

PRELIMINARY OFFICIAL STATEMENT DATED MAY 2, 2023

NEW ISSUE BOND ANTICIPATION NOTES

RATINGS: See "RATINGS" herein

In the opinion of Bond Counsel to the Town, under existing statutes and court decisions and assuming continuous compliance with certain tax covenants and certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See "TAX MATTERS" herein.)

The Notes will NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

TOWN OF HEMPSTEAD NASSAU COUNTY, NEW YORK (the "Town")

\$25,206,772 BOND ANTICIPATION NOTES – 2023 (the "Notes")

Date of Issue: May 24, 2023

Maturity Date: May 24, 2024

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

Interest: The Notes are dated the Date of Issue and bear interest from that date until their Maturity Date, at the annual rate as specified by the purchaser of the Notes.

Prior Redemption: The Notes will not be subject to redemption prior to their maturity. (See "No Optional Redemption" under "THE NOTES" herein).

Form and Denomination: At the option of the purchaser, the Notes may be either registered to the purchaser or registered in the name of Cede & Co., as the partnership 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. For those Notes issued in book-entry form, such notes will be issued as registered notes, and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the Securities Depository for the Notes. 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 at such interest rate. Individual purchases of any Notes issued in book-entry form may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Noteholders will not receive certificates representing their respective ownership interests in any Notes issued in book-entry form. (See "Description of Book-Entry System" under "THE NOTES" herein).

Payment: Payment of the principal of and interest on the Notes registered to the Purchaser will be payable in lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. Payment of the principal of and interest on any Notes issued in book-entry form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC Participants or Indirect Participants and not of DTC or the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. Principal and interest payments on any book-entry notes shall be payable at the office of the Town Clerk. (See "Description of Book-Entry System" under "THE NOTES" herein).

Proposals for the Notes will be received at 11:00 A.M. (Prevailing Time) on May 10, 2023 at the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered when, as and if issued and received by the initial purchasers and subject to the final approving opinion of Phillips Lytle LLP, Garden City, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Notes will be made on or about May 24, 2023 in New York, New York, or as otherwise agreed to by the Town and the purchasers.

THIS OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE TOWN FOR THE PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE NOTES, AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

This cover page contains information for general reference only. It is not intended as a summary of this transaction. Investors are advised to read the entire Official Statement to obtain information essential to making an informed investment decision.

May , 2023

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



**TOWN OF HEMPSTEAD
NASSAU COUNTY, NEW YORK**

1 Washington Street
Hempstead, NY 11550
Telephone: 516/489-5000

TOWN BOARD

Donald X. Clavin, Jr., Town Supervisor

Dorothy L. Goosby – 1st District
Thomas E. Muscarella – 2nd District
Melissa Miller – 3rd District
Laura A. Ryder – 4th District
Christopher Carini – 5th District
Dennis Dunne, Sr. – 6th District

John A. Mastromarino, CPA, Town Comptroller
Kate Murray, Town Clerk
Jeanine C. Driscoll, Receiver of Taxes
John Maccarone, Town Attorney

* * *

BOND COUNSEL

Phillips Lytle LLP
Garden City, New York

* * *

MUNICIPAL ADVISOR



12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

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

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

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Notes.

CUSIP (Committee on Uniform Securities Identification Procedures) numbers on the inside front cover page of this Official Statement are copyright 2012 by the American Bankers Association, CUSIP data herein is provided by Standard & Poor's, UCSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services.

This Official Statement contains certain "forward-looking statements" concerning the operations and financial condition of the Town. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the Town. The words "may", "would", "could", "will", "expect", "anticipate", "believe", "intend", "plan", "estimate" and similar expressions are meant to identify these forward-looking statements. *The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Town does not plan to issue any updates or revisions to these forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.*

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE NOTES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAVE THE RESOLUTIONS OR OTHER PROCEEDS OF THE TOWN BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. ADDITIONALLY, WHILE THE NOTES MAY BE EXEMPT FROM THE REGISTRATION AND QUALIFICATION PROVISIONS OF THE SECURITIES LAWS OF THE VARIOUS STATES, SUCH EXEMPTION CANNOT BE REGARDED AS A RECOMMENDATION OF THE NOTES. NEITHER THE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE NOTES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

Relating to

TOWN OF HEMPSTEAD NASSAU COUNTY, NEW YORK

\$25,206,772 BOND ANTICIPATION NOTES – 2023 (the “Notes”)

This Official Statement, including the cover page and appendices thereto, has been prepared by the Town and presents certain information in connection with the sale of \$25,206,772 Bond Anticipation Notes – 2023 (the “Notes”) by the Town. 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 Town 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 acts and proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the Town’s overall economic situation and outlook (and all of the specific Town-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See “MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE” and “IMPACTS OF COVID-19” herein.

THE NOTES

Description of the Notes

The Notes are general obligations of the Town. The Town has pledged its faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See “*Tax Levy Limit Law*” herein).

The Notes will each be dated and will mature, without right of redemption prior to maturity, as indicated on the cover page hereof and as described herein.

The Town will act as Fiscal Agent for any Notes issued in book-entry form and the purchaser shall act as Fiscal Agent for any Notes registered in the name of the purchaser. Paying agent fees, if any, for those Notes registered to the purchaser will be paid by the purchaser(s). The Town’s contact information is as follows: John A. Mastromarino, CPA, Town Comptroller, Town of Hempstead, 350 Front Street, Hempstead, NY 11550, telephone number (516) 489-5000 and email: johnmas@tohmail.org.

No Optional Redemption

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

Description of Book-Entry System

The Depository Trust Company (“DTC”) will act as securities depository for those Notes issued in book-entry form. Such Notes will be issued as fully-registered securities, in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for each Note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). Standard & Poor’s assigns a rating of “AA+” to DTC. 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 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 Note (“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 or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest 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 affect 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 accounts of their holdings on behalf of their customers.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 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 issuer as soon as possible after the record date. The omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and 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 Town on the payable date, in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC (nor its nominee) or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, 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.

Source: The Depository Trust Company, New York, New York.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered to the Noteowners. The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In such event, the following provision will apply.

The Notes would be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof, except for one necessary odd denomination in the Notes. Principal of the Notes when due would be payable upon presentation at the principal corporate trust office of a bank or trust company located and authorized to do business in the State as fiscal agent (the "Fiscal Agent") to be appointed by the Town. Interest on the Notes will be payable as described herein. Such interest will be paid by check drawn on the Fiscal Agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the Fiscal Agent as of the Record Date preceding each such interest payment date. Notes may be transferred or exchanged, at no cost to the registered owner at any time prior to their maturity, at the principal corporate trust office of the Fiscal Agent, for Notes of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificate of Determination executed by the Supervisor of the Town authorizing the sale of the Notes and fixing the details thereof and in accordance with the Local Finance Law. The Fiscal Agent will not be obligated to make any such transfer or exchange of Notes between the Record Date and any interest payment date.

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sources believed by the Town to be reliable, but the Town takes no responsibility for the accuracy thereof. In addition, the Town will not have any responsibility or obligation to Direct Participants, to Indirect Participants or to any Beneficial Owner with respect to: (i) the accuracy of any records maintained by DTC, any Direct Participant or any Indirect Participant; (ii) the payments by DTC or any Direct Participant or any Indirect Participant of any amount with respect to the principal of, or premium, if any, or interest on the Notes or (iii) any notice which is permitted or required to be given to Noteowners or (iv) any consent given or other action taken by DTC as holder.

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

Authorization and Purpose

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Town Law, the General Municipal Law and the Local Finance Law, and various bond resolutions duly adopted by the Town Board, authorizing the issuance of serial bonds for the following purposes:

<u>Date</u> <u>Authorized</u>	<u>Resolution</u> <u>Number</u>	<u>Purpose</u>	<u>Amount to</u> <u>be Issued</u>
04/24/2012	481-12	2012 UPGRADE DGS GARAGE DOORS	\$ 26,200
04/24/2012	436-12	2012 SANITATION BUILDING IMPROVEMENTS	25,000
04/24/2012	448-12	2012 WATER BUILDING UPGRADES	14,293
07/01/2021	814-21	2021 PARKS PBS/CHLORINE/CBS UPGRADES	600,000
05/22/2018	714-18	PARK FUEL DISPENSING STATIONS	17,630
04/24/2012	470-12	HWY TANK MANAGEMENT 2012	47,075
05/26/2015	692-15	GENERAL FUND PASSENGER VEHICLES	9,075
12/08/2020	1331-20	2020 CONSTRUCTION OF VETS PARK SPRAY POOL	144,000
05/26/2015	675-15	OCEANSIDE NATURE STUDY BUILDING 2015	14,680
07/02/2019	755-19	2019 SIDEWALK RECONSTRUCTION PROJECT	235,000
07/01/2021	789-21	2021 Highway Road Improvement	18,000,000
08/07/2018	1070-18	2018 ANIMAL SHELTER DOG RUN CAGE DOOR REPLACEMENT	15,000
07/01/2021	803-21	2021 WATER DEPT PURCHASE OF PICKUPS WITH PLOWS	50,700
12/08/2020	1328-20	2020 NEW WATER MAIN LIDO PT LKT WD	600,000
07/01/2021	817-21	2021 BUILDING DEPT PURCHASE OF LIGHT EQUIPT	20,000
08/03/2021	918-21	2021 STREET LIGHTING DISTRICT UPGRADES	250,000
09/20/2018	1267-18	2018 REPLACE MERRICK GOLF GARAGE ROOF - TOH PARK DISTRICT	100,000
07/01/2021	794-21	2021 PURCHASE OF PUBLIC SAFETY PICKUPS W/PLOWS	172,993
05/06/2014	621-14	2014 CONSTRUCT FACILITY AT CHERRY VALLEY HWY YARD	5,737

<u>Date Authorized</u>	<u>Resolution Number</u>	<u>Purpose</u>	<u>Amount to be Issued</u>
05/26/2015	694-15	DPW MERRICK BUILDING UPGRADE	73,062
12/08/2020	1332-20	2020 HVAC SYS TOH PARK DIST	38,870
04/05/2011	421-11	2011 BACKUP GENERATOR AT DGS VEH MAINT CTR - GREENFIELD	24,999
07/02/2019	775-19	2019 DGS TANK REMEDIATION	7,383
05/06/2014	642-14	2014 WATER DEPT UIC WORK	5,000
07/01/2021	798-21	2021 CW BUILDING IMPROVEMENTS	100,000
11/17/2020	1171-20	2020 PURCHASE OF WATER METERS	153,275
09/20/2018	1272-18	2018 IMPROVEMENTS EAST MEADOW WATER DISTRICT	75,000
05/06/2014	616-14	BACKUP GENERATOR FOR FS HWY YARD 2014	52,705
07/01/2021	799-21	2021 C & W PURCHASE OF PICKUPS WITH PLOWS	92,635
09/20/2018	1275-18	2018 IMPROVEMENTS UNIONDALE WATER DISTRICT	1,120,000
07/01/2021	799-21	2021 PURCHASE OF PICKUPS WITH PLOWS FOR ENGINEERING DEPT	214,500
03/09/2010	281-10	IMPROVEMENTS E ATLANTIC BEACH PARK DISTRICT	20,000
05/26/2015	672-15	2015 FENCE REPLACEMENT AT GREENFIELD CEMETERY	100,000
07/01/2021	805-21	2021 PURCHASE OF WATER METERS	145,000
07/01/2021	802-21	2021 WATER DEPT PURCHASE OF LIGHT EQUIPMENT	60,000
07/01/2021	780-21	2021 GENERAL FUND PARKING FIELD UPGRADES	1,200,000
08/03/2021	908-21	2021 TOH/TOB JOINT DISTRICT IMPROVEMENTS	360,000
07/02/2019	754-19	2019 ANIMAL SHELTER PATROL VEHICLES	7,585
08/07/2018	1079-18	2018 CEMETERY CONCRETE BEAM	24,375
03/28/2023	PENDING	BURKE TORT LIABILITY – HIGHWAY DEPARTMENT	285,000
03/14/2023	365-23	RYAN TORT LIABILITY - DEPT. OF GENERAL SERVICES	370,000
02/07/2023	259-23	MORALES TORT - SANITATION DEPARTMENT	90,000
01/24/2023	151-23	MORAN TORT - TRAFFIC CONTROL DIVISION	240,000
Total:			<u>\$25,206,772</u>

Certain details of the Notes will be prescribed by a certificate of determination of the Supervisor of the Town executed pursuant to powers delegated to him to fix, terms, form and certificate of the Notes and to provide for the sale thereof.

Security and Source of Payment

Each Note when duly issued and paid for will constitute a contract between the Town and the holder thereof.

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by chapter 97 of the New York Laws of 2011 (the "Tax Levy Limit Law"). (See "*Tax Levy Limit Law*," herein).

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town's power to increase its annual tax levy. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitation set forth in the Tax Levy Limit Law, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*," herein).

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

The following description summarizes some of the risks associated with an investment in the Notes and does not purport to be complete. The factors affecting the Town's financial condition described throughout this Official Statement are complex and are not intended to be summarized in any one section. This Official Statement should be read in its entirety.

Additional risks and uncertainties not currently known by the Town, or that the Town does not currently consider to be material, or that are generally applicable to all municipalities and their ability to repay indebtedness, may exist. Any one or more of the factors discussed herein, and other factors not described herein, could lead to a decrease in the market value or liquidity of the Notes. There can be no assurance that other risk factors not discussed below will not become material in the future.

The Town's credit rating and financial and economic conditions, as well as the market for the Notes, could be affected by a variety of circumstances, some of which are beyond the Town's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural (or man-made) catastrophes, could adversely affect the assessed valuation of Town property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Town's credit rating could adversely affect the market value of the Notes.

If and when an owner of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Note is sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Town to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The Town is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefore. Should the Town fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys, the Town is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Town will have market access for any such borrowing on a cost effective basis. (See also "*State Aid*" herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (See "*Tax Matters*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Town, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the Town, may affect the market price and/or marketability for the Notes. (See "*Tax Levy Limit Law*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the Town, could impair the financial condition of such entities, including the Town, and the ability of such entities, including the Town, to pay debt service on the Notes.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected and is expected to continue to affect travel, commerce, and global financial markets and worldwide economic growth. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. Similarly, the degree of the impact to the Town's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard

to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The re-emergence of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the Town. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See “*State Aid*” herein) (See “*Impacts of COVID-19*” herein).

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the Town default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. Each Note is a general obligation contract between the Town and the owners for which the faith and credit of the Town are pledged and while remedies for enforcement of payment are not expressly included in the Town’s contract with such owners, any permanent repeal by statute or constitutional amendment of a bond or note holder’s remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Town. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum (9%) per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such Notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Note, the owner of such Note could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Town to assess, levy and collect an *ad valorem* tax, upon all taxable property of the Town subject to taxation by the Town, sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State’s highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds or notes of the Town, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

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

Pursuant to Article VIII, Section 2 of the State Constitution, the Town is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This 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. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), 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 the 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 or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of holders of bonds or notes, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

MUNICIPAL BANKRUPTCY

The undertakings of the Town should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the Town could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Town after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Notes, and the obligations incurred by the Town, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Notes to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a financial control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the Town in the future cannot be assured.

No current state law purports to create any priority for holders of the Notes should the Town 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 above references to the Bankruptcy Act are not to be construed as an indication that the Town is currently considering or expects to resort to the provisions of the Bankruptcy Act.

FINANCIAL CONTROL BOARDS

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality 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 Counties of Nassau and Erie. 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 in certain cases approve or disapprove collective bargaining agreements. Implementation is generally 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, upon the issuance of a certificate of necessity by the Governor reciting facts which in the judgment of the 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 a 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 in the finances and operations of entities 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 Town has not applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

NO PAST DUE DEBT

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

THE TOWN

Description

The Town is situated in the southwest and south central portions of the County, and with a land mass of 127 square miles makes up approximately 41% of the County's total land area. The Town's boundaries are formed by The City of New York to the west, the Town of North Hempstead to the north, the Town of Oyster Bay to the east, and the City of Long Beach and the Atlantic Ocean to the south. The Town is the most populous town in the State, with a population of 766,765 in 2020, according to the U.S. Census Bureau. The Town accounts for approximately 57% of the total population of the County. There are 22 incorporated villages in the Town, including the villages of Valley Stream, Hempstead, Garden City, Freeport, Cedarhurst, Hewlett Harbor, Lynbrook, Malverne and Rockville Centre, and 33 unincorporated areas, such as: Levittown, East Meadow, Oceanside, Merrick, Baldwin, Uniondale, Wantagh and Elmont.

Form of Government

The Town was established in 1644 as a separate political entity vested with independent taxing and debt authority. The incorporated villages located within the Town have independent governments; however, the taxable real property within these villages is subject to taxation by the Town for town wide purposes. There are also 36 independent school districts within the Town which rely on their taxing powers granted by the State to raise revenues for school district purposes.

Subject to the provisions of the State Constitution, the Town operates pursuant to the Town Law, the Local Finance Law, other laws generally applicable to the Town, and any special laws applicable to the Town. Under such laws, there is no authority for the Town to have a charter but pursuant to the Constitution, the Town Law and other laws generally applicable to home rule, the Town may adopt local laws from time to time. Since January 1, 1966, the Town has enjoyed the status of a suburban town under applicable provisions of the Town Law, enabling it to function with a degree of autonomy not afforded first-class towns in the State.

The legislative power of the Town is vested in the Town Board, consisting of a Supervisor who is elected for a two-year term and six councilmembers who are elected for four-year terms. Elections are held on a staggered basis with three councilmembers running every two years. Councilmembers are elected in accordance with the ward system – 6 wards, one councilperson per ward. There is no limitation as to the number of terms which may be served by a Town Board member.

The Supervisor is the chief executive officer and chief fiscal officer of the Town. The Town Clerk serves as custodian of the Town's legal documents and papers, maintains the minutes of proceedings of the Town Board and is responsible for the publication and filing of all official notices. According to the Town Law, the Town Clerk is elected to serve a two-year term. The number of terms that the Town Clerk may serve is not limited. The Receiver of Taxes, unless otherwise provided by law, has the duty to receive and collect all State, County, Town and school district property taxes and all assessments that may be levied in the Town. A four-year elected term for the Receiver of Taxes is prescribed by law and the number of terms is unlimited. The Town Board appoints the Town Comptroller, the Town Attorney, the Town Highway Superintendent and the heads of various Town departments.

At the regularly scheduled election in November of 2021, Donald X. Clavin, Jr. was re-elected as Town Supervisor.

Services

The Town is responsible for providing most of the government services to its residents. Education is the responsibility of the State and is provided by 36 independent public school districts operating within the Town. Recreation is provided by approximately 190 public parks and recreational facilities maintained by the Town while other recreational facilities are maintained by the County and various incorporated villages. The Town also maintains inland waterways and marinas and is responsible for the preservation of over 17,000 acres of Atlantic Ocean wetlands.

The construction and maintenance of Town highways is also a Town function; parking facilities are provided by Town public parking areas and 15 public parking districts. Other services performed on the Town level include: building inspection and zoning administration. The County provides police service in the unincorporated areas of the Town. Villages in the Town contract for police service with the County, except for the villages of Rockville Centre, Lynbrook, Garden City, Malverne and Freeport, which maintain their own police departments. Fire protection is provided by 29 fire districts and various village fire departments.

Employees

The Town employs approximately 1,776 full-time employees in 30 separate departments or offices. The following chart provides certain information concerning the collective bargaining unit representing full time Town employees.

<u>Name of Union</u>	<u>Expiration Date of Contract</u>	<u>Approx. No. of Members</u>
Local 880 of the Civil Service Employees Association, Inc.	12/31/2025	1,776

Transportation

The Town is served by all major forms of transportation. East-west highway access is provided by the Southern State Parkway, the Northern State Parkway and the Long Island Expressway, connecting New York City and Eastern Long Island. The Town is also served by a system of 1,600 miles of interconnecting Town roads. Mass transportation is provided by the Long Island Railroad (operated by the Metropolitan Transportation Authority) with one main and five branch commuter train lines and one freight-only line. The MTA LI Bus serves the County and the Town. Several waterways within the Town serve oil storage facilities on the Long Island south shore. Air transportation is provided by nearby John F. Kennedy International Airport, LaGuardia Airport and the Long Island-MacArthur Airport.

Utilities

Prior to May 1998, LILCO, a state regulated and investor-owned utility corporation, provided all of the gas service and most of the electrical service in the Town. In May 1998, LILCO's electrical transmission and distribution system and its 18% share of Nine Mile Point 2 nuclear generating facilities were transferred to a subsidiary of Long Island Power Authority ("LIPA"), a New York State public benefit corporation; LILCO's other electrical generating plants and its natural gas service were transferred to a new company, Keyspan Energy Corp., created by a merger between LILCO and Keyspan Energy Corporation. In 2007, National Grid acquired Keyspan Energy Corp.

National Grid now owns and operates LILCO's electric power plants and manages the electric transmission and distribution system pursuant to contracts with LIPA. Customer billing and customer service is handled by National Grid. National Grid also owns LILCO's gas lines and sells gas to former LILCO customers.

As of January 1, 2014, Public Service Enterprise Group, Inc. ("PSEG") has taken over maintenance and service of the LIPA's electric grid. PSEG Long Island is a subsidiary of the PSEG, a New Jersey-based gas and electric utility which was founded in the early 20th century. PSEG Long Island had signed a 10-year contract in December of 2011 to manage LIPA's system at the conclusion of a two-year transition period.

LILCO had been the Town's largest real property taxpayer. The LIPA Act requires LIPA to make payments in lieu of taxes ("PILOTs") to municipalities and school districts equal to the property taxes that would have been received by each jurisdiction from LILCO if the acquisition by LIPA had not occurred, and to make PILOTs for certain New York State and local taxes which would otherwise have been imposed on LILCO.

Phone service is supplied by Verizon and AT&T Supplemental service is supplied by numerous private companies that supply phone systems, long distance service and cellular telephone service.

Water and Sewer

Water service for the unincorporated areas of the Town is provided through 6 Town-operated and 7 Commissioner operated water districts. Other areas of the Town receive water from the New York Water Service Corp., Water Authority of Western Nassau County and the Long Island Water Corporation. The villages of Rockville Centre, Freeport and Garden City operate their own water supply and distribution systems. Sewer service is provided by County sewer districts in the western part of the Town, except for the area known as West Long Beach, which is serviced by the West Long Beach Sewer District, a Town improvement district. Certain villages, including the villages of Freeport, Garden City and Rockville Centre, provide for their own collection of sewage and use the County system for treatment and disposal.

Resource Recovery Facility

The Town and the Town on behalf of the Town of Hempstead Refuse Disposal District (the “District”) have entered into a service agreement (the “Covanta Service Agreement”), with an independent company, Covanta Hempstead Company (formerly American Ref-Fuel Company of Hempstead) (the “Company”) that owns and operates a resource recovery facility (the “Facility”) in the Town. The 25-year term of the Covanta Service Agreement commenced upon termination of the prior service agreement in August 2009. Under the Covanta Service Agreement, the Town has committed to deliver certain tonnages of municipal solid waste to the Company, which will use it to generate electricity at the Facility.

The Facility site is owned by the District and has been leased to the Hempstead Industrial Development Agency (the “IDA”) and, in turn, sub-leased to the Company. The Facility was financed through the issuance of tax-exempt industrial development revenue bonds (the “IDBs”) by the IDA and equity contributions from the Company. The IDBs were special limited obligations of the IDA payable from lease revenues of the IDA and such bonds did not constitute a general obligation of the Town or the IDA. The bonds were redeemed in 2009.

In conjunction with the Covanta Service Agreement, the Town, District, IDA and Company, as applicable, executed certain amendments to several agreements so that the respective term of each agreement corresponds with or extends beyond the anticipated term of the Covanta Service Agreement – *i.e.*, August 19, 2034. Those amended agreements include: (1) Second Amendment to District Site Lease between the Town on behalf of the District and the IDA; (2) Second Amendment to Site Lease Agreement between the IDA and the Company; (3) Third Amendment to Facility Lease Agreement between the IDA and the Company; and (4) Payment In Lieu Of Taxes Agreement between the IDA and the Company.

The Town may, under certain circumstances, terminate the new Covanta Service Agreement; however, if the Town terminates the Covanta Service Agreement because the cost to the Town of uncontrollable circumstances (“UCCs”) under the Covanta Service Agreement exceeds a specified amount, the Town is obligated to make a termination payment corresponding to 25% of the Town’s pro rata share (as defined in the Covanta Service Agreement) of the any outstanding indebtedness incurred by the Company to finance the cost of prior UCCs.

Under the Covanta Service Agreement, the Town has incurred certain contingent liabilities with respect to the resource recovery facility. The Town has obligated itself to pay service fees for the processing of a minimum of 420,000 tons (the “Annual Tonnage”) of Town Waste (as defined in the Covanta Service Agreement) each year, whether or not such tonnage is actually delivered to the Facility. The Annual Tonnage is subject to adjustment in accordance with the terms of the Covanta Service Agreement. In the event the Annual Tonnage is not provided, the Town must pay service fees as if the Annual Tonnage had been delivered, although any shortfall payment obligation is subject to reduction through mitigation.

Delivery Obligations of the Town, Generally

Under the Covanta Service Agreement, the Town is obligated to deliver to the Facility Town Waste up to the Annual Tonnage. If the Town delivers less than the Annual Tonnage (whether or not Town Waste in such quantity exists) the Town shall nevertheless be required to pay the Service Fee with respect to the Annual Tonnage (subject to reduction of amounts due to the extent the shortfall is mitigated). Town Waste delivered to the Facility must qualify as Acceptable Waste, as that term is defined in the Covanta Service Agreement. Under the Covanta Service Agreement at least 95% of the Acceptable Waste delivered by the Town to the Facility must originate in the Town of Hempstead, and all Acceptable Waste delivered by the Town must originate in Nassau County or Suffolk County.

The District

Pursuant to the provisions of the Town Law of the State, the Town has established the District for purposes of providing refuse disposal services, including recycling services, within the District. The District is a special improvement district of the Town and as such constitutes an administrative unit of the Town for budgeting and accounting purposes. The Town Board of the Town controls the budget, operations and finances of the District. The Town Board enters into all contracts on behalf of the District.

District Finances and Operations

The District includes all real property in the Town except that which is located within the Villages of Atlantic Beach, Bellerose, East Rockaway, Floral Park, Freeport, Garden City, Island Park, Lynbrook, Malverne, Rockville Centre, Stewart Manor and Valley Stream and in Town of Hempstead Sanitary District No. 1 (“Sanitary District No. 1”).

The District’s operations, which do not include waste collection, are financed through the levy of an ad valorem assessment on all real property located within the District, the collection of revenues derived from fees and charges collected from non-residents and commercial collection firms which make use of the District’s services, from the Inter-Municipal Agreements (“Inter-Municipal Agreements”, or, “IMA’s”) between the Town and the District and certain municipalities including the Village of Island Park, the Village of Stewart Manor, and the Village of Floral Park (collectively the “Participating Municipal Corporations”), and from the sale of recyclable materials.

Under the IMAs, each Participating Municipal Corporation is required to deliver a minimum tonnage of solid waste generated within its boundaries to either one of two Town-operated transfer stations or directly to the Facility, and to pay a fee to the Town for this service based on the amount of solid waste delivered subject to minimum delivery requirements. These IMAs for the Participating Municipal Corporations have different terms ranging from 5 to 25 years.

In addition to the Covanta Service Agreement, and the IMAs, the Town Board, on behalf of the District, enters into contracts, from time to time, with other entities for the acceptance of waste and for the marketing and disposal of recyclable materials.

District expenditures are made in accordance with an annual budget, adopted by the Town Board as part of the Town’s regular budget process. The Town does not subsidize the District pursuant to an agreement or otherwise.

Limitations on the Control of Solid Waste

The Town has enacted an ordinance directing that all solid waste (including privately collected commercial waste) originating within its boundaries be delivered to the Town. However, in 1994, in *C&A Carbone v. Town of Clarkstown* (“*Carbone*”), the United States Supreme Court issued an opinion that had been interpreted as treating laws and ordinances directing the flow of solid waste of the type described above as being impermissible violations of the commerce clause of the United States Constitution, and consequently as being invalid. Accordingly, the Town’s enforcement of its waste flow control ordinance has been limited and, as a result, only a small portion of commercial waste generated in the Town is delivered to Town waste collection facilities. Most commercial waste generated within the Town is collected by private haulers under private arrangements with commercial waste generators.

In April of 2007, in *United Haulers v. Oneida-Herkimer Solid Waste Management Authority* (“*United Haulers*”), the United States Supreme Court clarified its decision in *Carbone* and distinguished the flow control ordinance in *Carbone* which directed that all non-hazardous solid waste within a town be deposited at a transfer facility run by a private contractor from the flow control ordinance in *United Haulers* which directed that all solid waste generated within a two county area be deposited at a public processing facility operated by a public authority. In *United Haulers*, the Supreme Court determined that the flow control ordinance in *United Haulers* benefited a clearly public facility, while treating all private companies exactly the same. The Supreme Court reasoned that such a flow control ordinance does not discriminate against interstate commerce and does not violate the commerce clause of the United States Constitution.

Although the Town’s flow control ordinance has not been tested by the courts, it would appear that the *United Haulers* decision provides municipalities including the Town with greater latitude to regulate the flow of all solid waste to municipally run processing facilities. In addition, the *United Hauler’s* decision appears to limit the scope of *Carbone* and resultant violations of the commerce clause to flow control ordinances which direct the delivery of solid waste to privately run facilities.

Village Minimum Commitments

The Participating Municipal Corporations have agreed under the IMAs to deliver specified minimum commitments each year. The minimum commitments in the aggregate are 11,850 tons per year.

<u>Participant</u>	<u>Annual Tonnage Commitment</u>
Village of Floral Park	7,000 Tons
Village of Island Park	3,400 Tons
Village of Stewart Manor	1,450 Tons

DEMOGRAPHIC AND STATISTICAL INFORMATION

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

Population Statistics

Since 2000, the Town has had a population trend, as compared to the County and the State, as indicated below:

	Population Trend		
	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of Hempstead	\$ 755,924	\$ 769,040	\$ 766,765
County of Nassau	1,334,544	1,339,532	1,355,683
State of New York	18,976,457	19,378,102	19,514,849

^a Based on American Community Survey - 5 year Estimates (2016-2020).
Source: U.S. Bureau of the Census.

Income Data

	Per Capita Money Income		
	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of Hempstead	\$28,153	\$36,416	\$46,869
County of Nassau	32,151	39,935	53,363
State of New York	23,389	30,011	40,898

	Median Household Income		
	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of Hempstead	\$76,518	\$89,722	\$114,822
County of Nassau	80,293	93,613	120,036
State of New York	49,480	55,603	71,117

Source: United States Bureau of the Census.
^a Based on American Community Survey 5-Year Estimates (2016-2020).

Summary of Building Activity
(Number of Building Permits Issued)

The charts below represents the level of residential and commercial building permit activity for the ten most recently completed fiscal years. The figures include both new construction as well as additions, alterations and repairs.

Residential Building Permit Activity in the Town – 2012-2022

Year	New Construction		Additions Alterations And Repairs		Other		Totals	
	No. of Permits	\$ Value	No. of Permits	\$ Value	No. of Permits	\$ Value	No. of Permits	\$ Value
2012	224	37,292,000	4,773	89,148,869	4,477	2,529,995	9,474	128,970,864
2013	245	57,904,235	5,364	103,653,122	8,617	2,991,091	14,226	164,548,448
2014	197	52,874,890	4,147	102,899,585	8,851	12,799,832	13,195	168,574,307
2015	197	55,130,820	5,545	141,923,942	7,302	8,567,818	13,044	205,622,580
2016	159	38,768,120	5,456	190,239,775	7,765	14,138,662	13,380	243,147,257
2017	528	118,114,102	4,955	473,964,020	9,169	17,782,102	14,652	609,860,224
2018	474	87,553,593	4,629	190,601,889	9,271	16,141,823	14,374	294,297,305
2019	407	68,263,954	4,645	313,800,571	9,126	22,897,791	14,178	404,962,316
2020	163	39,098,249	1,993	97,260,428	3,322	6,663,384	5,478	143,022,061
2021	219	64,062,990	4,081	181,386,342	7,576	22,274,829	11,876	267,724,161
2022	264	80,366,010	3833	205,697,911	5040	19,324,426	9,137	305,388,347

Source: Town Officials

Industrial and Commercial Building Permit Activity in the Town – 2012-2022

Year	New Construction		Additions Alterations And Repairs		Other		Totals	
	No. of Permits	\$ Value	No. of Permits	\$ Value	No. of Permits	\$ Value	No. of Permits	\$ Value
2012	38	21,957,600	733	107,441,402	1,142	293,108	1,913	129,692,110
2013	9	12,772,300	885	191,607,258	582	2,624,410	1,476	207,003,968
2014	8	1,868,300	635	143,492,800	716	1,584,517	1,359	146,945,617
2015	13	7,042,000	779	235,612,906	1,878	4,890,512	2,670	247,545,418
2016	14	6,036,961	751	883,601,321	846	3,078,086	1,611	892,716,368
2017	31	272,891,628	619	83,127,282	799	4,401,572	1,449	360,420,482
2018	29	36,094,085	659	108,105,364	822	2,550,523	1,510	146,749,972
2019	26	71,465,550	591	99,346,297	712	72,437,956	1,329	243,249,803
2020	18	40,647,300	247	134,118,760	337	22,822,977	602	197,589,037
2021	28	108,432,500	410	111,400,270	583	82,137,638	1,021	301,970,408
2022	31	31,680,450	444	154,175,564	519	3,530,250	994	189,386,264

Source: Town Officials

Employment and Unemployment

The following section presents various employment statistics including job types, unemployment rates and major employers.

Major Non-Government Employers Located in Nassau County

<u>Name</u>	<u>Type of Business</u>	<u>Estimated Number of Employees</u>
Verizon Communications	Telecommunications	5,600
Hofstra University	Higher Education	5,545
Nassau Health Care Corp. (NuHealth)	Hospital, Nursing Home	4,110
All Metro Health Care	Home Health Care	4,000
BOCES - Nassau	Education	3,900
South Nassau Communities Hospital	Hospital	3,000
Nassau Community College	Higher Education	2,036
Citi	Commercial Bank	2,000
Adelphi University	Higher Education	1,863
Summit Security Services	Security and Investigations	1,827

Source: Nassau County Planning Dept.; Long Island Business News.

Civilian Labor Forces

The chart below represents the total civilian employed population aged 16 and over.

	<u>Civilian Labor Force</u>		
	<u>2012</u>	<u>2014</u>	<u>2020</u>
Town of Hempstead	372,255	372,671	409,651
County of Nassau	652,807	656,239	722,396
State of New York	9,073,209	9,137,449	10,056,194

Unemployment Rate Statistics

Unemployment statistics are available for the Town as set forth below. The information set forth below with respect to the County and the State is included for information purposes only. It should not be implied from the inclusion of such data in this Statement that the Town is necessarily representative of the County or the State or vice versa.

<u>Annual Averages:</u>	<u>Town of Hempstead (%)</u>	<u>Nassau County (%)</u>	<u>New York State (%)</u>
2018	3.7	3.5	4.1
2019	3.6	3.4	4.0
2020	8.9	8.4	10.0
2021	4.7	4.5	6.9
2022	3.0	2.8	4.4
2023 (2 Month Average)	3.3	3.1	4.6

Source: Department of Labor, State of New York

INDEBTEDNESS OF THE TOWN

Constitutional Requirements

The New York State Constitution limits the power of the Town (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 Town and the Notes.

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Town 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 Town 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 Town so as to prevent abuses in the exercise of such powers; however, as has been noted under "*Security and Source of Payment*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town's power to increase its annual tax levy, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*," herein).

Statutory Procedure

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

Pursuant to the Local Finance Law, the Town authorizes the incurrence of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the Town Board, except in the event that the Town determines to subject the bond resolution to voter approval by mandatory referendum, in which case only a three-fifths vote is required.

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. The Town has complied with such procedure for the bond resolutions 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 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 Town Board may delegate, and has delegated, power to issue and sell bonds and notes, to the Town Supervisor, the chief fiscal officer of the Town.

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

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the aggregate outstanding principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Town 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 New York State Office of Real Property 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 Town by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law, imposes a statutory limitation on the power of the Town to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*," herein).

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

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Computation of Debt Limit and Calculation of Net Debt Contracting Margin^a
(As of April 18, 2023)

Fiscal Year Ending <u>December 31:</u>	Assessed <u>Valuation</u>	State Equalization <u>Rate (%)</u>	<u>Full Valuation</u>
2019	\$253,660,422	0.22	\$115,300,191,818
2020	247,067,608	0.18	137,259,782,222
2021	178,932,907	0.19	94,175,214,211
2022	229,962,481	0.17	135,272,047,647
2023	253,660,422	0.17	149,212,012,941
Total Five Year Full Valuation			<u>631,219,248,839</u>
Average Five Year Full Valuation			<u>126,243,849,768</u>
Debt Limit - 7% of Average Full Valuation			<u>\$8,837,069,484</u>
Inclusions:			
Outstanding Bonds:			
			397,098,100
			92,547,235
			1,411,665
			<u>491,057,000</u>
			0
			<u>491,057,000</u>
Total Inclusions			
Exclusions:			
			92,547,235
			33,307,000
			<u>125,854,235</u>
Total Exclusions			
Total Net Indebtedness			<u>365,202,765</u>
Net Debt Contracting Margin			<u><u>\$8,471,866,719</u></u>
Percent of Debt Limit Exhausted			4.1326%

Bond Anticipation Notes

As of the date of this Official Statement, the Town has no bond anticipation notes outstanding.

Tax and Revenue Anticipation Notes

The Town has not issued tax or revenue anticipation notes in the past five years, nor does it expect to issue such notes in the foreseeable future.

Calculation of Estimated Overlapping and Underlying Indebtedness

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County and various school districts and fire districts situated in the Town. Such taxpayers' share of this overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate units' total values. The following table presents the amount of overlapping debt and the Town's taxpayers' share of this debt as of the dates indicated; authorized but unissued debt has not been included.

<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	06/23/2022	44.85	\$1,698,967,784	\$1,588,194,114
Villages	05/31/2021	Var	377,260,664	377,260,664
School Districts	06/30/2021	Var	821,902,583	312,634,821
Fire Districts	12/31/2021	Var	12,112,171	12,112,171
Library Districts:	12/31/2021	Var	17,252	17,252
Water Districts	12/31/2021	Var	33,277,477	33,277,477
Totals			\$2,943,537,931	\$2,323,496,499

a. Applicable net indebtedness includes reimbursement by the State to the school districts for building improvements.

Trend of Town Indebtedness

The following table represents the outstanding indebtedness of the Town at the end of the last five preceding fiscal years.

	<u>Fiscal Year Ending December 31:</u>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Outstanding End of Year:					
Bonds	\$423,456,774	\$423,692,182	\$377,880,000	\$470,178,572	\$510,721,799
Capital Leases	12,831,286	10,775,095	9,407,230	6,947,732	4,497,927
BANs			42,107,700	26,031,844	0
Totals:	\$436,288,060	\$434,467,277	\$429,394,930	\$503,158,148	\$515,219,726

Debt Ratios (As of May 2, 2023)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage Of Full Value (%)^b</u>
Total Direct Debt	\$ 491,057,000	\$ 640	0.33
Net Direct Debt	365,202,765	476	0.24
Total Direct & Applicable Total Overlapping Debt	3,434,594,931	4,479	2.30
Net Direct & Applicable Net Overlapping Debt	2,688,699,264	3,507	1.80

a. The current estimated population of the Town is 766,765 (2020).

b. The full valuation of taxable real property in the Town for 2022-23 is \$149,212,012,941.

Debt Service Requirements – Outstanding Bonds^a

Fiscal Year Ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 52,971,799	\$ 18,788,999	\$71,760,798
2024	48,490,000	16,692,375	65,182,375
2025	50,755,000	14,466,725	65,221,725
2026	48,795,000	12,119,050	60,914,050
2027	46,370,000	9,948,350	56,318,350
2028	44,730,000	7,932,613	52,662,613
2029	30,615,000	6,304,663	36,919,663
2030	31,860,000	5,060,963	36,920,963
2031	24,585,000	4,056,038	28,641,038
2032	16,590,000	3,215,088	19,805,088
2033	12,735,000	2,698,313	15,433,313
2034	13,110,000	2,316,447	15,426,447
2035	13,505,000	1,921,563	15,426,563
2036	7,815,000	1,634,713	9,449,713
2037	7,990,000	1,456,313	9,446,313
2038	8,120,000	1,269,550	9,389,550
2039	6,945,000	1,079,334	8,024,334
2040	7,090,000	928,713	8,018,713
2041	7,250,000	774,903	8,024,903
2042	7,410,000	613,025	8,023,025
2043	7,490,000	442,813	7,932,813
2044	7,660,000	272,375	7,932,375
2045	7,840,000	93,100	7,933,100
Totals	<u>\$510,721,799</u>	<u>\$114,086,021</u>	<u>\$624,807,820</u>

^a. Does not reflect payments made to date and payments in outstanding capital lease payments.

Capital Lease Payments

During the 2015 and 2016 fiscal years the Town entered into lease agreements for the financing of the acquisition of street lighting equipment. The chart below represents the annual and total debt service requirements until maturity on such lease agreements. A significant portion of the debt service is expected to be offset by savings in utility costs.

<u>Fiscal Year</u> <u>Ending December 31:</u>	<u>Total Debt Service</u>
2023	2,252,598.99
2024	2,062,664.30
2025	88,412.32
2026	<u>94,251.88</u>
Totals	<u>\$4,497,927</u>

Capital Project Plans

The Town is responsible for providing numerous services to its residents. Major Town functions include highway maintenance, zoning administration, building inspection and the operation of a Town Cemetery. Recreation is provided by 190 public parks and recreational facilities maintained by the Town. The Town maintains inland waterways and marinas and maintains/preserves 17,000 acres of Atlantic Ocean wetlands. The Town also operates 15 senior citizens centers and 60 clubs. Special districts within the Town provide services for street lighting, fire protection, parks, refuse disposal, garbage collection, public parking, water distribution and library funding.

Component Units

The Town is financially accountable for its legally separate nonmajor component units. These organizations include seven separate legal entities: Lakeview Public Library, Roosevelt Public Library, Uniondale Public Library, Cathedral Gardens Water District, Franklin Square Water District, West Hempstead-Hempstead Gardens Water District, and Greater Atlantic Beach Water District Reclamation District. These entities are reported separately in the government-wide statements found in the Town's audited financial statements. Complete financial statements of the individual component units may be obtained from the respective administrative offices.

Each such component unit is governed by an independently elected Board. The respective Boards are responsible for adopting the annual budgets and tax rates, subject to approval by the Town Board. The districts cannot issue bonds. The Town issues debt on behalf of the Districts and the Districts are responsible for the annual debt service on the obligations; however, the Town faith and credit is also pledged for the payment of such bonds. As of December 31, 2022, there are \$29,498,906 in outstanding bonds for the component units.

Authorized but Unissued Debt

As of April 18, 2023, the Town has authorized but unissued debt in the amount of \$307,609,403 as follows: \$42,510,319 general purposes, \$106,343,342 highway purposes, \$141,369,024 special districts, \$985,000 for settlement of TORT litigation and \$16,401,418 for separation pay.

DISCUSSION OF FINANCIAL MATTERS

Impacts of COVID-19

The Town continues to monitor the economic impact of the COVID-19 pandemic very closely and continues to implement several precautionary measures to reduce expenditure budgets for both the Operating and Capital funds. Non-Property Tax Revenues were negatively impacted due to the unprecedented nation-wide shut down, pause on business operations, and closure of the Courts. A goal was established to reduce spending in line with identified potential revenue shortfalls to budget. The Town received \$133,832,096 in Federal Cares Act Funding that was used for Food Banks, distribution of PPP Kits, Antibody Testing, payroll relief and Facility Upgrades in order to ensure employee public safety while at Town facilities. Several Town initiatives have been implemented in the Operating Funds that reduced the Operating Budgets for both Employee Costs and Contractual spending, resulting in total Town Board adopted Operating budget reductions across all Tax Districts.

The Town has not experienced any significant expenditure increases related to the management of the COVID-19 pandemic due to the stimulus funds received. The American Rescue Plan, a \$1.9 trillion COVID-19 relief package, includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services and recreational capital improvements. The American Rescue Plan also included an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits. The Town has received approximately \$51.4 million from the American Rescue Plan.

Although the American Rescue Plan provides for funds to be paid to the State, it is not possible to predict whether any future federal legislation will contain reduction in other federal aid to the State. Any reduction in Federal funding levels could have an adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the Biden administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules. The Town will continue to monitor closely the future economic environment and the global COVID-19 pandemic situation, and take proactive measures as required to ensure the maintenance of the strong financial condition of the Town.

Budgetary Procedure

The Town Comptroller is the Town's budget officer and is required by law to file a tentative budget with the Town Clerk on or before September 30 of each year. The tentative budget is submitted to the Town Board not later than October 5 of the same year, and following review and modification, a preliminary budget hearing is held. At this hearing, members of the public may express opinions which the Town Board may take under advisement. Approval of the budget is not subject to a vote of the electorate and the Town Board may make changes following the hearing process. The Town Board is required to adopt the final annual budget by November 20 of the same year, and a copy of the Town's annual budget is then submitted to the County Legislature who levies the amount of taxes and assessments specified in the budget. From time to time, the Town Board may make changes or modifications in the amount of annual appropriations, subject to applicable legal restrictions.

Summaries of Adopted Budgets for the 2022 and 2023 fiscal years are presented in Appendix A. The adopted budgets for the fiscal years ending December 31, 2022 and December 31, 2023 estimate total appropriations of \$500.3 million and \$504.1 million respectively for all operating funds of the Town.

Fund Balance Policy

The Town Board maintains a fund balance policy that applies to all Town Funds in totality exclusive of the Capital Projects, Debt Service, Special Grant and Permanent Funds. The intent of the policy is to designate a portion of the Unassigned Fund Balance in the case of the General Fund, Assigned Fund Balance for all other funds for emergency purposes. Such designation is equal to one-twelfth of annual operating expenses inclusive of debt service and capital transfers as presented in the most recent audited financial statements.

In addition, the Town's intent is to maintain an Assigned/Unassigned fund balance equal to one-sixth of annual operating expenditures inclusive of debt service and capital transfers as presented in the most recent audited financial statements. In the event that the fund balances fall below or above certain thresholds, the Town's intent is to take proactive measures through the budgetary process in the current or ensuing fiscal years to ensure compliance with the policy.

The Town currently is in compliance with its policy, and expects to be in compliance at year end 2023. The Town received a significant amount of Federal stimulus money as a result of the COVID-19 pandemic. It is expected that the Town will continue to utilize the funds to provide for property tax stabilization as well as public safety measures for Town employees and its residents. See also "Impacts of COVID-19" herein.

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the Town has an investment policy applicable to the investment of all moneys and financial resources of the Town. The responsibility for the investment program has been delegated by the Town Supervisor to the Town Comptroller who was required to establish written operating procedures consistent with the Town's investment policy guidelines. According to the investment policy of the Town, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

Authorized Investments

The Town has designated several banks or trust companies located and authorized to conduct business in the State to receive deposits of money. The Town is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the Town is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the Town include: revenue and tax anticipation notes issued by any municipality, school, Town or Town corporation other than the Town (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies; obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the Town but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The Town may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State.

Collateral Requirements

All Town deposits in excess of the applicable insurance coverage provided by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the “eligible securities,” “eligible surety bonds,” or “eligible letters of credit” as described in the law.

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The Town’s security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount on deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection of such deposits in the event of a default. Securities not registered or inscribed in the name of the Town must be delivered, in a form suitable for transfer or with an assignment in blank, to the Town or its designated custodial bank. The custodial agreements used by the Town provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter of credit may be issued, in favor of the Town, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the Town in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

Independent Audits

The financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller (“OSC”) to ascertain whether the Town has complied with the requirements of various state and federal statutes. The financial statements of the Town are audited each year by an independent public accountant. The last such audit covers the fiscal year ended December 31, 2021 and is attached as Appendix B . Additionally, the Town prepares an Annual Financial Report Update Document (“AUD”) which is filed with the OSC on or before June 30 each year..

Fund Structure and Accounts

The Town 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 regulations, restrictions or limitations.

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and (3) 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 Town maintains the following major funds: General Fund, Highway, Parks, Refuse and Garbage, Water, Debt Service and Capital Projects Funds. The Town-Wide General Fund is the operating fund of the Town and accounts for general tax revenues, miscellaneous receipts not allocated by law or contractual agreement to other funds, general operating expenses, and fixed charges. The Town has a fiduciary obligation for its legally separate component units.

Basis of Accounting

The Town maintains its records and reports on the modified accrual basis of accounting for recording transactions in its Governmental Funds. Under this method, (1) revenues are recorded when received in cash except for revenues which are material and susceptible to accrual (measurable and available to finance the year's operations) which are recorded when earned, and (2) expenditures, other than retirement plan contributions, vacation and sick pay and accrued interest on bond anticipation notes and general long-term debt, are recorded at the time liabilities are incurred.

Accounting Software

The Town is in the process of upgrading its accounting software to an Enterprise Resource Planning ("ERP") system. The ERP system is designed to create a centralized and secure repository to help the Town integrate accounting, procurement, project management and other day to day activities. However, the Town continues to update and revise the configuration to enhance performance. The Town does not expect there to be any disruption to the production of the financial statements as a result of the upgrade.

Certain Information Obtained From Financial Statements

Summary financial statements for the General Fund, Highway Fund, Parks Fund, Refuse and Garbage Fund and Non-Major Funds for the five fiscal years ended December 31, 2017 through December 31, 2021 are presented in Appendix A hereto. Such statements were compiled from the audited financial statements of the Town for the 2017 through 2021 fiscal years. The presentation of these statements has not been audited. The summary statements found in Appendix A are not considered audited under generally accepted accounting principles in that the notes to the statements and the auditors' report thereon have been omitted.

Revenues

The Town receives most of its revenues from real property taxes and assessments, State Aid, non-property taxes, departmental income, and various interfund revenues. A summary of such revenues for the 2017 through 2021 fiscal years may be found in Appendix A hereto.

Real Property Taxes

The Town receives a significant portion of its General Fund revenues from real property taxes and assessments. See "*REAL PROPERTY TAX INFORMATION*" herein.

State Aid

The Town 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 Town, 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 Town, in this year or future years, the Town 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.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, the outbreak of COVID-19 and the dramatic steps taken by the State to address it, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (see also "*Market Factors Affecting Financing of the State and Municipalities of the State*" herein).

Based on the unaudited AUD of the Town, the Town received approximately 16.17% of its total General Fund operating revenue from State aid in 2021. 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 Town cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years, the Town 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 Town’s General Fund revenue comprised of State aid and Federal aid for each of the fiscal years 2011 through 2021 inclusive and budgeted for 2022.

Fiscal Year Ended <u>December 31:</u>	Total General <u>Fund Revenue</u>	<u>State Aid</u>	State Aid to <u>Revenues (%)</u>
2011	\$125,494,675	\$16,774,713	13.37
2012	136,405,762	19,595,240	14.37
2013	146,281,424	21,673,729	14.82
2014	153,578,485	18,706,784	12.18
2015	170,388,271	22,468,136	13.19
2016	186,139,073	26,335,791	14.15
2017	173,627,131	26,532,821	15.28
2018	175,927,407	26,730,417	15.19
2019	175,213,004	24,964,339	14.25
2020	230,511,622	32,057,533	13.91
2021	237,850,377	42,491,638	17.86
2022 (Budgeted)	221,793,138	30,265,000	13.65

The State Comptroller’s Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State’s municipalities and school districts 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 Town as “No Designation”. (Fiscal Score: 0.0%; Environmental Score: 0.0%).

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. The most recent audit was released on September 23, 2022. The purpose of the audit was to determine whether Town Officials used competitive methods when procuring professional services and purchases subject to competitive bidding for the period January 1, 2018 – December 31, 2019. The complete report may be found on the State Comptroller’s official website. Reference to this website implies no warranty of accuracy of information therein.

Employee Pension System

Substantially all employees of the Town are members of the New York State and Local Employees’ Retirement System (“ERS”). The Retirement System is 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 System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for “Tier 6” employees, as discussed below, whose benefits vest after ten years or credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 and before January 1, 2010 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, then Governor Paterson signed into law the creation of a new Tier 5, which is effective for new ERS employees hired on or after January 1, 2010. New ERS employees in Tier 5 contribute 3% of their salaries. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

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

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

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

Due to capital market declines in the past, the State’s Retirement System portfolio has experienced negative investment performance and downward trends in market earnings. Although investment returns have improved recently, the employer contribution rate for the State’s Retirement System may continue to be higher than the minimum contribution rate established in the past. The State calculates contribution amounts based upon a five-year rolling average. To mitigate increases in the employer contribution rate, various forms of legislation has been enacted that permit local governments to borrow a portion of their required payments from the State pension plan.

Although the pension contribution rates under such legislative programs reduce near-term payments, it will require higher than normal contributions in later years. The Town has opted to amortize certain contributions for the 2011, 2012, 2013, 2014 and 2015 years. The Town has not elected to amortize any contributions in the 2016 - 2021 years and does not expect to do so in the foreseeable future.

Contributions to the Retirement System

Fiscal Year Ending <u>December 31:</u>	<u>Amount</u>
2018	\$26,632,759
2019	26,198,373
2020	26,171,366
2021	29,668,720
2022	26,224,279
2023 (Budgeted)	25,709,489

Retirement System Amortization

Future principal and interest payments to maturity for the amortized contributions are as follows:

Fiscal Year Ending <u>December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$2,362,397	\$147,856	\$2,510,253
2024	1,471,860	68,198	1,540,058
2025	<u>668,077</u>	<u>21,445</u>	<u>689,522</u>
Total	<u><u>\$4,502,334</u></u>	<u><u>\$237,499</u></u>	<u><u>\$4,739,833</u></u>

Other Post-Employment Benefits

The Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

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

During the year ended December 31, 2018, the Town adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

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

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

For the fiscal year ended December 31, 2018, the Town implemented GASB 75. The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The Town’s total OPEB liability at December 31, 2021 is as follows:

Total OPEB Liability at Dec 31, 2020	<u>\$1,306,759,675</u>
Charges for the Year:	
Service Cost	55,009,484
Interest	28,125,283
Assumption changes	82,300,503
Difference between expected and actual	(45,071,055)
Benefit Payments	<u>(34,649,658)</u>
Net Changes in total OPEB liability	<u>85,714,558</u>
Total OPEB Liability at Dec 31, 2021	<u><u>\$1,392,474,233</u></u>

REAL PROPERTY TAX INFORMATION

The Town is responsible for levying taxes for Town and special district operating purposes and for debt service.

The County determines the assessed valuation for taxable real properties on behalf of the Town. The Office of Real Property Services (“ORPS”) determines the assessed valuation of special franchises and the taxable ceiling of railroad property. Special franchises include assessments on certain specialized equipment of utilities under, above, upon or through public streets or public places. Assessments are made on certain properties which are taxable for school purposes but which the Town exempts from general municipal taxation.

Real Property Taxes

The Town derives a significant portion of its annual revenue from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix B, herein.) Based upon unaudited results, property taxes accounted for approximately 10.74% of total budgeted General Fund revenues, for the fiscal year ended 2021. On June 24, 2011, the Tax Levy Limitation Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town. (See “*Tax Levy Limit Law*” herein).

The following table sets forth the percentage of the Town’s General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2011 through 2021, and, as budgeted, for the year ending December 31, 2022.

<u>Fiscal Year Ended December 31:</u>	<u>Total General Fund Revenue</u>	<u>Real Property Taxes^a</u>	<u>Real Property Taxes to Revenues (%)</u>
2011	\$125,494,675	\$17,546,259	13.98
2012	136,405,762	17,259,488	12.65
2013	146,281,424	23,268,238	15.91
2014	153,578,485	31,739,884	20.67
2015	170,388,271	40,601,872	23.83
2016	186,139,073	61,947,883	33.28
2017	173,627,131	33,062,898	19.04
2018	175,927,407	35,185,454	20.00
2019	175,213,004	29,216,076	16.67
2020	230,511,622	28,087,900	12.19
2021	237,850,377	28,213,297	11.86
2022 (Budgeted)	221,793,138	25,101,314	11.32

Source: Audited financial statements (2011-2021) and the adopted budget for 2022.

a. The Town increased property taxes in the General Fund in the 2016 year to redeem budget notes originally issued to cover an insufficiency in the Town’s Budgets. (See “Budget Notes” and “Litigation” herein.)

State Equalization Ratios

The ORPS annually establishes state equalization ratios for all assessing jurisdictions in the State, including the Town, which are determined by statistical sampling of market/assessment studies. The equalization ratios are used in the calculation and distribution of certain State aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The Town is not subject to constitutional real property taxing limitations but does have a debt contracting limitation equal to seven percent (7%) of the five-year average full valuation. In addition, the Town is subject to the Tax Levy Limit Law as described herein.

Tax Collection Procedures

The assessment and collection of real property taxes levied by the Town is governed by the Real Property Tax Law of the State and the Nassau County Government Law and the Nassau County Administrative Code. The Town collects all real property taxes and assessments for Town and County purposes during the times prescribed by law. Although the Town collects taxes on behalf of the County, the County enforces the collection thereof. The Town retains the first moneys collected on the combined Town and County tax bills and therefore generally receives 100% of its levy.

Town and County real property taxes and assessments are levied on January 1 and become a lien against the property on this date. The tax bill sent to property owners includes all real property taxes and assessments due to the Town and County. Taxes and assessments are collected in two installments due on January 1 and July 1 of each year, which installments may be paid without penalty until February 10 and August 10, respectively. Payments made subsequent to these dates are assessed a penalty at a rate of 1% per month.

Tax bills uncollected at the expiration of the tax warrant are returned to the County for collection and enforcement. The County continues to collect unpaid taxes until any such remaining unpaid taxes are included in the County’s tax sale.

The Receiver of Taxes collects school taxes for the school districts situated in the Town. Such taxes are due and payable in equal installments on October 1 and April 1, but may be paid without penalty by November 10 and May 10, respectively. The Receiver transmits the school tax rolls together with a listing of unpaid taxes to the appropriate school authorities. The school districts must certify such listing of unpaid taxes and transmit said listing to the County. Unpaid school taxes are relieved as part of the County tax bill due on January 1 of the next calendar year and thereafter collected and enforced in the same manner as County real property taxes. The County must pay the schools 100% of the amount included in the listing of unpaid taxes by June 15 of the year following the levy of such taxes.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the taxable real property within the Town had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Town for any fiscal year commencing after May 31, 2012, without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations, according to the formulas set forth in Tax Levy Limit Law.

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two one-hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Tax Levy Limit Law also provides for adjustments to be made to the Town's tax levy based upon changes in the assessed value of the taxable real property in the Town. Additionally, the Town will be permitted to carry forward a certain portion of its unused tax levy capacity from the prior year. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision described above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for tort judgments payable by the Town. The governing board of the Town may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Town first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Town or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

The Town's budgets for the 2013 through 2023 fiscal years did not exceed the limitation set forth in the Tax Levy Limit Law.

Property Tax, Levies, Rates and Assessments

The table below shows the trend during the last five years for Townwide property values and for real property taxes and tax rates for Townwide, Part-Town, Highway and Special District purposes.

	Fiscal Year Ending December 31:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed Value	\$253,660,422	\$247,067,608	\$178,932,907	\$229,962,481	\$253,660,422
Equalization Rate	0.22%	0.18%	0.19%	0.17%	0.17%
Full Value	\$115,300,191,818	\$137,259,782,222	\$94,175,214,211	\$135,272,047,647	\$149,212,012,941
Real Property Tax:					
Townwide	28,755,813	27,653,416	27,652,774	25,101,314	24,099,430
Part Town	3,577,931	3,531,583	3,530,719	5,845,230	6,844,975
Highway	61,814,741	58,598,300	58,235,382	55,920,235	55,919,554
Special District	169,035,599	163,343,886	163,708,103	163,707,360	163,683,884
Tax Rates:					
Townwide	\$141.20	\$140.85	\$311.31	\$175.05	\$211.33
Part Town	26.76	27.60	60.87	62.18	91.55
Highway	462.26	457.90	100.32	594.81	747.88

- a. Computed by dividing the taxable assessed valuation by the State Equalization Rate shown.
- b. The County guarantees all Town taxes; therefore, the Town receives 100% of its tax levy (See "Tax Collection Procedures" herein).
- c. A special assessment on benefited property in the following areas: Fire Protection Districts, Lighting Districts, Refuse and Garbage Districts, Public Parking Districts and Water Districts.
- d. Tax rate per \$1,000 assessed value. (Class 1 Property)

Source: Office of the Town Comptroller.

Selected Listing of Large Taxable Properties

The following table presents the taxable assessments of the Town's larger real property taxpayers listed on the 2021 assessment roll for taxes levied in 2022. The list represents approximately 8.70% of the total assessed valuation of the Town.

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Keyspan East	Energy System Operator	\$10,859,994
Retail Property Trust	Commercial	4,042,039
State of New York	Various	1,307,921
Verizon	Utility	1,003,334
New York Water	Water Utility	1,107,108
Reckson Association	Commercial	865,970
Long Island Water	Water Utility	700,869
LIPA	Utility	867,631
Rexcorp Plaza SPE LLC	Office Building	787,670
JMM Raceway Inc	Race Track	530,666
	Total	\$22,073,202

Source: Nassau County Assessor's Office.

Real Property Tax Levy and Collection Record

The following table presents a history of real property tax collections for the period 2012-2022.

Fiscal Year Ended <u>December 31:</u>	<u>Tax Levy for Town</u>	<u>Total Tax Levy</u>	<u>Amount Collected</u>	<u>Percent Collected (%)</u>
2012	\$400,108,896	\$870,936,124	\$847,909,668	97.36
2013	403,219,348	873,133,904	851,218,810	97.49
2014	404,365,161	871,358,665	849,081,831	97.44
2015	415,612,561	900,449,579	862,632,848	95.80
2016	409,300,986	876,516,694	854,543,063	97.49
2017	421,489,999	941,021,327	915,875,730	97.33
2018	430,209,799	966,887,691	939,464,071	97.16
2019	424,392,643	929,615,219	907,602,465	97.63
2020	417,684,975	935,599,818	907,771,093	97.03
2021	419,724,297	944,254,249	919,070,267	97.33
2022	421,349,158	917,628,502	897,929,643	97.85

- (a) Gross levy for Town purposes. (Includes all Town controlled funds, Commissioner operated funds, Fire Districts and Library Districts).
 (b) Includes all Town and County taxes.
 (c) During year of levy.
 (d) Uncollected taxes are returned to the County for collection. The Town retains 100% of its levy. (See “*Tax Collection Procedures*” herein.)

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 Town 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. (See “*Tax Collection Procedure*” and “*LITIGATION*” herein.)

Nassau County Property Reassessment

Nassau County has completed a countywide property reassessment for the first time since 2011. The reassessment affects more than 400,000 residential and commercial properties on the tax rolls. The new values took effect in the 2020-21 tax year. The County has mailed notices to homeowners, showing the new market values of their homes under reassessment. The impact of the reassessment cannot presently be determined.

LITIGATION

The Town in the normal course of business is involved in various matters of litigation. In the opinion of the Town Attorney, there is no litigation by or pending against the Town that is not covered by insurance, budgetary appropriations or other reasons which could have a materially adverse impact on the financial condition of the Town.

Garbage Taxes and Local Utilities

There are five (5) cases against the Town regarding garbage taxes and local utilities. The plaintiff utility companies sued the Town and its garbage districts on the theory that the ad valorem levies imposed upon the plaintiff's transmission and distribution properties to fund the Town's garbage collection and disposal services are illegal because these properties do not and cannot generate any garbage. [See *New York Telephone Company v. Oyster Bay*, 4 N.Y.3d 387 (2005)]. The Town vigorously defended all these claims. The Town had brought Nassau County into the proceedings by means of a third-party summons and complaint.

In March 2014, the Appellate Division directed the Town to pay the Plaintiffs in the first instance and directed the County to reimburse the Town for the sums the Town pays the Plaintiffs.

In October of 2016, the Town and County entered into an agreement where the County will reimburse the Town for 70% of the sums the Town has already paid to all utility plaintiffs and the County will reimburse the Town 70% of all future sums the Town pays to any utility plaintiffs in these cases, and the Town and County would cooperate with each other to try to limit the future liabilities in these cases (including the below mentioned interest rate litigation).

The trial court issued Judgments using pre-judgment interest in the 5-6.02% range in the matters, and the Town has satisfied those Judgments subject to pending appeals and cross-appeals regarding the appropriate rate of interest. The Appellate Division reversed the trial court on those appeals, and the Town has been ordered to pay interest at 9% on those judgments. The Town's motion to reargue and for leave to appeal from the lead Verizon case has been denied and all appeals have been exhausted, and all remaining cases have been settled.

In addition, the Town settled the MCI litigation at a reduced interest rate and Judge Marano executed a Consent Judgment which the Town has satisfied out of operating funds.

The Town issued bonds in July 2018, to satisfy the Verizon, Keyspan, Long Island Water, and New York Water judgments. During 2018, the Town paid \$82,863,155 to the aforementioned utility companies to satisfy the judgments (at the lower interest rates). The Town issued bond anticipation notes on October 28, 2021, in the amount of \$26,031,844.00 to satisfy the remaining liability (accrual in claims and judgments payable).

Pursuant to the executed Town/County Agreement dated September 27, 2016, the County will reimburse the Town 70% of the paid judgments. The Town has recorded a receivable (due from other governments) of \$51,202,586.30 as of December 31, 2022, of which \$7,622,649.87 is current and \$43,579,936.43 is long term.

FIT Tuition Charge Back

In 2010, Nassau County ("County") commenced a charge back to the cities and towns (including the Town) within the County for amounts paid for its cost of educating County residents the Fashion Institute of Technology ("FIT") under the community college reimbursement provisions of the New York State Education Law. After four years in litigation the Court of Appeals has determined the County could charge back to the towns the amount paid for both two and four year programs at FIT. The Town has commenced an action in the Supreme Court of Nassau County challenging the method of computation of the chargeable amount utilized by the County as well as the chargeable amount itself. In July 2018, the Court denied the Town's motion for summary judgment and granted the County's cross-motion for summary judgement, finding that the County has acted in accordance with the law when charging back the Town.

In August 2018, the Town filed a Notice of Appeal of the Court's July 2018 decision. In February 2019, the Town perfected its appeal. The appeal was fully submitted to the Appellate Division in September 2019 and oral argument was held on September 24, 2020. On December 23, 2020, the Appellate Division issued a Decision & Order, which reversed the Supreme Court and: (a) denied the County's cross-motion for summary judgment seeking to dismiss the Complaint(s); (b) granted the cities and town's motions for summary judgment; and (c) remitted the matter to the Supreme Court to calculate the amount due to the Towns in withheld sales tax revenues. On or about January 25, 2021, the County filed a motion to reargue or for leave to appeal to the Court of Appeals from the Decision & Order. That motion has been denied.

The Court has directed the parties to engage in an accounting of monies due and owing to the Town. A settlement conference with the Court is scheduled for May 31, 2023.

CYBERSECURITY

The Town, 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 Town 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 Town 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 Town digital networks and systems and the costs of remedying any such damage could be substantial.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Phillips Lytle LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuous compliance with certain tax covenants and certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Certificate as to Non-Arbitrage and other Tax Matters of the Town (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain covenants, representations, certifications of fact, and statements of reasonable expectations made by the Town in connection with the Notes, and Bond Counsel has assumed current and continuing compliance by the Town with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code. The Notes will not be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a Note with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of the Notes was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for the Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes. In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

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

Note Premium

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

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final respective approving opinion of the law firm of Phillips Lytle LLP, Bond Counsel to the Town. Said opinion will be available at the time of delivery of the Notes, and is substantially in the form set forth in Appendix C.

The final approving opinion to be delivered by Bond Counsel to the Town concurrently with the delivery of the Notes expresses the professional judgment of Bond Counsel to the Town as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of the parties to the transaction. In addition, the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

DISCLOSURE UNDERTAKING

At the time of the delivery of the Notes, the Town will provide an executed copy of its Undertaking to Provide Notice of Events substantially in the form set forth in Appendix D.

The Town 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

The Town filed a material event notice on December 27, 2019 upon filing the audited financial statements for the fiscal year ended December 31, 2018. Such audit was filed less than one year after the end of such previous fiscal year but more than 360 days after the end of such year. On November 5, 2021 the Town filed a material event notice related to the upgrade by Standard & Poor's on September 3, 2021 of the Town's underlying credit rating from "AA-" to "AA".

RATINGS

The Town did not apply for ratings on the Notes. The Notes are not rated. S&P has assigned an "AA" and Moody's has assigned a "Aaa" to the outstanding bonds of the Town. These ratings reflect only the view of such rating agencies and an explanation of the significance of such ratings should be obtained from such rating agencies. There can be no assurance that such ratings will not be revised or withdrawn, if in the judgment of the agency circumstances so warrant. Any change or withdrawal of such ratings may have an adverse effect on the market price of the Towns bonds and notes or the availability of a secondary market for the bonds and 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 municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the 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 Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of John A. Mastromarino, CPA, Town Comptroller, Town of Hempstead, 350 Front Street, Hempstead, NY 11550, telephone number (516) 489-5000 and email: johnmas@tohmail.org 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>.

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 Town nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the Town 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 Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

The attached Appendices are integral parts of this Official Statement and should be read together with all foregoing statements.

The preparation and distribution of this Official Statement has been authorized by the resolutions of the Town which delegate to the Town Supervisor the power to sell and issue the Notes.

TOWN OF HEMPSTEAD, NEW YORK

By: s/s DONALD X. CLAVIN, JR.
Town Supervisor and Chief Fiscal Officer
Town of Hempstead
Hempstead, New York

May , 2023

APPENDIX A

FINANCIAL INFORMATION

.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GENERAL FUND

Fiscal Years Ending December 31:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 33,062,898	\$ 35,185,454	\$ 29,216,076	\$ 28,087,900	\$ 28,213,297
Other Property Tax Items	2,889,862	2,271,913	2,362,364	2,077,570	2,497,702
Non-Property Tax items	38,763,197	40,156,541	41,588,290	39,757,751	47,973,081
Departmental Income	7,426,785	7,351,480	7,069,497	7,679,524	7,400,680
Intergovernmental Charges	59,835	46,234	45,029	97,397	95,237
Use of Money and Property	1,040,557	1,380,089	1,157,564	1,800,249	1,088,701
Licenses and Permits	2,422,464	2,093,889	2,664,226	1,781,435	1,955,803
Fines and Forfeitures	13,500	27,350	20,800	14,650	53,200
Sale of Property	152,089	45,820	151,992	259,388	110,205
Miscellaneous Local Sources	428,089	84,352	3,792,793	3,757,159	4,173,113
Interfund Revenues	60,802,256	60,354,087	61,946,337	61,699,686	63,710,546
State Aid	26,532,821	26,730,417	24,964,339	32,057,533	42,491,638
Federal Aid	32,778	199,781	233,697	51,441,380	38,087,174
Total Revenues	<u>173,627,131</u>	<u>175,927,407</u>	<u>175,213,004</u>	<u>230,511,622</u>	<u>237,850,377</u>
Expenditures:					
General Government Support	84,869,569	85,595,542	89,671,926	121,850,929	117,412,534
Education	10,501,587	9,131,823	9,343,393	8,686,505	8,184,675
Public Safety	14,471,719	15,072,949	15,544,782	14,025,031	14,735,087
Transportation	1,605,055	1,214,119	1,198,557	1,215,826	1,382,707
Economic Assistance & Opportunity	4,694,387	4,256,066	4,269,817	3,957,170	4,269,940
Culture and Recreation	81,879	80,691	49,133	11,180	6,123
Home & Community Services	10,349,968	9,248,280	10,010,592	12,281,868	11,645,366
Employee Benefits	38,720,384	39,259,279	40,206,350	39,666,019	40,688,817
Debt Service	56,637	113,273	243,624	88,389	88,388
Total Expenditures	<u>165,351,185</u>	<u>163,972,022</u>	<u>170,538,174</u>	<u>201,782,917</u>	<u>198,413,637</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	8,275,946	11,955,385	4,674,830	28,728,705	39,436,740
Other Financing Sources (Uses):					
Premium on Obligations	396,681	1,144,129	964,916		
Premium on Bonds					515,682
Debt Issuance	3,973,691				
Transfers - In	108,751	207,098	48,293	9,731	454,047
Transfers - Out	(8,851,602)	(9,566,280)	(9,778,492)	(9,701,675)	(9,374,364)
Total Other Financing Sources (Uses)	<u>(4,372,479)</u>	<u>(8,215,053)</u>	<u>(8,765,283)</u>	<u>(9,691,944)</u>	<u>(8,404,635)</u>
Excess (Deficiency) of Revenues and					
Other Financing Sources Over (Under)					
Expenditures and Other Financing Uses	3,903,467	3,740,332	(4,090,453)	19,036,761	31,032,105
Fund Balance, Beginning of Year	19,101,815	23,005,282	26,745,614	22,655,161	41,691,922
Prior Period Adjustments					
Fund Balance, End of Year	<u>\$ 23,005,282</u>	<u>26,745,614</u>	<u>22,655,161</u>	<u>41,691,922</u>	<u>72,724,027</u>

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule is NOT audited.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

HIGHWAY FUND

Fiscal Years Ending December 31:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 64,071,154	\$ 62,806,210	\$ 61,814,740	\$ 58,598,310	\$ 58,235,159
Other Property Tax Items	2,467,191	2,528,931	2,371,746	2,330,322	2,244,148
Intergovernmental Charges	6,000	3,000	6,250	45,016	8,500
Use of Money and Property	190,784	555,384	943,145	351,954	194,129
Sale of Property	177,180	21,626	62,582	103,601	144,495
Miscellaneous Local Sources	408,293	779,850	240,094	205,206	414,401
State Aid	150,000	156,543			
Federal Aid		589		37,072	71,825
Total Revenues	<u>67,470,602</u>	<u>66,852,133</u>	<u>65,438,557</u>	<u>61,671,481</u>	<u>61,312,657</u>
Expenditures:					
Transportation	31,712,297	31,029,506	32,081,710	28,571,377	32,362,340
Employee Benefits	12,481,931	12,392,799	12,136,645	10,952,024	11,284,956
Debt Service	87,755				249,525
Total Expenditures	<u>44,281,983</u>	<u>43,422,305</u>	<u>44,218,355</u>	<u>39,523,401</u>	<u>43,896,821</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	23,188,619	23,429,828	21,220,202	22,148,080	17,415,836
Other Financing Sources (Uses):					
Premium on Obligations	1,696,468	2,757,412	2,500,000	277,747	
Insurance of Debt					1,665,000
Premium on Bonds					3,350,782
Debt Issuance	1,230,808		2,352,349		
Transfers - In	2,702,897	3,038,933	6,421,038	5,017,872	3,131,865
Transfers - Out	(25,069,514)	(26,939,798)	(24,943,362)	(26,790,045)	(24,672,768)
Total Other Financing Sources (Uses)	<u>(19,439,341)</u>	<u>(21,143,453)</u>	<u>(13,669,975)</u>	<u>(21,494,426)</u>	<u>(16,525,121)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,749,278	2,286,375	7,550,227	653,654	890,715
Fund Balance, Beginning of Year	<u>9,390,867</u>	<u>13,140,145</u>	<u>15,426,520</u>	<u>22,976,747</u>	<u>23,630,401</u>
Prior Period Adjustments					
Fund Balance, End of Year	<u>\$ 13,140,145</u>	<u>15,426,520</u>	<u>22,976,747</u>	<u>23,630,401</u>	<u>24,521,116</u>

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule is NOT audited.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

PARKS FUND

Fiscal Years Ending December 31:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 51,171,110	\$ 56,518,503	\$ 54,911,218	\$ 51,716,038	\$ 51,715,004
Other Property Tax Items	2,719,720	2,825,308	2,849,057	2,779,841	2,641,981
Departmental Income	2,648,880	2,699,085	2,604,941	1,248,229	1,949,059
Intergovernmental Charges	794,037	871,625	811,666	864,562	860,273
Use of Money and Property	310,369	442,140	573,214	360,496	262,023
Fines and Forfeitures	4,800	1,200	1,150	2,500	
Sale of Property	1,097	45,777	49,373		9,310
Miscellaneous Local Sources	314,318	239,772	605,205	33,835	285,358
Interfund Revenues	29,959,525	31,664,977	32,677,641	33,059,668	34,576,486
State Aid	558,223	213,707	115,719	151,393	240,719
Federal Aid				9,134,886	2,183,109
Total Revenues	<u>88,482,079</u>	<u>95,522,094</u>	<u>95,199,184</u>	<u>99,351,448</u>	<u>94,723,322</u>
Expenditures:					
Culture and Recreation	62,147,998	61,841,150	61,926,399	70,161,753	68,907,000
Employee Benefits	22,854,927	23,429,642	23,640,602	22,874,819	23,709,021
Debt Service					
Total Expenditures	<u>85,002,925</u>	<u>85,270,792</u>	<u>85,567,001</u>	<u>93,036,572</u>	<u>92,616,021</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,479,154	10,251,302	9,632,183	6,314,876	2,107,301
Other Financing Sources (Uses):					
Premium on Obligations	323,344	217,905	453,656		
Premium on Bonds					346,469
Debt Issuance	1,558,067				
Transfers - In	347,330			185	199,355
Transfers - Out	<u>(5,901,346)</u>	<u>(6,012,852)</u>	<u>(4,414,364)</u>	<u>(4,782,026)</u>	<u>(4,600,270)</u>
Total Other Financing Sources (Uses)	<u>(3,672,605)</u>	<u>(5,794,947)</u>	<u>(3,960,708)</u>	<u>(4,781,841)</u>	<u>(4,054,446)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(193,451)	4,456,355	5,671,475	1,533,035	(1,947,145)
Fund Balance, Beginning of Year	<u>9,675,686</u>	<u>9,482,235</u>	<u>13,938,590</u>	<u>19,610,065</u>	<u>21,143,100</u>
Prior Period Adjustments					
Fund Balance, End of Year	<u>\$ 9,482,235</u>	<u>13,938,590</u>	<u>19,610,065</u>	<u>21,143,100</u>	<u>19,195,955</u>

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule is NOT audited.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

REFUSE AND GARBAGE

Fiscal Years Ending December 31:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 90,895,068	\$ 90,364,815	\$ 88,408,888	\$ 86,447,574	\$ 86,446,777
Other Property Tax Items	1,164,701	1,528,496	1,472,330	1,303,723	1,630,910
Departmental Income	10,977,888	13,066,681	13,096,625	10,851,067	13,275,225
Intergovernmental Charges	3,228,530	3,318,458	3,363,409	1,795,656	2,012,225
Use of Money and Property	4,307,332	4,684,274	5,437,804	4,662,627	4,461,174
Licenses and Permits	37,012	39,884	38,520	27,009	35,971
Sale of Property	494,632	345,621	229,962	259,170	563,619
Miscellaneous Local Sources	620,344	698,596	6,686,440	6,676,190	6,632,932
Interfund Revenues	934,882	848,245	869,918	1,335,030	912,507
State Aid	4,530				
Federal Aid	408			43,838,629	71,443
Total Revenues	<u>112,665,327</u>	<u>114,895,070</u>	<u>119,603,896</u>	<u>157,196,675</u>	<u>116,042,783</u>
Expenditures:					
Home & Community Services	79,814,194	164,421,629	83,614,834	83,473,849	112,831,008
Employee Benefits	23,532,768	23,933,463	23,139,924	23,521,753	23,483,483
Debt Service	35,229				
Total Expenditures	<u>103,382,191</u>	<u>188,355,092</u>	<u>106,754,758</u>	<u>106,995,602</u>	<u>136,314,491</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,283,136	(73,460,022)	12,849,138	50,201,073	(20,271,708)
Other Financing Sources (Uses):					
Premium on Obligations	84,805	9,514,781	204,511		
Premium on Bonds					368,406
Debt Issuance	1,026,045	72,895,000	800,000		26,031,844
Transfers - In	138,004	141,397			8,994
Transfers - Out	(3,945,448)	(3,499,549)	(12,270,987)	(12,404,351)	(12,102,108)
Total Other Financing Sources (Uses)	<u>(2,696,594)</u>	<u>79,051,629</u>	<u>(11,266,476)</u>	<u>(12,404,351)</u>	<u>14,307,136</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	6,586,542	5,591,607	1,582,662	37,796,722	-5,964,572
Fund Balance, Beginning of Year	28,758,335	35,344,877	40,936,484	42,519,146	80,315,868
Prior Period Adjustments					
Fund Balance, End of Year	<u>\$ 35,344,877</u>	<u>40,936,484</u>	<u>42,519,146</u>	<u>80,315,868</u>	<u>74,351,296</u>

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule is NOT audited.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR FUNDS

Fiscal Years Ending December 31:

	<u>2017*</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 22,884,387	\$ 23,396,524	\$ 23,666,056	\$ 23,084,570	\$ 23,445,618
Other Property Tax Items	1,378,865	1,632,979	1,110,121	1,092,012	1,005,852
Non-Property Tax items	11,436,608	11,151,659	11,052,576	10,554,868	10,734,969
Departmental Income	12,831,484	13,357,513	15,345,144	12,220,217	14,227,404
Intergovernmental Charges			465,786		
Use of Money and Property	212,731	346,450		290,223	53,756
Fines and Forfeitures	2,029,764	1,729,427	1,311,550	421,930	273,831
Sale of Property	126,319	60,081	25,794	137,093	16,371
Miscellaneous Local Sources	1,545,208	1,389,592	1,622,418	1,131,707	1,407,954
Interfund Revenues	2,765,098	2,552,560	2,878,272	2,388,040	2,473,323
State Aid	372,802	204,512	54,512	54,453	54,512
Federal Aid	11,052,046	9,617,916	10,375,619	8,605,250	8,256,414
Total Revenues	<u>66,635,312</u>	<u>65,439,213</u>	<u>67,907,848</u>	<u>59,980,363</u>	<u>61,950,004</u>
Expenditures:					
General Government Support	732,627	401,184	322,283	153,091	363,495
Public Safety	25,382,753	23,514,952	25,029,412	23,606,119	26,017,216
Transportation	11,933,503	11,682,264	11,722,820	10,952,057	12,127,469
Economic Assistance & Opportunity	4,861,562	3,747,876	6,635,983	3,984,840	4,721,421
Culture and Recreation	1,342,436	1,593,995	1,440,228	1,417,043	1,432,474
Home & Community Services	12,671,569	11,931,184	11,194,116	8,980,268	7,989,876
Employee Benefits	6,784,520	6,916,631	6,933,271	7,633,722	8,259,822
Debt Service	1,974,276	1,974,276	1,974,276	1,974,276	1,974,276
Total Expenditures	<u>65,683,246</u>	<u>61,762,362</u>	<u>65,252,389</u>	<u>58,701,416</u>	<u>62,886,049</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	952,066	3,676,851	2,655,459	1,278,947	(936,045)
Other Financing Sources (Uses):					
Premium on Obligations	185,121	10,987	583,252		
Transfers from Business-Type Activities					750,000
Premium on Bonds					106,730
Debt Issuance	720,059				
Transfers - In	221,730	762,880	1,210,000	300,000	325,840
Transfers - Out	(3,933,674)	(4,044,927)	(2,589,699)	(3,048,196)	(2,664,784)
Total Other Financing Sources (Uses)	<u>(2,806,764)</u>	<u>(3,271,060)</u>	<u>(796,447)</u>	<u>(2,748,196)</u>	<u>(1,482,214)</u>
Fund Balance Adjustments**	(11,020,621)				
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,854,698)	405,791	1,859,012	(1,469,249)	(2,418,259)
Fund Balance, Beginning of Year	<u>32,392,337</u>	<u>19,517,018</u>	<u>19,922,809</u>	<u>21,781,821</u>	<u>20,312,573</u>
Fund Balance, End of Year	<u>\$ 19,517,018</u>	<u>19,922,809</u>	<u>21,781,821</u>	<u>20,312,573</u>	<u>17,894,314</u>

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule is NOT audited.

*Beginning in 2017, the Water Fund is no longer included as part of the Non-Major Funds

**Includes transfer out of \$13,731,194 from the Water Fund.

BALANCE SHEET

GENERAL FUND

	Fiscal Years Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assets:					
Cash & Investments	\$ 2,327,222	\$ 7,039,821	\$ 3,041,220	\$ 78,822,601	\$ 66,661,454
Restricted Cash			964,916		35,454,258
Accounts Receivable	166,018	425,798	785,321	756,727	167,354
Due From Other Funds	6,568,826	6,588,876	7,257,991	8,165,489	6,778,338
Due From Other Governments	25,377,108	14,588,660	16,518,040	19,319,165	19,866,245
Due from component units					150,498
Inventory of Material and Supplies	3,099,630	3,474,462	2,961,543	2,995,195	2,681,589
Prepaid Items	2,396,122	2,799,893	2,183,393	2,376,382	2,533,062
Other Assets	224,491	224,491	205,600	146,382	
	<u>40,159,417</u>	<u>35,142,001</u>	<u>33,918,024</u>	<u>112,581,941</u>	<u>134,292,798</u>
Total Assets	<u>\$ 40,159,417</u>	<u>\$ 35,142,001</u>	<u>\$ 33,918,024</u>	<u>\$ 112,581,941</u>	<u>\$ 134,292,798</u>
Liabilities:					
Accounts Payable & Accrued Liabilities	\$ 5,602,346	\$ 6,793,771	\$ 8,302,006	\$ 24,566,743	\$ 17,630,276
Due to Other Funds	6,796,750	604,312	1,741,826	14,999,019	1,826,569
Due to Other Governments	4,755,039	811,540	625,509	3,792,683	1
Unearned Revenue				18,846,882	34,999,176
Other Liabilities				2,638,157	
Guarantee, Bid & Escrow Deposit Liabilities				5,719,771	6,993,749
	<u>17,154,135</u>	<u>8,209,623</u>	<u>10,669,341</u>	<u>70,563,255</u>	<u>61,449,771</u>
Total Liabilities	<u>17,154,135</u>	<u>8,209,623</u>	<u>10,669,341</u>	<u>70,563,255</u>	<u>61,449,771</u>
Deferred Inflows of Resources:					
Unavailable Revenue		186,764	593,522	326,764	119,000
	<u></u>	<u>186,764</u>	<u>593,522</u>	<u>326,764</u>	<u>119,000</u>
Fund Balance:					
Nonspendable	5,495,752	6,574,355	5,144,936	5,371,577	5,214,651
Restricted	396,681	922,819	967,416	0	516,182
Assigned	402,724	1,762,738	1,073,620	14,587,151	9,635,468
Unassigned	16,710,125	17,485,702	15,469,189	21,733,194	57,357,726
	<u>23,005,282</u>	<u>26,745,614</u>	<u>22,655,161</u>	<u>41,691,922</u>	<u>72,724,027</u>
Total Fund Balance	<u>23,005,282</u>	<u>26,745,614</u>	<u>22,655,161</u>	<u>41,691,922</u>	<u>72,724,027</u>
Total Liabilities and Fund Balances	<u>\$ 40,159,417</u>	<u>\$ 35,142,001</u>	<u>\$ 33,918,024</u>	<u>\$ 112,581,941</u>	<u>\$ 134,292,798</u>

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule is NOT audited.

BALANCE SHEET**HIGHWAY FUND**

	Fiscal Years Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assets:					
Cash & Investments	\$ 6,492,195	\$ 8,060,328	\$ 12,582,451	\$ 12,760,849	\$ 18,959,049
Restricted Cash			2,352,349		3,350,782
Accounts Receivable	524,676	685,936	637,671	548,495	505,180
Due From Other Funds	2,869,780	3,504,688	6,362,524	10,814,017	1,304,281
Due From Other Governments	847,587		543,794	132,681	260,812
Inventory of Material and Supplies	4,128,763	4,757,417	2,793,237	2,804,630	2,750,350
Prepaid Items	826,734	714,943	631,870	589,938	590,799
Other Assets	45,900	45,900	45,900	256,695	
Total Assets	\$ 15,735,635	\$ 17,769,212	\$ 25,949,796	\$ 27,907,305	\$ 27,721,253
Liabilities:					
Accounts Payable & Accrued Liabilities	\$ 1,948,493	\$ 1,053,086	\$ 1,715,712	\$ 1,170,803	\$ 2,063,369
BANs payable				1,365,000	
Due to Other Funds	216,765	704,202	716,688	1,095,631	557,955
Other Liabilities				190,498	164,720
Total Liabilities	2,165,258	1,757,288	2,432,400	3,821,932	2,786,044
Deferred Inflows of Resources:					
Unavailable Revenue	430,232	585,404	540,649	454,972	414,093
Fund Balance:					
Nonspendable	4,955,497	5,472,360	3,425,107	3,394,568	3,341,149
Restricted	1,696,468	808,497	2,352,349		3,350,782
Assigned	6,488,180	9,145,663	17,199,291	20,235,833	17,829,185
Unassigned					
Total Fund Balance	13,140,145	15,426,520	22,976,747	23,630,401	24,521,116
Total Liabilities and Fund Balances	\$ 15,735,635	\$ 17,769,212	\$ 25,949,796	\$ 27,907,305	\$ 27,721,253

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule is NOT audited.

BALANCE SHEET

PARKS FUND

	Fiscal Years Ending December 31:				
	2017	2018	2019	2020	2021
Assets:					
Cash & Investments	\$ 6,411,829	\$ 12,782,231	\$ 16,985,103	\$ 19,547,550	\$ 18,831,842
Restricted Cash			453,656		346,469
Accounts Receivable	374,609	247,838	321,014	475,762	431,170
Due From Other Funds	68,657	64,087	183,663	6,650,995	308,749
Due From Other Governments	2,167,574	947,499	2,134,009	2,482,908	860,273
Due from Component Units					277,994
Inventory of Material and Supplies	706,749	687,843	539,986	612,217	422,316
Prepaid Items	1,116,621	1,115,319	1,093,139	1,104,925	1,208,150
Other Assets	150,900	150,900	150,900	260,422	
Total Assets	\$ 10,996,939	\$ 15,995,717	\$ 21,861,470	\$ 31,134,779	\$ 22,686,963
Liabilities:					
Accounts Payable & Accrued Liabilities	\$ 1,471,068	\$ 1,993,592	\$ 2,035,910	\$ 8,931,060	\$ 2,426,445
BANs payable					
Due to Other Funds	43,636	63,535	180,495	458,790	484,644
Other Liabilities				339,752	317,842
Total Liabilities	1,514,704	2,057,127	2,216,405	9,729,602	3,228,931
Deferred Inflows of Resources:					
Unavailable Revenue			35,000	262,077	262,077
Fund Balance:					
Nonspendable	1,823,370	1,803,162	1,633,125	1,717,142	1,630,466
Restricted	323,344		453,656		346,469
Assigned	7,335,521	12,135,428	17,523,284	19,425,958	17,219,020
Unassigned					
Total Fund Balance	9,482,235	13,938,590	19,610,065	21,143,100	19,195,955
Total Liabilities and Fund Balances	\$ 10,996,939	\$ 15,995,717	\$ 21,861,470	\$ 31,134,779	\$ 22,686,963

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule is NOT audited.

BALANCE SHEET
REFUSE AND GARBAGE FUND

	Fiscal Years Ending December 31:				
	2017	2018	2019	2020	2021
Assets:					
Cash & Investments	\$ 32,536,995	\$ 43,476,579	\$ 43,368,418	\$ 81,204,837	\$ 77,895,901
Restricted Cash			204,511		325,063
Accounts Receivable	1,167,095	1,978,151	1,708,068	2,744,201	2,182,392
Due From Other Funds	7,953,799	2,341,276	3,052,958	7,462,860	1,633,065
Due From Other Governments	881,218	585,348	1,754,209	375,512	585,992
Due from component units					326,292
Inventory of Material and Supplies	33,667	40,798	29,484	24,085	62,402
Prepaid Items	1,241,200	996,318	917,484	910,617	973,559
Other Assets	57,300	57,300	57,300	532,767	
Total Assets	\$ 43,871,274	\$ 49,475,770	\$ 51,092,432	\$ 93,254,879	\$ 83,984,666
Liabilities:					
Accounts Payable & Accrued Liabilities	\$ 8,489,931	\$ 8,200,430	\$ 8,223,546	\$ 12,065,074	\$ 9,169,347
BANs payable					
Due to Other Funds	24,676	333,616	340,237	476,346	303,955
Due to Other Governments		1,257	1,257		
Unearned Revenue	11,790	3,983	8,246	10,589	21,198
Other Liabilities				384,002	138,870
Total Liabilities	8,526,397	8,539,286	8,573,286	12,936,011	9,633,370
Deferred Inflows of Resources:					
Unavailable Revenue					
Fund Balance:					
Nonspendable	1,274,867	1,037,116	946,968	934,702	1,035,961
Restricted	84,805	21,974	204,511		325,063
Assigned	33,985,205	39,877,394	41,367,667	79,381,166	72,990,272
Unassigned					
Total Fund Balance	35,344,877	40,936,484	42,519,146	80,315,868	74,351,296
Total Liabilities and Fund Balances	\$ 43,871,274	\$ 49,475,770	\$ 51,092,432	\$ 93,251,879	\$ 83,984,666

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule is NOT audited.

BALANCE SHEET
NON-MAJOR FUNDS

Fiscal Years Ending December 31:

	<u>2017*</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assets:					
Cash & Investments	\$ 13,237,726	\$ 13,050,303	\$ 13,481,644	\$ 14,205,216	\$ 10,357,253
Restricted Cash	1,597,137	2,549,427	2,795,669	2,407,000	2,512,589
Accounts Receivable	2,332,110	2,341,821	2,423,543	2,018,082	2,212,362
Due From Other Funds	138,774	264,267	338,323	376,779	383,512
Due From Other Governments	2,262,708	1,177,410	2,297,506	1,965,655	2,353,134
Due From Component Units					166,875
Inventory of Material and Supplies	284,037	277,967	275,539	465,819	469,687
Prepaid Items	450,389	428,261	418,260	262,331	279,310
Length of Service Award Plan Assets	2,782,089	3,020,273	3,192,678	3,526,007	3,455,693
Other Assets	<u>25,100</u>	<u>25,100</u>	<u>25,100</u>	<u>163,733</u>	
Total Assets	<u>\$ 23,110,070</u>	<u>\$ 23,134,829</u>	<u>\$ 25,248,262</u>	<u>\$ 25,390,622</u>	<u>\$ 22,190,415</u>
Liabilities:					
Accounts Payable & Accrued Liabilities	\$ 1,981,171	\$ 1,690,625	\$ 2,747,501	\$ 3,706,008	\$ 2,959,497
BANs payable					
Due to Other Funds	1,611,880	1,521,394	718,939	1,138,161	1,235,593
Due to Other Governments					
Due to Retirement System					
Unearned Revenue					
Other Liabilities				<u>233,880</u>	<u>101,011</u>
Total Liabilities	<u>3,593,051</u>	<u>3,212,019</u>	<u>3,466,440</u>	<u>5,078,049</u>	<u>4,296,101</u>
Deferred Inflows of Resources:					
Unavailable Revenue					
Fund Balance:					
Nonspendable	2,072,293	2,044,095	2,031,666	2,066,017	2,086,864
Restricted	3,343,889	3,735,068	4,007,121	4,479,222	5,512,160
Assigned	14,637,183	14,143,647	15,743,035	13,767,334	10,295,290
Unassigned	<u>(536,346)</u>			<u>0</u>	
Total Fund Balance	<u>19,517,019</u>	<u>19,922,810</u>	<u>21,781,822</u>	<u>20,312,573</u>	<u>17,894,314</u>
Total Liabilities and Fund Balances	<u>\$ 23,110,070</u>	<u>\$ 23,134,829</u>	<u>\$ 25,248,262</u>	<u>\$ 25,390,622</u>	<u>\$ 22,190,415</u>

Sources: Audited Financial Reports of the Town (2017-2021)

*Beginning in 2017, the Water Fund is no longer included as part of the Non-Major Funds

NOTE: This Schedule is NOT audited.

Summary of Adopted Budgets - All Funds (\$ Millions)

	Fiscal Year Ending December 31:	
	2022	2023
Revenues:		
Real Property Taxes	\$ 250.6	\$ 250.5
Sales Tax	44.6	52.0
Mortgage Tax	30.0	25.0
Per Capita	3.8	3.5
Refuse Disposal	15.8	16.0
Garbage Tax Judgement	7.7	7.6
Host Fee (Covanta)	4.3	4.5
Franchise Fee	10.7	10.5
Interest Income	1.9	1.8
Building Dept Fees	14.5	12.9
Zoning Fees	0.6	0.6
Park Fees	6.2	5.9
Water Fees	20.9	18.8
Marina Fees	0.9	0.9
LIPA PILOT	5.8	5.8
PILOT (Other)	3.5	3.5
Other	58.0	31.1
Use of Fund Balance:	20.5	53.2
Total Revenues	\$ 500.3	\$ 504.1
Expenditures:		
Salaries	\$ 180.4	\$ 188.0
Refuse Disposal Fees	44.3	48.8
Debt Service	60.9	69.7
Utilities	11.2	11.3
Fire Protection	5.0	5.0
Library Funding	1.5	1.5
Snow Removal	1.5	1.5
College Chargeback	9.5	9.0
Pension Cost	26.4	25.7
Health Insurance	60.7	61.7
Employee Benefits	26.3	28.1
Other	72.6	53.8
Total Expenditures	\$ 500.3	\$ 504.1

Source: Adopted Budgets of the Town

TOWN OF HEMPSTEAD
APPENDIX B
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

▶ [Click Here For 2021 Audit](#)

APPENDIX C

FORM OF BOND COUNSEL OPINION

FORM OF OPINION OF BOND COUNSEL

Phillips Lytle LLP
1205 Franklin Avenue, Suite 390
Garden City, NY 11530

May 24, 2023

The Town Board of the
Town of Hempstead, in the
County of Nassau, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Hempstead (the “Town”), in the County of Nassau, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$25,206,772 Bond Anticipation Notes – 2023 (the “Notes”) of the Town dated and delivered on the date hereof.

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

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

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed for taxable years beginning prior to January 1, 2018.

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

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

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

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

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

We give no assurances as to the accuracy, sufficiency or completeness of the Preliminary or Final Official Statement or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Town which have been or may hereafter be furnished or disclosed to purchasers of the Notes.

Very truly yours,

APPENDIX D

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule, which definition, subject to certain exceptions, as of the date hereof defines Financial Obligation to mean (A) a debt obligation, (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (C) a guarantee of a financial obligation described in (A) or (B) of this clause. The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

“Issuer” shall mean the Town of Hempstead, in the County of Nassau, a municipal corporation of the State of New York.

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

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the Town Supervisor as of May ___, 2023.

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

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities” shall mean the Issuer’s **\$25,206,772 Bond Anticipation Notes - 2023**, dated May 24, 2023, maturing May 24, 2024, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776 to the EMMA System implemented by the MSRB established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or to any successor thereto or to the functions of MSRB contemplated by this Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (vii) modifications to rights of Holders of the Securities, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;

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

- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a

definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Holders of the Securities, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflicts of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **May 24, 2023**.

TOWN OF HEMPSTEAD, NEW YORK

By: _____
Town Supervisor