 229,021 | CR90608 | 240,711 |
| TOTAL Employee Benefits | 492,558 | | 527,288 |
| Serial Bonds, Principal | 112,500 | CR97106 | 140,208 |
| Bond Anticipation Notes, Principal | 52,000 | CR97306 | 76,800 |
| TOTAL Debt Principal | 164,500 | | 217,008 |
| Debt Interest, Serial Bonds | 17,978 | CR97107 | 18,244 |
| Debt Interest, Bond Anticipation Notes | 1,886 | CR97307 | 3,537 |
| TOTAL Debt Interest | 19,864 | | 21,781 |
| TOTAL Expenditures | 2,739,705 | | 2,915,987 |
| Transfers, Other Funds | 45,000 | CR99019 | 45,000 |
| TOTAL Operating Transfers | 45,000 | | 45,000 |
| TOTAL Other Uses | 45,000 | | 45,000 |
| TOTAL Detail Expenditures And Other Uses | 2,784,705 | | 2,960,987 |

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(CR) RECREATION

Analysis of Changes in Fund Balance

| Code Description | 2017 | EdpCode | 2018 |
|--|-----------------|---------------|-----------------|
| Analysis of Changes in Fund Balance | | | |
| Fund Balance - Beginning of Year | -152,997 | CR8021 | -248,962 |
| Restated Fund Balance - Beg of Year | -152,997 | CR8022 | -248,962 |
| ADD - REVENUES AND OTHER SOURCES | 2,688,740 | | 2,832,005 |
| DEDUCT - EXPENDITURES AND OTHER USES | 2,784,705 | | 2,960,987 |
| Fund Balance - End of Year | -248,962 | CR8029 | -377,944 |

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(G) SEWER

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|--|----------------|---------|----------------|
| Assets | | | |
| Cash | 99,767 | G200 | 39,007 |
| TOTAL Cash | 99,767 | | 39,007 |
| Accounts Receivable | 337,904 | G380 | 344,335 |
| TOTAL Other Receivables (net) | 337,904 | | 344,335 |
| Due From Other Funds | 166,609 | G391 | 145,166 |
| TOTAL Due From Other Funds | 166,609 | | 145,166 |
| TOTAL Assets and Deferred Outflows of Resources | 604,280 | | 528,508 |

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(G) SEWER

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|---|----------------|---------|----------------|
| Accounts Payable | 315,358 | G600 | 322,065 |
| TOTAL Accounts Payable | 315,358 | | 322,065 |
| TOTAL Liabilities | 315,358 | | 322,065 |
| Fund Balance | | | |
| Assigned Unappropriated Fund Balance | 288,922 | G915 | 206,443 |
| TOTAL Assigned Fund Balance | 288,922 | | 206,443 |
| TOTAL Fund Balance | 288,922 | | 206,443 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 604,280 | | 528,508 |

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(G) SEWER

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|--|----------------|---------|----------------|
| Revenues | | | |
| Sewer Charges | 803,243 | G2122 | 748,179 |
| TOTAL Departmental Income | 803,243 | | 748,179 |
| TOTAL Revenues | 803,243 | | 748,179 |
| TOTAL Detail Revenues And Other Sources | 803,243 | | 748,179 |

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(G) SEWER

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|---|----------------|---------|----------------|
| Expenditures | | | |
| Sanitary Sewers, Contr Expend | 772,124 | G81204 | 820,658 |
| TOTAL Sanitary Sewers | 772,124 | | 820,658 |
| TOTAL Home And Community Services | 772,124 | | 820,658 |
| TOTAL Expenditures | 772,124 | | 820,658 |
| Transfers, Other Funds | 10,000 | G99019 | 10,000 |
| TOTAL Operating Transfers | 10,000 | | 10,000 |
| TOTAL Other Uses | 10,000 | | 10,000 |
| TOTAL Detail Expenditures And Other Uses | 782,124 | | 830,658 |

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(G) SEWER

Analysis of Changes in Fund Balance

| Code Description | 2017 | EdpCode | 2018 |
|--|----------------|--------------|----------------|
| Analysis of Changes in Fund Balance | | | |
| Fund Balance - Beginning of Year | 267,803 | G8021 | 288,922 |
| Restated Fund Balance - Beg of Year | 267,803 | G8022 | 288,922 |
| ADD - REVENUES AND OTHER SOURCES | 803,243 | | 748,179 |
| DEDUCT - EXPENDITURES AND OTHER USES | 782,124 | | 830,658 |
| Fund Balance - End of Year | 288,922 | G8029 | 206,443 |

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(G) SEWER

Budget Summary

| Code Description | 2018 | EdpCode | 2019 |
|---|----------------|---------|----------------|
| Estimated Revenues | | | |
| Est Rev - Departmental Income | 803,488 | G1299N | 844,955 |
| TOTAL Estimated Revenues | 803,488 | | 844,955 |
| TOTAL Estimated Revenues And Other Sources | 803,488 | | 844,955 |

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(G) SEWER

Budget Summary

| Code Description | 2018 | EdpCode | 2019 |
|--|----------------|---------|----------------|
| Appropriations | | | |
| App - Home And Community Services | 793,488 | G8999N | 834,955 |
| TOTAL Appropriations | 793,488 | | 834,955 |
| App - Interfund Transfer | 10,000 | G9999N | 10,000 |
| TOTAL Other Uses | 10,000 | | 10,000 |
| TOTAL Appropriations And Other Uses | 803,488 | | 844,955 |

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(H) CAPITAL PROJECTS

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|--|------------------|---------|------------------|
| Assets | | | |
| Cash | 1,376,369 | H200 | 1,939,715 |
| TOTAL Cash | 1,376,369 | | 1,939,715 |
| Due From Other Funds | | H391 | 110,439 |
| TOTAL Due From Other Funds | 0 | | 110,439 |
| Cash Special Reserves | 804,133 | H230 | |
| TOTAL Restricted Assets | 804,133 | | 0 |
| TOTAL Assets and Deferred Outflows of Resources | 2,180,502 | | 2,050,154 |

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(H) CAPITAL PROJECTS

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|---|------------------|---------|------------------|
| Accounts Payable | | H600 | 4,931 |
| TOTAL Accounts Payable | 0 | | 4,931 |
| Bond Anticipation Notes Payable | 917,334 | H626 | 490,717 |
| TOTAL Notes Payable | 917,334 | | 490,717 |
| Due To Other Funds | 737,466 | H630 | 1,280,125 |
| TOTAL Due To Other Funds | 737,466 | | 1,280,125 |
| TOTAL Liabilities | 1,654,800 | | 1,775,773 |
| Deferred Inflows of Resources | | | |
| Deferred Inflow of Resources | 1,045,000 | H691 | 934,833 |
| TOTAL Deferred Inflows of Resources | 1,045,000 | | 934,833 |
| TOTAL Deferred Inflows of Resources | 1,045,000 | | 934,833 |
| Fund Balance | | | |
| Assigned Unappropriated Fund Balance | | H915 | 57,260 |
| TOTAL Assigned Fund Balance | 0 | | 57,260 |
| Unassigned Fund Balance | -519,298 | H917 | -717,712 |
| TOTAL Unassigned Fund Balance | -519,298 | | -717,712 |
| TOTAL Fund Balance | -519,298 | | -660,452 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 2,180,502 | | 2,050,154 |

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

(H) CAPITAL PROJECTS

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|--|----------------|---------|----------------|
| Revenues | | | |
| Unclassified (specify) | 65,000 | H2770 | 110,167 |
| TOTAL Miscellaneous Local Sources | 65,000 | | 110,167 |
| TOTAL Revenues | 65,000 | | 110,167 |
| Bans Redeemed From Appropriations | 864,335 | H5731 | 460,801 |
| TOTAL Proceeds of Obligations | 864,335 | | 460,801 |
| TOTAL Other Sources | 864,335 | | 460,801 |
| TOTAL Detail Revenues And Other Sources | 929,335 | | 570,968 |

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

(H) CAPITAL PROJECTS

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|---|----------------|---------|----------------|
| Expenditures | | | |
| Police, Equip & Cap Outlay | | H31202 | 7,943 |
| TOTAL Police | 0 | | 7,943 |
| TOTAL Public Safety | 0 | | 7,943 |
| Other Transportation, Equip & Cap Outlay | 71,646 | H59892 | |
| TOTAL Other Transportation | 71,646 | | 0 |
| TOTAL Transportation | 71,646 | | 0 |
| Parks, Equip & Cap Outlay | 96,222 | H71102 | 161,792 |
| TOTAL Parks | 96,222 | | 161,792 |
| TOTAL Culture And Recreation | 96,222 | | 161,792 |
| Environmental Control, Equip & Cap Outlay | 65,000 | H80902 | 110,167 |
| TOTAL Environmental Control | 65,000 | | 110,167 |
| TOTAL Home And Community Services | 65,000 | | 110,167 |
| TOTAL Expenditures | 232,868 | | 279,902 |
| Transfers, Other Funds | | H99019 | 432,220 |
| TOTAL Operating Transfers | 0 | | 432,220 |
| TOTAL Other Uses | 0 | | 432,220 |
| TOTAL Detail Expenditures And Other Uses | 232,868 | | 712,122 |

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

| Code Description | 2017 | EdpCode | 2018 |
|--|-------------------|--------------|-----------------|
| Analysis of Changes in Fund Balance | | | |
| Fund Balance - Beginning of Year | -1,215,765 | H8021 | -519,298 |
| Restated Fund Balance - Beg of Year | -1,215,765 | H8022 | -519,298 |
| ADD - REVENUES AND OTHER SOURCES | 929,335 | | 570,968 |
| DEDUCT - EXPENDITURES AND OTHER USES | 232,868 | | 712,122 |
| Fund Balance - End of Year | -519,298 | H8029 | -660,452 |

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

(K) GENERAL FIXED ASSETS

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|--|-------------------|---------|-------------------|
| Assets | | | |
| Land | 1,022,500 | K101 | 1,022,500 |
| Buildings | 21,972,970 | K102 | 22,289,944 |
| Improvements Other Than Buildings | 3,978,323 | K103 | 4,025,703 |
| Machinery And Equipment | 4,166,392 | K104 | 4,205,785 |
| Construction Work In Progress | 65,000 | K105 | 175,167 |
| Infrastructure | 4,769,845 | K106 | 4,918,963 |
| Accum Deprec, Buildings | -5,811,795 | K112 | -6,274,374 |
| Accum Depr, Imp Other Than Bld | -1,407,643 | K113 | -1,555,536 |
| Accum Depr, Machinery & Equip | -2,558,018 | K114 | -2,598,903 |
| Accum Deprec, Infrastructure | -806,256 | K116 | -934,218 |
| TOTAL Fixed Assets (net) | 25,391,318 | | 25,275,031 |
| Deferred Outflows of Resources - Pensions | 2,631,211 | K496 | |
| TOTAL Deferred Outflows of Resources | 2,631,211 | | 0 |
| TOTAL Assets and Deferred Outflows of Resources | 28,022,529 | | 25,275,031 |

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

(K) GENERAL FIXED ASSETS

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|---|-------------------|---------|-------------------|
| Liabilities, Deferred Inflows And Fund Balance | | | |
| Total Non-Current Govt Assets | 28,022,529 | K159 | 25,275,031 |
| TOTAL Investments in Non-Current Government Assets | 28,022,529 | | 25,275,031 |
| TOTAL Fund Balance | 28,022,529 | | 25,275,031 |
| TOTAL | 28,022,529 | | 25,275,031 |

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

(TA) AGENCY

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|--|------------------|---------|------------------|
| Assets | | | |
| Cash | 860,384 | TA200 | 1,009,206 |
| TOTAL Cash | 860,384 | | 1,009,206 |
| Due From Other Funds | | TA391 | 269,307 |
| TOTAL Due From Other Funds | 0 | | 269,307 |
| Miscellaneous Current Assets | 283,643 | TA489 | 67,024 |
| TOTAL Other | 283,643 | | 67,024 |
| TOTAL Assets and Deferred Outflows of Resources | 1,144,027 | | 1,345,537 |

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

(TA) AGENCY

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|---|------------------|---------|------------------|
| Due To Other Funds | 388,885 | TA630 | 239,321 |
| TOTAL Due To Other Funds | 388,885 | | 239,321 |
| Consolidated Payroll | 53,266 | TA10 | 48,044 |
| State Retirement | 570 | TA18 | 709 |
| Group Insurance | 316 | TA20 | 240 |
| Nys Income Tax | -742 | TA21 | -742 |
| Federal Income Tax | -4,758 | TA22 | -4,758 |
| Social Security Tax | -2,726 | TA26 | -2,726 |
| Employees Annuities | 14,648 | TA29 | 14,648 |
| Guaranty & Bid Deposits | 694,568 | TA30 | 1,050,801 |
| TOTAL Agency Liabilities | 755,142 | | 1,106,216 |
| TOTAL Liabilities | 1,144,027 | | 1,345,537 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 1,144,027 | | 1,345,537 |

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|------------------|------|---------|------|
|------------------|------|---------|------|

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|------------------|------|---------|------|
|------------------|------|---------|------|

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|------------------|------|---------|------|
|------------------|------|---------|------|

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

Results of Operation

| Code Description | 2017 | EdpCode | 2018 |
|------------------|------|---------|------|
|------------------|------|---------|------|

VILLAGE OF Lake Success
 Annual Update Document
 For the Fiscal Year Ending 2018

(V) DEBT SERVICE

Analysis of Changes in Fund Balance

| Code Description | 2017 | EdpCode | 2018 |
|--|------|---------|------|
| Analysis of Changes in Fund Balance | | | |
| Fund Balance - Beginning of Year | -0 | V8021 | |
| Prior Period Adj -Increase In Fund Balance | 0 | V8012 | |
| Restated Fund Balance - Beg of Year | | V8022 | |
| Fund Balance - End of Year | | V8029 | |

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

(W) GENERAL LONG-TERM DEBT

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|--|-------------------|---------|-------------------|
| Assets | | | |
| Total Non-Current Govt Liabilities | 27,136,970 | W129 | 23,688,069 |
| TOTAL Provision To Be Made In Future Budgets | 27,136,970 | | 23,688,069 |
| TOTAL Assets and Deferred Outflows of Resources | 27,136,970 | | 23,688,069 |

VILLAGE OF Lake Success
Annual Update Document
For the Fiscal Year Ending 2018

(W) GENERAL LONG-TERM DEBT

Balance Sheet

| Code Description | 2017 | EdpCode | 2018 |
|---|-------------------|---------|-------------------|
| Bond Anticipation Notes Payable | 517,000 | W626 | 396,000 |
| TOTAL Notes Payable | 517,000 | | 396,000 |
| Net Pension Liability -Proportionate Share | 3,401,608 | W638 | 1,551,429 |
| Total OPEB Liability | 9,679,438 | W683 | 10,901,695 |
| Judgments And Claims Payable | 82,500 | W686 | |
| Compensated Absences | 3,397,710 | W687 | 3,397,710 |
| TOTAL Other Liabilities | 16,561,256 | | 15,850,834 |
| Bonds Payable | 9,180,000 | W628 | 7,360,000 |
| Bond Interest And Matured Bonds Payable | 118,916 | W629 | 81,235 |
| TOTAL Bond And Long Term Liabilities | 9,298,916 | | 7,441,235 |
| Deferred Inflows of Resources - Pensions Additional Description 3333 | 759,798 | W697 | |
| TOTAL Deferred Inflows of Resources | 759,798 | | 0 |
| TOTAL Liabilities | 27,136,970 | | 23,688,069 |
| TOTAL Liabilities | 27,136,970 | | 23,688,069 |

**VILLAGE OF Lake Success
Statement of Indebtedness
For the Fiscal Year Ending 2018**

11/27/2018

County of: Nassau

Municipal Code: 280459702580

| First Year | Debt Code | Description | Cops Flag | Comp Flag | Date of Issue | Date of Maturity | Int. Rate | Var? | Amt. Orig. Issued | O/S Beg. of Year | Paid Dur. Year | Redeemed Bond Proc. | Prior Yr. Adjust. | Accreted Interest | O/S End of Year |
|---|-----------|--------------------------------|-----------|-----------|---------------|------------------|-----------|------|-------------------|---------------------|--------------------|---------------------|-------------------|-------------------|--------------------|
| 2015 | BAN N | Village Roads | | | 06/27/2014 | 06/19/2016 | 0.87% | | \$50,000 | \$16,666 | \$16,666 | \$0 | \$0 | | \$0 |
| 2016 | BAN N | Capital Improvements | | | 06/26/2015 | 06/22/2018 | 1.00% | | \$480,000 | \$373,333 | \$106,667 | \$0 | | | \$266,666 |
| 2018 | BAN N | Truck with Plow | | | 06/22/2017 | 06/22/2018 | 1.00% | | \$34,184 | \$0 | | | \$0 | | \$34,184 |
| 2015 | BAN N | Water Heaters | | | 06/27/2014 | 06/19/2016 | 0.87% | | \$45,000 | \$15,000 | \$15,000 | \$0 | \$0 | | \$0 |
| 2015 | BAN N | Heavy Equipment | | | 06/27/2014 | 06/19/2016 | 0.87% | | \$42,000 | \$14,000 | \$14,000 | \$0 | \$0 | | \$0 |
| 2017 | BAN N | 2017 Equip & Rep. to Sink Hole | | | 06/09/2016 | 06/22/2018 | 1.00% | | \$164,000 | \$164,000 | \$38,133 | \$0 | \$0 | | \$125,867 |
| 2015 | BAN N | Police Vehicles | | | 06/27/2014 | 06/19/2016 | 0.87% | | \$80,000 | \$26,668 | \$26,668 | \$0 | \$0 | | \$0 |
| 2016 | BAN N | Tax Certiorari | | | 06/26/2015 | 06/22/2018 | 1.00% | | \$440,000 | \$352,000 | \$88,000 | \$0 | \$0 | | \$264,000 |
| 2015 | BAN N | Community Building | | | 10/17/2014 | 10/12/2018 | 2.00% | | \$1,100,000 | \$260,000 | \$220,000 | \$0 | \$0 | | \$40,000 |
| 2017 | BAN N | Tax Certiorari | | | 06/27/2016 | 06/22/2018 | 1.00% | | \$165,000 | \$165,000 | \$33,000 | \$0 | \$0 | | \$132,000 |
| 2015 | BAN N | Lawn Mower | | | 10/17/2014 | 10/12/2018 | 2.00% | | \$60,000 | \$36,000 | \$12,000 | \$0 | \$0 | | \$24,000 |
| 2015 | BAN N | Golf Pump Monitoring | | | 10/17/2014 | 10/16/2016 | 0.87% | | \$35,000 | \$11,666 | \$11,666 | \$0 | \$0 | | \$0 |
| Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year | | | | | | | | | \$34,184 | \$1,434,333 | \$581,800 | \$0 | \$0 | \$0 | \$886,717 |
| 2009 | BOND N | Public Improvment | | | 01/21/2009 | 01/15/2023 | 3.75% | | \$3,320,000 | \$240,000 | \$240,000 | \$0 | \$0 | | \$0 |
| 2014 | BOND N | Refunding Bond | | | 08/08/2013 | 07/15/2025 | 2.50% | Y | \$3,810,000 | \$2,770,000 | \$420,000 | \$0 | \$0 | | \$2,350,000 |
| 2011 | BOND N | Bond Refunding- 1998 Bonds | | | 08/31/2010 | 08/15/2018 | 4.00% | | \$1,335,000 | \$160,000 | \$160,000 | \$0 | \$0 | | \$0 |
| 2014 | BOND N | Refunding | | | 08/08/2013 | 12/01/2021 | 2.00% | Y | \$560,000 | \$325,000 | \$80,000 | \$0 | \$0 | | \$245,000 |
| 2011 | BOND N | Bond Refunding- 2002 Bonds | | | 08/31/2010 | 06/01/2020 | 4.00% | Y | \$5,070,000 | \$2,080,000 | \$490,000 | \$0 | \$0 | | \$1,590,000 |
| 2014 | BOND N | Tax Certiorari | | | 06/05/2013 | 12/01/2027 | 1.75% | Y | \$1,830,058 | \$1,240,000 | \$125,000 | \$0 | \$0 | | \$1,115,000 |
| 2016 | BOND N | 2016 Refunding Bond | | | 04/21/2016 | 10/01/2022 | 1.00% | Y | \$2,370,000 | \$2,365,000 | \$305,000 | \$0 | \$0 | | \$2,060,000 |
| Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year | | | | | | | | | \$0 | \$9,180,000 | \$1,820,000 | \$0 | \$0 | \$0 | \$7,360,000 |
| AFR Year Total for All Debt Types - Sums Issued Amts only made in AFR Year | | | | | | | | | \$34,184 | \$10,614,333 | \$2,401,800 | \$0 | \$0 | \$0 | \$8,246,717 |

VILLAGE OF Lake Success
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2018

| | EDP Code | Amount |
|---|----------|-----------------------|
| CASH: | | |
| On Hand | 9Z2001 | |
| Demand Deposits | 9Z2011 | \$6,599,452.00 |
| Time Deposits | 9Z2021 | \$33,743.00 |
| Total | | \$6,633,195.00 |
| COLLATERAL: | | |
| - FDIC Insurance | 9Z2014 | \$783,743.00 |
| Collateralized with securities held in possession of municipality or its agent | 9Z2014A | \$6,213,831.00 |
| Total | | \$6,997,574.00 |
| INVESTMENTS: | | |
| - Securities (450) | | |
| Book Value (cost) | 9Z4501 | |
| Market Value at Balance Sheet Date | 9Z4502 | |
| Collateralized with securities held in possession of municipality or its agent | 9Z4504A | |
| - Repurchase Agreements (451) | | |
| Book Value (cost) | 9Z4511 | |
| Market Value at Balance Sheet Date | 9Z4512 | |
| Collateralized with securities held in possession of municipality or its agent | 9Z4514A | |

VILLAGE OF Lake Success
Bank Reconciliation
For the Fiscal Year Ending 2018

Include All Checking, Savings and C.D. Accounts

| Bank Account Number | Bank Balance | Add: Deposit In Transit | Less: Outstanding Checks | Adjusted Bank Balance |
|------------------------------|-----------------|-------------------------------|--------------------------------|------------------------------|
| ****-0001 | \$1,695,066 | \$0 | \$0 | \$1,695,066 |
| ****-1789 | \$910,925 | \$0 | \$0 | \$910,925 |
| ****-6462 | \$1,672,726 | \$0 | \$0 | \$1,672,726 |
| ****-7395 | \$939,764 | \$0 | \$0 | \$939,764 |
| ****-7698 | \$22,893 | \$0 | \$0 | \$22,893 |
| ****-7701 | \$229,273 | \$205 | \$21,968 | \$207,510 |
| ****-7728 | \$24,032 | \$0 | \$0 | \$24,032 |
| ****-7736 | \$79,827 | \$0 | \$0 | \$79,827 |
| ****-7744 | \$38,719 | \$2,950 | \$2,662 | \$39,007 |
| ****-7752 | \$43,377 | \$0 | \$0 | \$43,377 |
| ****-7760 | \$5,065 | \$0 | \$0 | \$5,065 |
| ****-7779 | \$19,245 | \$0 | \$0 | \$19,245 |
| ****-7787 | \$202,077 | \$0 | \$0 | \$202,077 |
| ****-7795 | \$1,005 | \$0 | \$0 | \$1,005 |
| ****-7809 | \$100,544 | \$0 | \$0 | \$100,544 |
| ****-7817 | \$383,430 | \$0 | \$0 | \$383,430 |
| ****-7933 | \$981,666 | \$56 | \$54,626 | \$927,096 |
| ****-7988 | \$33,743 | \$0 | \$0 | \$33,743 |
| ****-8204 | \$896,814 | \$6,114 | \$7,390 | \$895,538 |
| ****-8253 | \$36,954 | \$6,176 | \$32,349 | \$10,781 |
| ****-8477 | \$606 | \$0 | \$44 | \$562 |
| ****-9437 | \$10,509 | \$0 | \$0 | \$10,509 |
| Total Adjusted Bank Balance | | | | <u>\$8,224,722</u> |
| Petty Cash | | | | <u>\$0.00</u> |
| Adjustments | | | | <u>\$0.00</u> |
| Total Cash | | | | 9ZCASH * <u>\$8,224,722</u> |
| Total Cash Balance All Funds | | | | 9ZCASHB * <u>\$8,224,722</u> |

* Must be equal

VILLAGE OF Lake Success
Employee and Retiree Benefits
For the Fiscal Year Ending 2018

| Total Full Time Employees: | | 61 | | | |
|---|--|---------------------------------------|---------------------------------|---------------------------------|----------------------|
| Total Part Time Employees: | | 58 | | | |
| Account Code | Description | Total Expenditures (All Funds) | # of Full Time Employees | # of Part Time Employees | # of Retirees |
| 90108 | State Retirement System | \$444,535.00 | 37 | 7 | |
| 90158 | Police and Fire Retirement | \$1,019,339.00 | 24 | | |
| 90258 | Local Pension Fund | | | | |
| 90308 | Social Security | \$477,874.00 | 61 | 58 | |
| 90408 | Worker's Compensation Insurance | \$268,317.00 | 61 | 58 | |
| 90458 | Life Insurance | | | | |
| 90508 | Unemployment Insurance | \$15,470.00 | 61 | 58 | |
| 90558 | Disability Insurance | \$2,847.00 | 61 | 58 | |
| 90608 | Hospital and Medical (Dental) Insurance | \$1,854,984.00 | 56 | | 48 |
| 90708 | Union Welfare Benefits | | | | |
| 90858 | Supplemental Benefit Payment to Disabled Fire Fighters | \$0.00 | 35 | | |
| 91890 | Other Employee Benefits | | | | |
| Total | | \$4,083,366.00 | | | |
| Computed Total From Financial Section (comparative purposes only) | | \$4,083,366.00 | | | |

VILLAGE OF Lake Success
 Energy Costs and Consumption
 For the Fiscal Year Ending 2018

| Energy Type | Total Expenditures | Total Volume | Units Of Measure | Alternative Units Of Measure |
|-------------|--------------------|--------------|------------------|------------------------------|
| Gasoline | \$41,151 | 21,746 | gallons | |
| Diesel Fuel | \$15,032 | 5,068 | gallons | |
| Fuel Oil | | | gallons | |
| Natural Gas | \$83,860 | 75,719 | cubic feet | Therms |
| Electricity | \$295,274 | 1,371,622 | kilowatt-hours | |
| Coal | | | tons | |
| Propane | | | gallons | |

CERTIFICATION OF CHIEF FISCAL OFFICER

I, Patrick Farrell, hereby certify that I am the Chief Fiscal Officer of the Village of Lake Success, and that the information provided in the annual financial report of the Village of Lake Success, for the fiscal year ended 05/31/2018, is TRUE and correct to the best of my knowledge and belief.

By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the Village of Lake Success, and adopted by me as my signature for use in conjunction with the filing of the Village of Lake Success's annual financial report, I am evidencing my express intent to authenticate my certification of the Village of Lake Success's annual financial report for the fiscal year ended 05/31/2018 and filed by means of electronic data transmission.

Alan Yu, CPA
Name of Report Preparer if different
than Chief Fiscal Officer

(631) 473-3400
Telephone Number

11/27/2018
Date of Certification

Patrick Farrell
Name

Village Administrator
Title

318 Lakeville Road, Lake Success, N
Official Address

(516) 482-4411
Official Telephone Number

VILLAGE OF Lake Success
Financial Comments
For the Fiscal Year Ending 2018