

**PRELIMINARY OFFICIAL STATEMENT DATED MAY 11, 2021**

**NEW ISSUE  
BOOK-ENTRY-ONLY BONDS**

**RATING: See “RATING” herein  
REFUNDING SERIAL BONDS**

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

*The Village WILL designate the Bonds as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.*

**VILLAGE OF EAST HILLS  
NASSAU COUNTY, NEW YORK**

**\$6,600,000\*  
REFUNDING SERIAL BONDS – 2021**

**Dated: Date of Delivery**

**Due: August 1, 2021 – 2026**

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

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable semiannually on February 1 and August 1 in each year until maturity, commencing August 1, 2021. The Bonds shall mature on August 1 in each year in the principal amounts specified on the inside cover page hereof. The Bonds will not be subject to redemption prior to maturity.

The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds issued in book-entry-only form. Payment of the principal of and interest on the Bonds will be made by the Village to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Bonds as described herein. (See “*Description of Book-Entry System*” herein.)

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the offices of DTC in New York, New York or as otherwise agreed upon, on or about June 10, 2021.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE VILLAGE FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”). FOR A DESCRIPTION OF THE VILLAGE’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE “CONTINUING DISCLOSURE” HEREIN.

Dated: May \_\_, 2021

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\*Preliminary, subject to change.

This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any sale of the Bonds, offered by this Preliminary Official Statement, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

The Bonds will mature on August 1, without the option for prior redemption, in each year as set forth below:

<u>Date</u>	<u>Amount<sup>(1)</sup></u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number<sup>(2)</sup></u>
2021	\$1,210,000	%	%	
2022	1,220,000			
2023	1,290,000			
2024	910,000			
2025	960,000			
2026	1,010,000			

- (1) The principal amounts of the Bonds are subject to adjustment following the sale of the Bonds, pursuant to the terms of the Notice of Sale accompanying the Bonds.
- (2) Copyright 1999-2013, Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP number has been assigned by an independent company not affiliated with the Village and is included solely for the convenience of the owners of the Bonds. The Village is not responsible for the selection or uses of the CUSIP number, and no representation is made as to its correctness on the Bonds or as indicated above. The CUSIP number is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

**VILLAGE OF EAST HILLS  
NASSAU COUNTY, NEW YORK**

**MAYOR  
MICHAEL KOBLENZ**

**BOARD OF TRUSTEES**

Emmanuel Zuckerman .....Deputy Mayor

Brian Meyerson ..... Trustee

Clara Pomerantz ..... Trustee

Stacey Siegel ..... Trustee

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Donna Gooch..... Village Clerk/Treasurer

Susan Gautier ..... Deputy Village Treasurer

Nancy Futeran .....Deputy Village Clerk

William Burton, Esq..... Village Attorney

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**BOND COUNSEL**

**Hawkins Delafield & Wood LLP  
New York, New York**

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**MUNICIPAL ADVISOR**



**CAPITAL MARKETS ADVISORS, LLC**  
*Long Island \* Hudson Valley \* Southern Tier \* Western New York*  
**(516) 487-9817**

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

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**OFFICIAL STATEMENT**  
**VILLAGE OF EAST HILLS**  
**NASSAU COUNTY, NEW YORK**

relating to

**\$6,600,000\***  
**REFUNDING SERIAL BONDS – 2021**

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Village of East Hills, in the County of Nassau, in the State of New York (the “Village”, “County” and “State,” respectively) in connection with the sale of \$6,600,000\* Refunding Serial Bonds – 2021 (the “Bonds”).

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

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 Village’s overall economic situation and outlook (and all of the specific Village-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 “*Risk Factors*” and “*Impacts of COVID-19*” herein.)

**THE BONDS**

***Description***

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable semiannually on February 1 and August 1 in each year until maturity, commencing August 1, 2021. The Bonds shall mature on August 1 in each year in the principal amounts specified on the inside cover page hereof. The Bonds will not be subject to redemption prior to maturity.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 and integral multiples thereof.

Purchasers will not receive certificates representing their ownership interests in book-entry Bonds. Principal and interest on such Bonds will be made by the Village to DTC, which will in turn remit such principal and interest to its Participants (defined herein), for subsequent disbursement to the Beneficial Owners of the Bonds as described under “*Book-Entry-Only System*,” herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Village referred to therein.

The record payment date for the payment of principal and interest on the Bonds will be the fifteenth day of the calendar month preceding each interest payment date.

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\*Preliminary, subject to change.

The Village will act as Paying Agent for the Bonds. The Village Clerk/Treasurer, Donna Gooch, dgooch@villageofeasthills.org, (516) 621-5600, shall be the Paying Agent contact.

***Authorization and the Refunding Plan for the Bonds***

The Bonds are issued pursuant to the Constitution and Laws of the State, including, among others, the Village Law, the Local Finance Law, including sections 90.00 and 90.10, and the refunding bond resolution duly adopted by the Village Board on April 13, 2021 (the “Refunding Bond Resolution”). A refunding financial plan has been prepared and is described on the following page (the “Refunding Plan”).

The Bonds are being issued to refund up to \$1,260,000 outstanding principal of the Village’s \$5,234,000 General Obligation Serial Bonds – 2009, which mature in the years 2022 to 2024, inclusive (the “Refunded 2009 Bonds”) and \$5,940,000 outstanding principal of the Village’s \$11,960,000 Refunding Serial Bonds – 2012, which mature in the years 2021 to 2026, inclusive (the “Refunded 2012 Bonds” and together with the Refunded 2009 Bonds, the “Refunded Bonds”). Under the Refunding Plan, the Refunded Bonds are to be called and redeemed on July 12, 2021. The net proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance relating to the Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the “Government Obligations”) which, together with remaining cash proceeds from the sale of the Bonds, will be placed in an irrevocable trust fund (the “Escrow Fund”) to be held by Manufacturers and Traders Trust Company, (the “Escrow Holder”), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the Village and the Escrow Holder, dated as of the delivery date of the Bonds (the “Escrow Contract”). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of and interest on the Refunded Bonds on the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the Refunding Bond Resolution of the Village and the Escrow Contract, to pay the redemption price of the Refunded Bonds on the earliest date on which the Refunded Bonds may be called for redemption prior to maturity.

The holders of the Refunded Bonds will have a first lien on all investment income from, and maturing principal of the Government Obligations, along with other available monies held in the Escrow Fund. The Escrow Contract shall terminate upon final payment by the Escrow Holder amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds, including interest payable with respect thereto.

The Refunding Plan will permit the Village to realize, as a result of the issuance of the Bonds, cumulative dollar and present value debt service savings.

Under the Refunding Plan, the Refunded Bonds will continue to be general obligation bonds of the Village. However, inasmuch as the Government Obligations held in the Escrow Fund will be sufficient to meet all required payments of principal and interest requirements when required in accordance with the Refunding Plan, it is not anticipated that any other source of payment will be required.

Refunded 2009 Bonds\*:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
May 15, 2022	\$ 405,000	3.375%	July 12, 2021 @ 100%	273096 DF1
May 15, 2023	420,000	3.500	July 12, 2021 @ 100%	273096 DG9
May 15, 2024	<u>435,000</u>	3.625	July 12, 2021 @ 100%	273096 DH7
Total:	<u>\$1,260,000</u>			

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\*Preliminary, subject to change.

2012 Refunded Bonds\*:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
December 1, 2021	\$ 935,000	2.000%	July 12, 2021 @ 100%	273096 DT1
December 1, 2022	955,000	2.000	July 12, 2021 @ 100%	273096 DU8
December 1, 2023	980,000	2.000	July 12, 2021 @ 100%	273096 DV6
December 1, 2024	1,000,000	2.125	July 12, 2021 @ 100%	273096 DW4
December 1, 2025	1,020,000	2.250	July 12, 2021 @ 100%	273096 DX2
December 1, 2026	<u>1,050,000</u>	2.375	July 12, 2021 @ 100%	273096 DY0
Total:	<u>\$5,940,000</u>			

***Sources and Uses of Proceeds for the Bonds***

Sources:

Par Amount  
 Net Original Issue Premium

Total:

Uses:

Refunding Escrow Deposit  
 Costs of Issuance and Contingency  
 Underwriter's Discount

Total:

***Verification of Mathematical Computations for the Bonds***

Causey, Demgen & Moore, P.C. will verify from the information provided to them, the mathematical accuracy, as of the date of the closing of the Bonds, of the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the underwriter's schedules, to be held in escrow, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. Causey, Demgen & Moore, P.C. will express no opinion on the assumptions provided to them, nor as to the exclusion from taxation of the interest on the Bonds.

***No Optional Redemption for the Bonds***

The Bonds are not callable prior to maturity.

***Nature of Obligation***

The Bonds when duly issued and paid for will constitute a contract between the Village and the holders thereof.

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

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\*Preliminary, subject to change.

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

### ***Description of Book-Entry System***

The Depository Trust Company ("DTC") will act as securities depository for the Bonds issued in book-entry form. Such Bonds issued in book-entry form will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

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

Source: The Depository Trust Company and Clearing Corporation.

## **REMEDIES UPON DEFAULT**

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

Upon default in the payment of principal of or interest on the Bonds at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Village. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from

funds lawfully available therefor or, in the absence thereof, to order the Village 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 Village and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Bonds, the owners of such Bonds could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Village to assess, levy and collect an ad valorem tax, upon all taxable property of the Village subject to taxation by the Village sufficient to pay the principal of and interest on the Bonds 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 Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Bondholders, 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 Village.

Pursuant to Article VIII, Section 2 of the State Constitution, the Village 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 bondholders and/or noteholders, 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.

### **NO PAST DUE DEBT**

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

### **MUNICIPAL BANKRUPTCY**

The undertakings of the Village 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 Village 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 Village after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The 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 Bonds, and the obligations incurred by the Village, 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 Bonds 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 enacted legislation establishing financial control boards and fiscal stability authorities to monitor finance matters and restructure outstanding indebtedness for the cities of Yonkers, Troy and Buffalo and for the counties of Nassau and Erie.

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

The above references to the Bankruptcy Act are not to be construed as an indication that the Village 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 Erie and Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and 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 of 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 Village 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.

## **RISK FACTORS**

There are certain potential risks associated with an investment in the Bonds, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The Village's credit rating could be affected by circumstances beyond the Village'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 catastrophes, could adversely affect the assessed valuation of Village 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 Village's credit rating could adversely affect the market value of the Bonds.

If and when an owner of the Bonds should elect to sell all or a part of the Bonds prior to 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 Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bonds are sold prior to their 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 Bonds. 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 Village to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The Village 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 Village's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities. The availability of such monies and the timeliness of such payment may also 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 novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. Should the Village 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 Village 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 Village 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 Bonds, for income taxation purposes could have an adverse effect on the market value of the (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 Village, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Bonds. (See "*The 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 Village could impair the financial condition of such entities, including the Village and the ability of such entities, including the Village to pay debt service on their respective obligations.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Village's financial condition and operating results 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 COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and

financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus in some areas and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact on the Village's operations and finances as a result of COVID-19 is extremely difficult to predict due to 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 spread of the outbreak or resurface later in the year could have a material adverse effect on the State and municipalities, including the Village. The Village is continuously monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

The Village expects the impact of the COVID-19 pandemic on its revenue to be minimal as evidenced by the 2020-2021 fiscal year's first half property tax collections exceeding the prior year's collections by 1%. The Village is not as dependent upon sales tax as are other municipalities as the Village's non-grant State aid represents less than 1% of its budgeted revenues. Additionally, the Village also expects minimal impact on its expenses as CARES Act proceeds distributed to the Village from the Town of North Hempstead will reimburse a substantial amount of COVID-related spending. Positively, as a suburb to New York City, the Village has seen an uptick in housing prices which may lead to higher assessed valuations.

## **CYBERSECURITY**

The Village, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Village potentially 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 attempt to protect against the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Village is guided by various procedures; however, no assurances can be given that such security and operational control measures will be successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial.

## **LITIGATION**

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

Not unlike other jurisdictions in Nassau County, the Village has experienced a number of tax certiorari petitions by various taxpayers in the Village in recent years. From time to time, the Village has issued debt obligations to fund settled or adjudicated claims. At this time, the Village does not believe that the outcome of current tax certiorari petitions will have a material adverse effect on the financial condition of the Village.

## **TAX MATTERS**

### ***Opinion of Bond Counsel***

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

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

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

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

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

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

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

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned

income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

### ***Original Issue Discount***

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

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

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

### ***Bond Premium***

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

### ***Information Reporting and Backup Withholding***

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class

of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

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

### ***Miscellaneous***

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

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

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village with respect to the Bonds, the form of which is set forth in Appendix D, hereto.

## **CONTINUING DISCLOSURE**

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”) with respect to the Bonds, the Village will execute an Undertaking to Provide Continuing Disclosure for the Bonds, the form of which is attached hereto as Appendix E.

## **RATINGS**

The Village has applied to Moody’s Investors Service, Inc. (“Moody’s”) for a rating on the Bonds. Such application is pending at this time.

Moody’s currently rates Village’s long-term underlying, indebtedness “Aa1”.

Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody’s Investors Service, Inc., 7 World Trade Center, New York, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody’s circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of such bonds or the availability of a secondary market for those bonds.

## **MUNICIPAL ADVISOR**

Capital Market Advisors, LLC, Great Neck and New York, New York (the “Municipal Advisor”), has served as the independent Municipal Advisor to the Village in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Village to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

## **ADDITIONAL INFORMATION**

Additional information may be obtained from Ms. Donna Gooch, Village Clerk/Treasurer, (516) 621-5600, [dgooch@villageofeasthills.org](mailto:dgooch@villageofeasthills.org) or from the Village’s Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, (516) 487-9817. The Village Clerk/Treasurer will act as Fiscal Agent and contact with respect to the Bonds.

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

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

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

Estimates and Forecasts. The statements contained in this Official Statement and the appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “illustrate,” “example,” and “continue,” or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the Village assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material.

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

VILLAGE OF EAST HILLS  
NASSAU COUNTY, NEW YORK

By: \_\_\_\_\_  
Donna Gooch  
Village Clerk/Treasurer

DATED: May \_\_\_, 2021

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**APPENDIX A**

**THE VILLAGE**

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## **THE VILLAGE**

### ***General Information***

The Village is located in the mid-northern section of Nassau County in the Town of North Hempstead, but for several residences that are located in the Town of Oyster Bay, approximately 35 miles east of Manhattan. The Village is bounded on the west by the village of Roslyn and on the east by the villages of Old Westbury and Brookville. The Village's population is 7,233 according to the United States Census Bureau's 2019 Population Estimates.

The Village is primarily a residential suburb of New York City. There are shopping and commercial areas within the Village located on Glen Cove Road, Northern Boulevard and Roslyn Road, with the Manhasset "Miracle Mile" in close proximity.

The Village is accessible to the Long Island Expressway and Northern Boulevard, giving vehicular traffic ready access to New York City or eastern Long Island. The Long Island Railroad operates at frequent intervals from the nearby Roslyn Station.

A Building Zoning Code adopted by the Board of Trustees regulates the use of land and the type of construction which may be erected within the Village. The entire Village is restricted to residential construction, except for certain portions abutting Glen Cove Road, Roslyn Road and Northern Boulevard which are zoned for business or light industrial. On June 23, 2011, the Village Board created a business park district that will be used to promote business development within the Village.

The Village provides snow clearing, paving and sanding for Village streets, park facilities, security, fire protection, administration, programs, entertainment, and sanitation services for the removal of household refuse. Water, electric, and gas services are provided by Roslyn Water, PSEG Long Island, and National Grid, respectively.

### ***Elected and Appointed Officials***

The Village Board of Trustees (the "Board") is the legislative, appropriating, governing and policy-determining body of the Village and consists of four trustees and the Mayor, elected to serve four year terms and may serve an unlimited number of terms. It is the responsibility of the Board to enact legislation by resolution and by local law, after public hearing. Annual operating budgets for the Village must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Board. The issuance of indebtedness by the Village is subject to approval by the Board.

The Mayor is the chief executive of the Village. In addition, the Mayor is a full member of and the presiding officer of the Board. The Mayor has a number of appointment powers, which are subject to the approval of the Board.

The Village Clerk/Treasurer is the fiscal officer of the Village and is appointed by the Mayor, subject to confirmation by the Board and serves at the pleasure of the Board. The Clerk/Treasurer's responsibilities include custody of the corporate seal, books, records and papers of the Village and all reports, communications and minutes of meetings of the Village boards and commissions. The Village Clerk/Treasurer is responsible for maintaining Village accounting records, collection of taxes, personnel records, investment of Village funds, and debt management.

### ***Services and Programs***

The Village offers a full range of services including refuse collection, snow removal, street lighting, road maintenance, storm-catch basin maintenance and building inspection. Each of these services is funded by real property taxes or user fees. Emergency medical services and fire protection are provided by the Roslyn Rescue Hook & Ladder Co. No. 1 and the Roslyn Highland Hook Ladder Engine & Hose Co., Inc.

Educational services are provided by the Roslyn Union Free School District. The Village Board exercises no oversight over school operations which are governed by a separately elected board. Other services performed at the Village level include zoning, administration and planning review.

### ***Employees***

The Village employs 46 full-time, 7 part-time persons (with 6 still furloughed due to COVID restrictions and facility closures). The Village also has 6 elected officials and 51 seasonal employees. The CSEA 1000 has been recognized as a bargaining unit for the Department of Public Works, covering 16 employees. The contract for this unit expires on June 30, 2023.

### ***Employee Pension Benefits***

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System (the "Retirement System" or "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 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 for employees in retirement tiers 1-4 vest after 5 years of credited service while those in tiers 5 and 6 vest after 10 years of credited service. 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. Except as noted below, all members hired on or after July 27, 1976 must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary.

On December 10, 2009, the Governor signed in to law a new Tier 5. The law is effective for new ERS employees hired after January 1, 2010. New ERS employees will now contribute 3% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law a 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 ten years of employment and will continue to make employee contributions throughout employment.

The New York State Retirement System has advised the Village that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Village has prepaid its employer contributions each December since the option was made available in 2004.

Due to significant capital market declines in certain years in the recent past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rate for the State's Retirement System in 2011 and subsequent years will be higher than the minimum contribution rate established by applicable law. To mitigate the expected increases in the employer contribution rate, legislation has been enacted that would permit local governments and schools districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5% percent. The new legislation also authorizes local governments and school districts to establish reserve accounts to fund future payment increases that are a result of fluctuations in pension plan performance.

For the fiscal years ended May 31, 2017, 2018, 2019, 2020 and 2021 the Village paid \$347,877, \$377,605, \$393,777, \$383,145 and \$421,517 respectively to ERS.

### ***Other Post Employment Benefits***

The Village implemented GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), which replaced GASB Statement No. 45 as of fiscal year ended May 31, 2019. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial valuation using a measurement date that is no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year.

GASB 75 requires that most changes in the OPEB liability be included in OPEB expense in the period of the changes. Based on the results of an actuarial valuation, certain changes in the OPEB liability are required to be included in OPEB expense over current and future years.

The Village’s total OPEB liability as of May 31, 2020 was \$19,874,246 using a discount rate of 2.60% and actuarial assumptions and other inputs as described in the Village’s May 31, 2020 audited financial statements.

Should the Village be required to fund the total OPEB liability, it could have a material adverse impact upon the Village’s finances and could force the Village to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the Village to partially fund its OPEB liability.

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Village will continue funding this expenditure on a pay-as-you-go basis.

Legislation has been introduced from time to time to authorize the creation of an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. Such proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State’s OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. The Village cannot predict whether such legislation will be enacted into law in the foreseeable future.

## **FINANCIAL FACTORS**

### ***Budgetary Procedure***

The Village Clerk/Treasurer is the budget officer of the Village and submits the tentative budget for the next fiscal year to the Board on or before March 15 of each year. Public hearings on the budget are held on or before April 15. Members of the public may express their views on the budget, but there is no provision for a formal vote. Following the public hearing, and on or before May 1, the Board meets to adopt the final budget. The Village fiscal year is from June 1 to May 31. Chapter 97 of the New York Laws of 2011 (the “Tax Levy Limit Law”) imposes a limitation on increases in the real property tax levy of the Village, subject to certain exceptions outlined in the Tax Levy Limit Law. All budgets of the Village adopted in accordance with the procedure discussed herein must comply with the requirements of the Tax Levy Limit Law.

Budgetary control is the responsibility of the Village Clerk/Treasurer. Formal integration of the budget with the accounting system is used during the year as a management tool for all governmental funds.

### ***Independent Audits***

The Village retained the firm Nawrocki Smith, LLP Certified Public Accountants to audit its financial statements for the fiscal years ended May 31, 2014 through 2020; inclusive. In addition, the Village is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

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

The Village has two basic fund categories (Governmental Funds and Fiduciary Funds) and three generic fund types. Governmental Funds are those through which most governmental functions of the Village are financed and include two fund types, as follows. The General Fund is the principal operating fund and includes all operations not required to be recorded in other funds. The Special Revenue – Parkland Fund is used to account for special assessments from subdivisions that are specifically restricted for the improvement and conservation of parklands within the Village. The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The other fund category, Fiduciary Funds, is used to account for assets held by the Village in a trustee or custodial capacity and includes a Trust and Agency Fund.

### ***Basis of Accounting***

The Village maintains its records and reports on the modified accrual basis of accounting for recording transactions in all governmental funds. Under this method, (1) revenues are recorded when received in cash except that for revenues which are material and susceptible to accrual (measurable and available to finance the current year's operations) which are recorded when earned, and (2) expenditures, other than retirement plan contributions, other post-employment benefits, vacation and sick pay, and accrued interest are recorded at the time liabilities are incurred.

### ***Revenue***

The Village derives most of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein.) Property taxes accounted for 75.7% of total general fund revenues for the fiscal year ended May 31, 2020, while State aid accounted for 4.8%. On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Village, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Village. See "*Tax Levy Limit Law*," herein.

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**Property Tax.** The following table sets forth total general fund revenues and real property taxes received for each of the last five fiscal years and the amounts budgeted for the current and upcoming fiscal years.

**General Fund Revenues & Real Property Taxes**

<u>Fiscal Year</u> <u>Ended May 31:</u>	<u>Total</u> <u>Revenues<sup>(1)</sup></u>	<u>Real Property</u> <u>Taxes</u>	<u>Real Property</u> <u>Taxes to</u> <u>Revenues</u>
2016	\$10,525,967	\$7,920,155	75.2%
2017	10,575,190	8,077,362	76.4
2018	11,205,814	8,194,310	73.1
2019	11,073,166	8,253,324	74.5
2020	11,157,165	8,447,598	75.7
2021 (Adopted Budget)	13,005,392	8,616,460	66.3
2022 (Tentative Budget)	12,951,797	8,800,946	68.0

(1) General Fund.

Source: Audited Financial Statements and Adopted and Tentative Budgets of the Village. Summary itself is not audited.

**State Aid.** The Village receives financial assistance from the State. In its budget for the current fiscal year, approximately 3.3% of the total general fund revenues of the Village are estimated to be received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in any year, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained in the future. There can be no assurances that the State’s financial position will not change materially or adversely from current projections. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Village, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also “*RISK FACTORS*” herein.)

The Governor’s Executive Budget for the State’s 2019-2020 fiscal year included the elimination of State Aid and Incentives for Municipalities (“AIM”) for certain municipalities, including the Village. However, in the State’s final 2019-2020 Executive Budget, additional sales tax revenue from the elimination of the internet tax advantage will be used to keep towns and villages whole.

The State’s 2020-2021 Adopted Budget authorizes the State’s Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State’s 2020-2021 budget is balanced during three “measurement periods”: April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if “a General Fund imbalance has occurred during any Measurement Period,” the State’s Budget Director will be empowered to “adjust or reduce any general fund and/or state special revenue fund appropriation ... and related cash disbursement by any amount needed to maintain a balanced budget,” and “such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed.” The legislation further provides that prior to making any adjustments or reductions, the State’s Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director’s reductions take effect automatically.

On October 30, 2020, the New York State Division of the Budget released the fiscal year ending 2021 First Quarterly State Budget Financial Plan Update, which projects a \$14.9 billion General Fund revenue decline and a 15.3% decline in tax receipts from prior budget forecasts. The State further projects a total revenue loss of \$63

billion through the State’s fiscal year ending 2024 as a direct consequence of the COVID-19 pandemic. The State has announced that in the absence of Federal funding to offset this revenue loss, the State has begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. According to the State, all or a portion of such temporary reductions in aid payments may be converted to permanent reductions, depending on the size and timing of any new Federal aid. Such reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy.

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State’s 2019-2020 Budget continues authorization for a process by which the State would manage significant reductions in federal aid during Federal fiscal year 2020 and 2021 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by \$850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by \$850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State’s General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

Should the Village fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the Village is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

The following table sets forth total general fund revenues and State aid revenues received for each of the last five fiscal years and the amounts budgeted for the current and upcoming fiscal years.

**General Fund Revenues & State Aid Revenues**

Fiscal Year <u>Ended May 31:</u>	Total <u>Revenues<sup>(1)</sup></u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2016	\$10,525,967	\$617,011	5.9%
2017	10,575,190	471,267	4.5
2018	11,205,814	488,734	4.4
2019	11,073,166	565,031	5.1
2020	11,157,165	537,452	4.8
2021 (Adopted Budget)	13,005,392	431,207	3.3
2022 (Tentative Budget)	12,951,797	431,207	3.3

(1) General Fund.

Source: Audited Financial Statements and Adopted and Tentative Budgets of the Village. Summary itself is not audited.

## TAX INFORMATION

### *Real Estate Tax Limit*

The Village is responsible for levying taxes for Village purposes. The Village's real property tax levying powers, other than for debt service and certain other enumerated purposes, are limited by the State Constitution to two percent of the five-year average full valuation of taxable real property of the Village.

The following table sets forth the computation of the Village's real estate tax limit and the determination of its tax margin for the last five fiscal years.

<b><u>Real Property Tax Assessment and Rates</u></b>			
Fiscal Year Ending <u>May 31:</u>	<u>Assessed Valuation</u>	State Equalization <u>Ratio</u>	<u>Full Valuation</u>
2017	\$32,822,103	1.54	\$ 2,131,305,390
2018	33,183,590	1.54	2,154,778,571
2019	33,638,676	1.49	2,257,629,262
2020	34,397,790	1.40	2,456,985,000
2021	34,921,382	1.36	<u>2,567,748,676</u>
			\$11,568,446,899
Five-Year Average Valuation			2,313,689,380
Tax Limit: 2% of Average Five-Year Full Valuation:			46,273,787
Total Tax Levy			8,800,950
Total Exclusions:			<u>1,808,485</u>
Tax Levy Subject to Tax Limit			6,992,465
Constitutional Tax Margin			<u>\$ 39,281,323</u>
Percent of Tax Limit Exhausted			<u>15.11%</u>

Source: Village Clerk/Treasurer, Village of East Hills and the New York State, Board of Real Property Services.

### *Valuations and Tax Data*

The following table shows the trend during the last five years for taxable assessed valuations, state equalization ratios, full valuations, real property taxes and real property tax rates per \$100 assessed valuation.

	<b><u>Valuations and Tax Data<sup>(1)</sup></u></b>				
	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
Assessed Value	\$ 32,822,103	\$33,183,590	\$33,638,676	\$ 34,397,790	\$ 34,921,382
Equal. Ratio	1.54%	1.54%	1.49%	1.40%	1.36%
Full Value	2,131,305,390	2,154,778,571	2,257,629,262	2,456,985,000	2,567,748,676
Tax Levy:	8,098,487	8,187,679	8,299,967	8,487,720	8,616,460
Tax Rate <sup>(2)</sup>	\$ 24.67388	\$ 24.67388	\$ 24.67388	\$ 24.67519	\$ 24.67388

(1) The Village performs its own tax assessing.

(2) Per \$100 assessed valuation.

Source: Office of the New York State Comptroller.

## ***Tax Levy Limit Law***

Prior to the enactment of Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"), all the taxable real property within the Village had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Village and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Village for any fiscal year commencing after January 1, 2012, without providing an exclusion for debt service on obligations issued by the Village. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village, without limitation as to rate or amount 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 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 Village, subject to certain exceptions. The Tax Levy Limit Law permits the Village 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 Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision 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 Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The governing board of the Village may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Village first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the Village, a local law to override such limit for such coming fiscal year. The Village has never exceeded the cap.

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 Village 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.

## ***Tax Collection Enforcement Procedure and History***

Property taxes are levied annually no later than May 15 and become due June 1. The Village collects its own taxes. Taxes are collected during the month of June without penalty. Taxes levied become a lien on June 1. A 5% penalty is assessed on taxes paid after July 1, and an additional 1% is assessed each month on taxes paid after July.

After the certification and return of the tax warrant to the Board, the uncollected tax items are eligible to be sold at an annual sale pursuant to the provisions of the Real Property Tax Law. Unsold tax liens are fully reserved.

**Real Property Tax Levies and Collections**

Fiscal Year Ending May 31:	Gross Tax Levy	Current Taxes Collected	Percentage Current Taxes Collected
2017	\$8,098,487	\$8,087,959	99.87
2018	8,187,679	8,166,391	99.74
2019	8,299,967	8,261,787	99.54
2020	8,487,720	8,438,893	99.43
2021	8,616,460	8,525,126	98.94 <sup>(1)</sup>

(1) As of April 28, 2021.

Source: Village Clerk/Treasurer.

***Ten Largest Taxpayers***

The following table sets forth the ten largest taxpayers located in the Village for the fiscal year ended May 31, 2021.

**Taxable Assessments**

<u>Taxpayer</u>	<u>Assessed Valuation<sup>(1)</sup></u>	<u>% Total Assessed Valuation</u>
East Hills Center LLC	\$ 311,750	0.89%
LIPA	268,810	0.77
Keyspan Energy Group	252,247	0.72
Forest Drive Realty, LLC	145,000	0.42
LIPA	107,450	0.31
Gould 70 Glen Cove Road LLC	78,780	0.23
Suburban Properties	70,150	0.20
JRJM Development II, LLC	50,000	0.14
Betoch Realty & Tishkon Realty	50,000	0.14
Kearney Motors Inc.	<u>50,000</u>	<u>0.14</u>
Total:	<u>\$1,384,187</u>	<u>3.96%</u>

(1) The Village’s assessed value for the May 31, 2021 fiscal year was \$34,921,382.

Source: Village Clerk/Treasurer.

**VILLAGE INDEBTEDNESS**

***Constitutional and Statutory Requirements***

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

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

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

***Payment and Maturity.*** Except for certain short-term indebtedness contracted in anticipation of taxes, 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 purposes for which it is contracted, unless the Village determines to issue debt amortized on the basis of substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

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

***Debt Limit.*** The Village has the power to contract indebtedness for any Village purpose so long as the aggregate outstanding principal amount thereof shall not exceed seven per centum of the most recent five-year average full valuation of taxable real estate of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the final equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such rate shall be determined. The average full valuation is determined by taking the sum of full valuations of such last completed assessment roll and the four preceding assessment rolls, and dividing such sum by five.

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

### ***Statutory Procedure***

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

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Village Board, the finance board of the Village. Certain such resolutions may be subject to permissive referendum, or may be submitted to the Village voters at the discretion of the Village Board.

The Local Finance Law also provides for a twenty-day statute of limitations after publication of a bond resolution (in summary or in full), together with a statutory notice which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The Village has complied with such procedure with respect to the Bonds.

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 Village Board may delegate the power to issue and sell bonds and notes to the Village Clerk/Treasurer, the chief fiscal officer of the Village. The Village Board has made such a delegation with respect to the issuance of the Bonds.

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

### ***Constitutional Debt-Contracting Limitation***

The following table sets forth the current debt contracting limitation of the Village.

<b><u>Debt Contracting Limitation</u></b>			
Fiscal Year Ended <u>May 31:</u>	Assessed <u>Valuation</u>	State Equalization <u>Ratio<sup>(1)</sup></u>	Full <u>Valuation</u>
2017	\$32,123,407	1.61	\$ 1,995,242,671
2018	32,822,103	1.54	2,131,305,390
2019	33,183,590	1.54	2,257,629,262
2020	33,638,676	1.49	2,184,329,610
2021	34,397,790	1.40	<u>2,456,985,000</u>
Total Five-Year Full Valuation			\$11,025,491,933
Average Five-Year Full Valuation			2,205,098,386
Debt Contracting Limitation – 7% of Average Full Valuation			<u>\$ 154,356,887</u>

(1) Equalization rates are established by the New York State Board of Real Property Services and the State Comptroller’s Office.

Source: New York State Board of Real Property Services.

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The following table, based on information furnished by the Village, presents the debt incurring power of the Village and shows that the Village is within its constitutional debt limit, as of May 11, 2021.

**Statement of Debt-Contracting Power**

Debt-Contracting Limitation:	\$154,356,887
Gross Direct Indebtedness	
Serial Bonds	\$ 7,680,000
Bond Anticipation Notes	<u>922,000</u>
Total Gross Direct Indebtedness	<u>\$ 8,602,000</u>
Less Exclusions and Deductions:	
Appropriations During Current Fiscal Year	
During 2020-2021 Fiscal Year	<u>\$ 480,000</u>
Total Net Direct Indebtedness	<u>8,122,000</u>
Debt-Contracting Margin	<u>\$146,234,887</u>
Percentage of Debt-Contracting Power Exhausted	<u>5.26%</u>

***Trend of Capital Indebtedness***

The following table sets forth the amount of direct capital indebtedness outstanding for each of the last five fiscal years.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds:	\$13,695,000	\$12,475,000	\$11,220,000	\$ 9,935,000	\$8,585,000
Bond Anticipation Notes:	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,200,000</u>	<u>1,200,000</u>
Total:	<u>\$13,695,000</u>	<u>\$12,475,000</u>	<u>\$11,220,000</u>	<u>\$11,135,000</u>	<u>\$9,785,000</u>

Source: Audited Financial Statements of the Village.

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### ***Overlapping and Underlying Debt***

The real property taxpayers of the Village are responsible for a proportionate share of outstanding debt obligations of the County, as well as the Towns of North Hempstead and Oyster Bay, and the Roslyn Union Free School District. Such taxpayers' share of this overlapping debt is based upon the amount of the Village's equalized property values taken as a percentage of each separate units' total values. The table below sets forth both the total outstanding principal amount of debt issued by the Village and the approximate magnitude of the burden on taxable property in the Village of the debt issued and outstanding by such overlapping entities.

#### **Statement of Direct and Overlapping Indebtedness**

Gross Direct Indebtedness	\$ 8,602,000
Exclusions and Deductions	<u>480,000</u>
Net Direct Indebtedness	<u>\$ 8,122,000</u>

#### **Overlapping Debt**

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>Net Indebtedness as of:</u>	<u>Village Share</u>	<u>Amount Applicable To Village</u>
Nassau County	\$3,029,044,000	02/17/21	0.03%	\$ 908,713
North Hempstead Town	282,936,109	03/04/21	1.06	2,999,123
Oyster Bay Town	526,358,009	02/16/21	0.02	105,272
Roslyn UFSD	24,975,000	06/30/20	1.11	<u>277,223</u>

Total Net Overlapping Debt	\$ 4,290,331
Total Net Direct Debt	<u>8,122,000</u>

Total Net Direct and Overlapping Debt	<u>\$12,412,331</u>
---------------------------------------	---------------------

Source: County, Town and District Officials.

### ***Debt Ratios***

The following table presents certain debt ratios relating to the Village's direct and overlapping indebtedness.

#### **Debt Ratios**

	<u>Amount</u>	<u>Debt Per Capita<sup>(1)</sup></u>	<u>Debt to Full Value<sup>(2)</sup></u>
Net Direct Debt	\$ 8,122,000	\$1,123	0.33%
Net Direct and Overlapping Debt	12,412,331	1,716	0.51

(1) The current population of the Village is estimated to be 7,233 by Village officials.

(2) The full valuation of real property located in the Village for the 2021 fiscal year is \$2,456,985,000.

### ***Bond Anticipation Notes***

On August 13, 2020, the Village issued \$922,000 Bond Anticipation Notes – 2020 which mature on August 13, 2021.

***Debt Service Schedule***

The following table sets forth the debt service requirements to maturity of the Village’s bonded general obligation indebtedness, exclusive of the Bonds.

**Bond Principal and Interest Maturity Table**

Fiscal Year <u>Ending May 31:</u>	<u>Principal</u>	<u>Interest</u>	Total <u>Debt Service<sup>(1)</sup></u>
2021 <sup>(1)</sup>	\$ 1,385,000	\$ 214,550	\$ 1,599,550
2022	1,340,000	170,675	1,510,675
2023	1,375,000	138,306	1,513,306
2024	1,415,000	104,506	1,519,506
2025	1,000,000	69,137	1,069,137
2026	1,020,000	47,888	1,067,888
2027	<u>1,050,000</u>	<u>24,938</u>	<u>1,074,938</u>
Total:	<u>\$ 8,585,000</u>	<u>\$ 770,000</u>	<u>\$ 9,355,000</u>

(1) For the entire fiscal year.

Source: Audited Financial Statements of the Village.

***Prospective Capital Financing***

The Village does not anticipate any additional borrowings during the current fiscal year.

**ECONOMIC AND DEMOGRAPHIC DATA**

***Population***

The current population of the Village is 7,233, according to the United States Census Bureau’s 2019 Population Estimates. The following represents the population trends for the Village, Town of North Hempstead (the “Town”), County and State, based on recent census data.

	<u>Population Trend</u>		Percentage <u>Change</u> <u>2000/2010</u>
	<u>2000</u>	<u>2010</u>	
Village	6,842	6,955	1.7%
Town	222,611	226,322	1.7
County	1,334,544	1,339,532	0.4
State	18,976,457	19,378,102	2.1

Source: New York State Department of Economic Development. State Data Center.

## ***Income***

The following table presents median family income for the Village, Town, County and State.

	<b><u>Median Family Income</u></b>	
	<u>2000</u>	<u>2015</u>
Village	\$159,316	\$163,710
Town	91,231	104,698
County	77,147	99,465
State	52,313	59,269

Source: U.S. Census Bureau.

## ***Employment and Unemployment***

Data provided for the Town, County and State is not necessarily representative of the Village.

	<b><u>Civilian Labor Force</u></b>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town	113,100	114,200	114,300	114,800	112,700
County	700,100	705,700	705,600	708,300	698,900
State	9,527,000	9,549,000	9,511,200	9,507,100	9,289,200

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

Data provided for the Town, County and State is not necessarily representative of the Village.

	<b><u>Yearly Average Unemployment Rates</u></b>			
<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>	
2016	3.7%	4.0%	4.9%	
2017	3.7	4.1	4.6	
2018	3.3	3.5	4.1	
2019	3.1	3.3	3.8	
2020	7.8	8.4	10.0	

Source: New York State Department of Labor, Bureau of Labor Statistic. Information not seasonally adjusted.

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Data provided from the Town, County and State is not necessarily representative of the Village.

**Monthly Unemployment Rates**

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
April 2020	15.8%	17.1%	16.2%
May	12.0	13.2	15.7
June	12.1	13.0	14.8
July	12.0	12.8	14.8
August	9.1	9.8	11.6
September	6.3	6.8	9.9
October	5.7	6.1	8.3
November	5.4	5.9	8.3
December	5.3	5.8	8.5
January 2021	5.9	6.3	9.4
February	6.4	6.7	9.7
March	5.5	5.9	8.5

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

***Utilities***

The residents of the Village receive electricity service from the PSEG Long Island, natural gas service from National Grid and water services from the Roslyn Water District.

***Transportation***

Various roads lead to and from the Village, giving surface traffic ready access to the major east/west arteries leading either into New York City, or to eastern Long Island. These include Northern Boulevard (Route 25A), Northern State Parkway and the Long Island Expressway.

***Education and Culture***

The Village is served by the Bryant Library and the Roslyn Water District. Primary and secondary education is provided by the Roslyn Union Free School District.

Colleges and Universities in the area include Adelphi University, Hofstra University, Long Island University (C.W. Post), Long Island Institute of Technology and Nassau Community College.

***Financial Institutions***

There are banking facilities in or near the Village provided by branches of the following banks: Bank of America, JPMorgan Chase Bank, TD Bank, State Bank of Long Island and Wells Fargo.

**END OF APPENDIX A**

**APPENDIX B**

**SUMMARY FINANCIAL STATEMENTS**

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Adopted and Tentative Budgets - General Fund  
Fiscal Year Ending May 31:

	Adopted Budget <u>2021</u>	Tentative Budget <u>2022</u>
Revenues:		
Real Property Tax	\$ 8,616,460	\$ 8,800,946
Other Tax Items	213,859	174,476
Non-Property Taxes	334,325	334,325
Departmental Income		
General	40,000	47,000
Public Safety	180,000	195,000
Culture & Recreation	64,350	8,150
Transportation	67,500	69,500
Use of Money and Property	25,000	25,000
Licenses and Permits	617,750	653,250
Fines and Forfeitures	387,000	300,000
Miscellaneous	30,000	15,000
State Aid	431,207	431,207
Appropriated Fund Balance	<u>1,997,941</u>	<u>1,897,943</u>
 Total Revenues	 <u>\$ 13,005,392</u>	 <u>\$ 12,951,797</u>
 Expenditures:		
General Government Support	\$ 2,336,243	\$ 2,291,243
Public Safety	2,471,675	2,524,610
Public Health	1,000	1,000
Transportation	1,509,142	1,534,678
Economic Assistance & Opportunity	30,000	30,000
Culture and Recreation	1,286,800	1,286,800
Home & Community Services	1,027,050	1,036,050
Employee Benefits	2,438,931	2,438,931
Debt Service	<u>1,904,551</u>	<u>1,808,485</u>
 Total Expenditures	 <u>\$ 13,005,392</u>	 <u>\$ 12,951,797</u>

Source: Adopted and Tentative Budgets of the Village.

**VILLAGE OF EAST HILLS**

Combined Balance Sheet - General Fund  
Fiscal Year Ending May 31

	<u>2019</u>	<u>2020</u>
<b>Assets:</b>		
Cash	\$ 6,799,210	\$ 4,311,058
Taxes receivable	149,841	188,815
Accounts Receivable	63,488	58,147
Due from State and Federal	455,901	467,034
Due from other funds	154,133	1,754,529
Prepaid expenditures	278,469	441,759
Service Award Program	869,564	1,000,426
 Total Assets	 <u>\$ 8,770,606</u>	 <u>\$ 8,221,768</u>
 <b>Liabilities:</b>		
Accounts Payable	\$ 753,314	\$ 662,295
Accrued Liabilities	230,277	129,997
Due to employees retirement system	<u>63,858</u>	<u>70,253</u>
 Total Liabilities	 <u>\$ 1,047,449</u>	 <u>\$ 862,545</u>
 <b>Deferred Inflows of Resources:</b>		
Resources not available for current use and are for subsequent year	 <u>\$ 147,667</u>	 <u>\$ 171,205</u>
 <b>Fund Equity:</b>		
Fund Balances:		
Nonspendable: Prepaid	\$ 278,469	\$ 441,759
Restricted for Unemployment	15,941	15,954
Restricted for Service award program	869,564	1,000,426
Assigned	2,780,634	2,288,125
Unassigned	<u>3,630,882</u>	<u>3,441,754</u>
 Total Fund Balance	 <u>7,575,490</u>	 <u>7,188,018</u>
 Total Liabilities, Deferred Inflows and Fund Balance	 <u>\$ 8,770,606</u>	 <u>\$ 8,221,768</u>

Source: Audited Financial Statements of the Village. Summary itself is not audited.

**VILLAGE OF EAST HILLS**

Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund  
Fiscal Year Ended May 31:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:					
Real Property Taxes	\$ 7,920,155	\$ 8,077,362	\$ 8,194,310	\$ 8,253,324	\$ 8,447,598
Other Tax Items	164,547	177,530	229,892	194,359	190,784
Non-Property Taxes	347,050	338,015	338,181	388,503	351,840
Departmental Income	407,289	334,736	482,210	383,692	417,682
Intergovernmental Charge	-	44,323	-	-	-
Use of Money & Property	11,691	9,782	18,158	41,597	32,073
Licences and Permits	666,113	668,408	769,198	649,489	648,844
Fines and Forfeitures	258,523	346,388	423,045	550,705	316,027
Sale of Prop. & Comp. for Loss	44,182	31,976	21,981	31,639	42,140
State Aid	617,011	471,267	488,734	565,031	537,452
Federal Aid	3,605	-	-	-	-
Miscellaneous	85,801	75,403	240,105	14,827	172,725
	<u>10,525,967</u>	<u>10,575,190</u>	<u>11,205,814</u>	<u>11,073,166</u>	<u>11,157,165</u>
Total Revenue					
Expenditures:					
General Government Support	\$ 1,647,567	\$ 1,986,008	\$ 1,605,038	\$ 1,627,588	\$ 1,585,086
Public Safety	1,942,063	2,051,342	2,278,304	2,229,557	2,380,011
Health	1,680	860	1,338	1,500	1,150
Transportation	3,166,462	2,104,025	1,765,337	1,340,698	2,013,718
Economic Opportunity & Development	23,680	22,734	26,601	18,772	16,129
Culture and Recreation	1,113,183	1,102,427	1,085,157	1,027,589	910,854
Home & Community Services	933,164	767,926	758,298	781,740	764,392
Employee Benefits	1,726,329	1,863,037	2,107,176	2,262,141	2,239,347
Debt Service	1,574,069	1,584,481	1,589,900	1,581,150	1,633,950
	<u>12,128,197</u>	<u>11,482,840</u>	<u>11,217,149</u>	<u>10,870,735</u>	<u>11,544,637</u>
Total Expenditures					
Excess (Def) of Revenues Over Expenditures	(1,602,230)	(907,650)	(11,335)	202,431	(387,472)
Other Financing Sources (Uses):					
Operating Transfers In	\$ -	\$ -	\$ 70,054	\$ -	\$ -
Operating Transfers Out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>70,054</u>	<u>-</u>	<u>-</u>
Total Other Sources (Uses)					
Excess (Def) of Revenues & Other Sources Over Expenditures & Other Uses	(1,602,230)	(907,650)	58,719	202,431	(387,472)
Fund Balance - Beg. of Year	9,016,493	7,414,263	6,506,613	7,373,059	7,575,490
Prior Period Adjustment	-	-	807,727	-	-
Fund Balance - End of Year	<u>\$ 7,414,263</u>	<u>\$ 6,506,613</u>	<u>\$ 7,373,059</u>	<u>\$ 7,575,490</u>	<u>\$ 7,188,018</u>

Source: Audited Financial Statements of the Village. Summary itself is not audited.

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**APPENDIX C**

**AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED  
MAY 31, 2020**

**CAN BE ACCESSED ON THE ELECTRONIC MUNICIPAL MARKET ACCESS  
("EMMA") WEBSITE  
OF THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB")  
AT THE FOLLOWING LINK:**

<https://emma.msrb.org/P21512669.pdf>

**The audited financial statements referenced above are hereby incorporated into this  
Official Statement.**

**\* Such Financial Statements and opinion are intended to be representative only as of the date thereof. Nawrocki Smith LLP has not been requested by the Village to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

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**APPENDIX D**

**FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL**

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

June 10, 2021

The Board of Trustees of the  
Village of East Hills, in the  
County of Nassau, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of East Hills (the “Village”), 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 Village’s \$6,600,000 Refunding Serial Bonds-2021 (the “Bonds”), dated and delivered on the date hereof.

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

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

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

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

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

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

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

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

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

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

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

**APPENDIX E**

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

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## UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

### Section 1. Definitions

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

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

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

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

“Issuer” shall mean the Village of East Hills, 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 contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Village Treasurer as of May 20, 2021.

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

“Securities” shall mean the Issuer’s \$6,600,000 Refunding Serial Bonds-2021, dated June 10, 2021, maturing in various principal amounts on August 1<sup>st</sup> in each of the years 2021 through 2026, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, to the EMMA System:

- (i) (A) no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending May 31, 2021, the Annual Information relating to such fiscal year, and (B) no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending May 31, 2021, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements

shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one year (1) after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for

the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

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

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

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

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

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the heading "LITIGATION" and in Appendix A under the headings: "THE VILLAGE", "FINANCIAL FACTORS", "TAX INFORMATION", "VILLAGE INDEBTEDNESS" and "ECONOMIC AND DEMOGRAPHIC DATA" and in Appendix B.

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

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

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

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

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

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

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

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

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

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

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

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **June 10, 2021**.

**VILLAGE OF EAST HILLS**

By \_\_\_\_\_  
Village Treasurer and Chief Fiscal Officer