

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 10, 2025

**NEW AND RENEWAL ISSUES
BOND ANTICIPATION NOTES**

RATINGS: (See “RATINGS” herein)

In the opinion of Harris Beach Murtha Cullina PLLC, Bond Counsel to the Village, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the Village with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), and the accuracy of certain representations made by the Village, interest on the Series A Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an “item of tax preference” for purposes of the Federal alternative minimum tax imposed on individuals. However, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of “adjusted financial statement income” for purposes of the Federal alternative minimum tax imposed on such corporations. Interest on the Series B Notes is included in gross income of the owners thereof for Federal income tax purposes. In addition, interest on the Series B Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of “adjusted financial statement income” for purposes of the Federal alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that under existing statutes interest on the Series A Notes and the Series B Notes is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See “TAX MATTERS” herein.

The Series A Notes and the Series B Notes WILL NOT be designated by the Village as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

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

\$26,000,000

**BOND ANTICIPATION NOTES – 2025 SERIES A
(the “Series A Notes”)**

Date of Issue: May 1, 2025

Maturity Date: May 1, 2026

and

\$3,500,000

**BOND ANTICIPATION NOTES – 2025 SERIES B (FEDERALLY TAXABLE)
(the “Series B Notes” and together with the Series A Notes, the “Notes”)**

Date of Issue: May 1, 2025

Maturity Date: May 1, 2026

The Notes are general obligations of the Village of Hempstead, 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 Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Village, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (see “*REAL PROPERTY TAXES – Tax Levy Limitation Law*” in Appendix A hereto).

The Notes are dated their respective Dates of Issue and bear interest from that date until their respective Maturity Dates, at the annual rate(s) as specified by the purchaser(s) of each of the Notes. The Notes will not be subject to redemption prior to maturity.

At the option of the purchaser, the Notes of either series will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry form registered to Cede & Co., as the partnership nominee for The Depository Trust Company (“DTC”).

If the Notes are issued registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Village, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

DTC will act as Securities Depository for those Notes issued as book-entry notes registered to Cede & Co. 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 those Notes issued as book-entry-only notes. Payment of the principal of and interest on such Notes 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 Notes as described herein. (See “*Book-Entry-Only System*” herein.)

The Notes are offered when, as and if issued by the Village subject to the receipt of the final approving opinion of Harris Beach Murtha Cullina PLLC, New York, New York, Bond Counsel to the Village, and certain other conditions. Capital Markets Advisors, LLC has served as Municipal Advisor to the Village in connection with the issuance of the Notes. It is expected that delivery of the Notes will be made on or about May 1, 2025.

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 NOTES AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING” HEREIN.

Dated: April __, 2025

This Preliminary Official Statement and the information contained in it are subject to completion and amendment in a final Official Statement. 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 jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

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

**MAYOR
WAYLYN HOBBS, JR.**

BOARD OF TRUSTEES

Jeffery Daniels.....Deputy Mayor

Kevin D. Boone..... Trustee

Clariona D. Griffith..... Trustee

Noah Burroughs Trustee

Joe Gill Village Treasurer

Taylor Reynolds Deputy Village Treasurer

Patricia Perez..... Village Clerk

Keisha Marshall, Esq..... Village Attorney

BOND COUNSEL



HARRIS BEACH MURTHA CULLINA PLLC
New York, New York

MUNICIPAL ADVISOR



CAPITAL MARKETS ADVISORS, LLC
*Long Island * 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 Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the 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.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
THE NOTES.....	1	MARKET AND RISK FACTORS.....	6
Description of the Notes	1	CYBERSECURITY	7
Authorization for and Purpose of the Series A Notes.....	2	TAX MATTERS FOR THE SERIES A NOTES	7
Authorization for and Purpose of the Series B Notes.....	2	TAX MATTERS FOR THE SERIES B NOTES	8
Optional Redemption.....	2	LEGAL MATTERS FOR THE SERIES A NOTES	9
Nature of Obligation	2	LEGAL MATTERS FOR THE SERIES B NOTES	10
DESCRIPTION OF BOOK-ENTRY SYSTEM.....	3	LITIGATION	10
MUNICIPAL BANKRUPTCY	4	DISCLOSURE UNDERTAKING.....	11
SPECIAL PROVISION AFFECTING REMEDIES UPON DEFAULT.....	5	RATING.....	12
		MUNICIPAL ADVISOR	12
		ADDITIONAL INFORMATION	12

APPENDIX A

	<u>Page</u>		<u>Page</u>
THE VILLAGE	A-1	Real Property Tax Collection Procedures.....	A-9
General Information.....	A-1	Tax Lien Sales	A-10
Downtown Redevelopment.....	A-1	Real Property Tax Rates, Levies and Assessments.....	A-10
Downtown Revitalization and Redevelopment.....	A-1	Tax Limit.....	A-11
Transportation.....	A-2	Tax Levy Limitation Law	A-11
Education and Culture	A-2	Ten Largest Taxpayers	A-13
Form of Government	A-3	VILLAGE INDEBTEDNESS	A-13
Elected and Appointed Officials	A-3	Constitutional Requirements	A-13
Village Administration	A-3	Statutory Procedure	A-14
Village Services	A-3	Constitutional Debt Limit.....	A-15
Employees.....	A-4	Statement of Debt Contracting Power	A-15
Employee Pension Benefits	A-4	Bond Anticipation Notes	A-16
Other Post Employment Benefits.....	A-5	Tax and Revenue Anticipation Notes	A-16
FINANCIAL FACTORS.....	A-6	Direct and Overlapping Indebtedness.....	A-16
COVID-19 Stimulus and Uses.....	A-6	Debt Ratios	A-16
Independent Audit.....	A-6	Trend of Outstanding Indebtedness	A-17
Fund Structures and Accounts	A-6	Debt Service Schedule.....	A-17
Basis of Accounting.....	A-6	Prospective Capital Financing	A-17
Recent Financial Operations	A-7	ECONOMIC AND DEMOGRAPHIC DATA	A-18
Revenues.....	A-8	Population.....	A-18
Investment Policy Permitted Investments.....	A-9	Income	A-18
REAL PROPERTY TAXES.....	A-9	Employment and Unemployment.....	A-18

APPENDIX B – SUMMARY FINANCIAL STATEMENTS

OFFICIAL STATEMENT

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

Relating to

\$26,000,000

BOND ANTICIPATION NOTES – 2025 SERIES A

and

\$3,500,000

BOND ANTICIPATION NOTES – 2025 SERIES B (FEDERALLY TAXABLE)

This Official Statement including the cover page and appendices hereto, has been prepared by the Village of Hempstead, Nassau County, New York, (the “Village”, “County”, and “State”, respectively) and presents certain information relating to the Village’s \$26,000,000 Bond Anticipation Notes – 2025 Series A Notes (the “Series A Notes”) and \$3,500,000 Bond Anticipation Notes – 2025 Series B (the “Series B Notes” and together with the Series A Notes, the “Notes”).

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

THE NOTES

Description of the Notes

The Notes will be dated and will mature as stated on the cover page hereof. The Notes will not be subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes of either series will be issued in registered form (i) registered in the name of the successful bidder(s) or (ii) book-entry form registered to Cede & Co., as the partnership nominee for DTC.

If the Notes are issued in registered form registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Village, as Paying Agent, at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as selected by the successful bidder(s).

If the Notes are issued in registered book-entry form, such notes (“DTC Notes”) will be delivered to DTC, which will act as securities depository for the DTC Notes. Beneficial owners will not receive certificates representing their interest in the DTC Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those DTC Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said DTC Notes will be paid in Federal Funds by the Paying Agent to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the DTC Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants

of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Village will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. See “DESCRIPTION OF BOOK-ENTRY SYSTEM” herein.

The Village will act as Paying Agent for the Notes. The Village’s contact information is as follows: Joe Gill, Village Treasurer, (516) 487-6224, e-mail: jgill@villageofhempsteadny.gov.

Authorization for and Purpose of the Series A Notes

The Notes are being issued pursuant to the Constitution and laws of the State, including among others, the Local Finance Law, the Village Law and a bond resolution duly adopted by the Board of Trustees of the Village on various dates, for the purposes detailed in the table below. Proceeds from the sale of the Notes will be used to provide original financing for certain purposes as noted below:

<u>Purpose</u>	<u>Authorization Date</u>	<u>Amount to Notes</u>
Acquisition of Garbage Trucks	01/18/22	\$ 2,000,000
Construction of Improvements to Various Roads	06/06/23	7,000,000
Construction of Improvements to Various Roads	06/18/24	7,000,000
Acquisition of Real Property	01/07/25	<u>10,000,000</u>
	Totals:	<u>\$26,000,000</u>

Authorization for and Purpose of the Series B Notes

The Series B Notes are issued pursuant to the Constitution and Laws of the State, including among others, the Village Law, the Local Finance Law, and a bond resolution duly adopted by the Village Board on May 19, 2020 to fund the payment of a settled claim, in the amount of \$4,500,000. The proceeds from the sale of the Series B Notes, together with \$250,000 in available funds, will be used to redeem the Village’s outstanding Bond Anticipation Notes – 2024 (Federally Taxable) maturing on July 18, 2025.

Optional Redemption

The Notes are not subject to optional redemption prior to maturity.

Nature of Obligation

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

The Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the Village has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Village, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the “Tax Levy Limitation Law”) (see “REAL PROPERTY TAXES – Tax Levy Limitation Law” in Appendix A hereto).

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and 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 Limitation 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 Limitation 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 “REAL PROPERTY TAXES – Tax Levy Limitation Law” in Appendix A hereto.)

DESCRIPTION OF BOOK-ENTRY SYSTEM

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

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

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued. To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the 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 Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE DTC NOTES; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEHOLDERS; (IV) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE NOTES; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS NOTEOWNER.

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 Notes. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the “indubitable equivalent”. The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Notes, and the obligations incurred by the 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 Notes to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has 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 Notes should the Village be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The 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.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Village upon any judgment or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of or interest on the Notes.

In accordance with the general rule with respect to municipalities, judgments against the Village may not be enforced by levy and execution against property owned by the Village. Remedies for enforcement of payment are not expressly included in the Village’s contract with holders of its bonds and notes.

The Federal Bankruptcy Code allows public bodies recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any

municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

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

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.

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness."

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

MARKET AND RISK FACTORS

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

Economic impacts from disease outbreaks or similar public health threats could have an adverse impact on the Village's financial condition and operating results. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, had been declared a pandemic by the World Health Organization on March 11, 2020.

The Village is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and counties in the State, including the Village, in any year, the Village may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Village.

In addition, there may be unforeseen adverse events within the Village that affect the market for the Notes, which could result in adverse comment by Moody's Investors Service, Inc. or any other rating agency with respect to the Village's financial situation, or in possible actions by these rating agencies to withdraw, suspend or lower their credit ratings on outstanding indebtedness and obligations of the Village.

Other adverse events within the Village that could affect the market for the Notes include any events which impact upon the Village's ability to eliminate projected budget deficits in future fiscal years; economic trends within the Village; and labor actions by unionized employees of the Village. It is anticipated that the various news media will report on events which occur in the Village and that such media coverage as well as such events could have an impact on the market for, and the market price of the Notes.

CYBERSECURITY

The Village, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Village faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Village invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial. The Village maintains a cybersecurity insurance policy that would mitigate any financial impact of a possible attack.

TAX MATTERS FOR THE SERIES A NOTES

In the opinion of Harris Beach Murtha Cullina PLLC, Bond Counsel, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the Village with certain covenants and the accuracy of certain representations, interest on the Series A Notes is excluded from gross income for federal income tax purposes. Bond Counsel is of the further opinion that interest on the Series A Notes is not an "item of tax preference" for purposes of the Federal alternative minimum tax on individuals. However, the Internal Revenue Code of 1986, as amended (the "Code") imposes a federal corporate alternative minimum tax equal to 15 percent of the "adjusted financial statement income" of corporations (other than S corporations, regulated investment companies and real estate investment trusts) having an average annual "adjusted financial statement income" for the 3-taxable-year period ending with the tax year that exceeds \$1,000,000,000. Interest on tax-exempt obligations such as the Series A Notes is included in the computation of a corporation's "adjusted financial statement income".

The Code also imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Series A Notes in order that interest on the Series A Notes will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Series A Notes and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Series A Notes to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Series A Notes. In the arbitrage and use of proceeds certificate to be executed in connection with the issuance of the Series A Notes, the Village will covenant to comply with certain procedures and will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to Series A the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Series A Notes should be aware that ownership of the Series A Notes, and the accrual or receipt of interest thereon, may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Series A Notes and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The Series A Notes WILL NOT be designated by the Village as “qualified tax-exempt obligations” within the meaning of, and pursuant to, Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, interest on the Series A Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

Bond Counsel expresses no opinion regarding any other state or local tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Series A Notes.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Series A Notes may affect the tax status of interest on the Series A Notes.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Series A Notes to be subject to Federal or State income taxation, or otherwise prevent bondholders and noteholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Series A Notes for audit examination, or the course or result of any Internal Revenue Service examination of the Series A Notes or of obligations which present similar tax issues, will not affect the market price or marketability of the Series A Notes. Prospective purchasers of the Series A Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE SERIES A NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE SERIES A NOTES.

TAX MATTERS FOR THE SERIES B NOTES

In the opinion of Harris Beach Murtha Cullina PLLC, Bond Counsel to the Village, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the Village with certain covenants and the accuracy of certain representations, interest on the Series B Notes is included as gross income for Federal income tax purposes. In addition, interest on the Series B Notes is included in the “adjusted financial statement income” of corporations (other than S corporations, regulated investment companies and real estate investment trusts) having an average annual “adjusted financial statement income” for the 3-taxable-year period ending with the tax year that exceeds \$1,000,000,000.

The Series B Notes WILL NOT be designated by the Village as “qualified tax-exempt obligations” within the meaning of, and pursuant to, Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, interest on the Series B Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

Bond Counsel expresses no opinion regarding any other state or local tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Series B Notes.

No assurance can be given that any future legislation or governmental actions, including amendments to the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest

on the Series B Notes to be subject to State or local income taxation, or otherwise prevent noteholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Series B Notes for audit examination or the course or result of an audit examination of the Series B Notes or of obligations which present similar tax issues, will not affect the market price, value or marketability of the Series B Notes. Prospective purchasers of the Series B Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE SERIES B NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE SERIES B NOTES.

LEGAL MATTERS FOR THE SERIES A NOTES

The legality of the authorization and issuance of the Series A Notes will be covered by the approving legal opinion of Harris Beach Murtha Cullina PLLC, New York, New York, Bond Counsel to the Village. Such legal opinion will state that in the opinion of Bond Counsel (i) the Series A Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Village, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Series A Notes and interest thereon, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (see “REAL PROPERTY TAXES – Tax Levy Limitation Law” within Appendix A herein); provided, that the enforceability (but not the validity) of the Series A Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors’ rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Series A Notes is excluded from the gross income of the owners thereof for Federal income tax purposes, is not an “item of tax preference” for purposes of the Federal alternative minimum taxes imposed on individuals, however, interest on the Series A Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of “adjusted financial statement income” for purposes of the Federal alternative minimum tax imposed on such corporations; (iii) interest on the Series A Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York); and (iv) based upon Bond Counsel’s examination of law and review of the arbitrage and use of proceeds certificate executed by the Village Treasurer of the Village pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Series A Notes will not be “arbitrage bonds” within the meaning of said section, and no matters have come to Bond Counsel’s attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel expresses no opinion regarding Federal or State income tax consequences arising with respect to the Series A Notes.

Such legal opinion will also state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel’s engagement in relation to the issuance of the Series A Notes, as applicable, has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Village together with other legally available sources of revenue, if any, will be sufficient to enable the Village to pay the principal of and interest on the Series A Notes as the same become due and payable; (iv) reference should be made to the Official Statement for factual information

which, in the judgment of the Village, would materially affect the ability of the Village to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the Village, in connection with the sale of such Series A Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LEGAL MATTERS FOR THE SERIES B NOTES

The legality of the authorization and issuance of the Series B Notes will be covered by the approving legal opinion of Harris Beach Murtha Cullina PLLC, New York, New York, Bond Counsel to the Village. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Village, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Series B Notes and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (see “REAL PROPERTY TAXES – Tax Levy Limitation Law” herein); provided, that the enforceability (but not the validity) of the Series B Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Series B Notes is included as gross income of the owners thereof for Federal income tax purposes; and (iii) interest on the Series B Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Such legal opinion will also state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Series B Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Village together with other legally available sources of revenue, if any, will be sufficient to enable the Village to pay the principal of and interest on the Series B Notes as the same become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the Village, would materially affect the ability of the Village to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the Village, in connection with the sale of such Series B Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LITIGATION

The Village is subject to a number of lawsuits in the ordinary conduct of its affairs. The proceeds from the sale of the Notes will be used to redeem bond anticipation notes originally issued to pay a settled claim. 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 significant 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.

DISCLOSURE UNDERTAKING

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

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Village; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village]; (xiii) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Village, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Village, any of which reflect financial difficulties.

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

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

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

RATING

The Village did not apply to S&P Global Ratings (“S&P”) for a rating on the Notes.

On January 10, 2019, S&P affirmed the Village’s long-term underlying credit rating of “AA-” with a stable outlook.

Such rating reflects only the views of such rating agency and any desired explanation of the significance of such rating should be obtained from S&P at the following address: S&P, 55 Water Street, New York, New York 10041. 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 S&P, circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Bonds or the availability of a secondary market for the Notes.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Great Neck, New York, (the “Municipal Advisor”) is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial 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. 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 not a law firm and does not provide legal advice with respect to this or any debt offerings of the Village. 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 Notes.

ADDITIONAL INFORMATION

Any statements in the Official Statement involving matters of opinion or estimates whether expressly so stated are intended as such and not as representation of fact. No representation is made that 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 Notes.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at 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 sourced 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 disclaims any duty or obligation either to update or to maintain the 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 assumes 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.

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.

Harris Beach Murtha Cullina PLLC has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion with respect thereto.

Additional information may be obtained from Mr. Joe Gill, Village Treasurer, (516) 478-6224, jgill@villageofhempsteadny.gov 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 Treasurer noted above is the Paying Agent contact.

VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK

By: _____
Joe Gill
Village Treasurer

DATED: April __, 2025

APPENDIX A

THE VILLAGE

THE VILLAGE

General Information

The Village, incorporated as a municipal government by the State in 1853, is located in the geographical center of Nassau County (the “County”) on Long Island in the Town of Hempstead (the “Town”), approximately 22 miles from the center of Manhattan. Dating from the period before its incorporation, the Village was a major center of Long Island society. During the Spanish-American War, Camp Black was established in the Village as a training facility and a point of embarkation for troops.

In the late 1800s and early 1900s, many of the prominent New York financiers and industrialists decided to build permanent summer homes in the Village. After World War I, the population greatly increased as city dwellers were attracted to the benefits of suburban living. The Village became a desirable place to live, as it was a well-established community with convenient shopping, already existing public services, and within commuting distance from Manhattan. In later years, country estates gave way to middle-income housing, and the Village became increasingly urbanized.

The Village continues to maintain a diverse economic base. The majority of the homes within the Village are single-family residences; however, there are several apartment complexes. The Village has a large commercial base, although, for many years, the Village has faced pressing economic challenges as its central business district slowly declined with the closures of major retailers and the nearby Mitchel Air Field.

The Village is home to Hofstra University, a number of nonprofit agencies and the Nassau County District Court. The Village is bounded on the north by the Village of Garden City, to the west by the unincorporated area of West Hempstead, to the south by the unincorporated area of South Hempstead, and to the east by the unincorporated areas of Uniondale and East Meadow.

Its 2023 population of 58,225 (according to the U.S. Census Bureau) makes it the largest village in the State, encompassing an area of approximately 3.8 square miles.

Downtown Redevelopment

In the 1990s, when the Village's Master Plan was adopted, various downtown rehabilitation initiatives were implemented to spur economic growth. A considerable infusion of State and federal funding, as well as private investment, have enabled the replacement of blighted storefronts, complete commercial building rehabilitations and the development of affordable housing for Village residents. Major accomplishments include the development of the Hempstead Village Commons, a 100,000 square foot retail center located at the former Times Square Store site. The Commons is anchored by Home Depot, Super Stop-n-Shop, Old Navy and Aldi Market.

Additionally, a \$9 million bus terminal opened in 1993 and has 26 routes and approximately 13,000 riders passing through the Village daily. In 1997, the rundown Rivoli Theater gave way to a 150,000 square foot building to house 112 units of rental housing with retail space on the first floor. In 2001, the Long Island Railroad completed its construction of a \$15.6 million terminal in the Village. State and federal funds have also been dedicated to the expansion of parking spaces in the local business district.

Downtown Revitalization and Redevelopment

In May 2008, the Village adopted a comprehensive plan update that laid out a vision for the future of the Village. That plan focused on the Village’s downtown area and addressed the increasing need for a broad range of housing options for various income levels and demographic groups.

Some recent renewal efforts have strengthened the Village’s transportation assets, generated new mixed-use development and attracted several big box retail stores. The Village retains a strong downtown center, surrounded by industrial and institutional uses along radial corridors.

Building upon its 2008 comprehensive plan, the Village created a Downtown Overlay Zone (“DOZ”), which was adopted as local law on July 3, 2012, to promote the health, safety and general welfare of the Village by creating a holistic and comprehensive economic development strategy that utilizes the principles of social, economic and environmental responsibility to reestablish the downtown as a center of vibrancy within a mixed-use, transit-oriented setting. Parcels totaling 35.1 acres have been targeted for revitalization and development within the DOZ. Commercial, light industrial, residential and mixed-use projects developed within the DOZ are subject to the Community Benefits Agreement adopted by the Village in February 2013.

In April 2021, the Village’s DOZ was designated as a New York State Brownfield Opportunity Area (“BOA”). The Village has identified a 180-acre area with approximately 40 potential Brownfield sites within the DOZ. The Village is working to identify those strategic sites that will serve as catalysts for revitalization. The BOA designation will prompt further investment and development within the downtown area.

The Village also has two census tracts within the DOZ designated as federal opportunity zones. This designation provides additional incentives for investors to pool and employ financial resources to significantly increase investments in historically underserved communities.

The Village is well positioned to capitalize upon its designation by the Long Island Regional Planning Council as a “Project of Regional Significance.” The Village’s adopted form-based municipal code allows for flexible zoning options for property owners within the DOZ. The Village is working closely with regional stakeholders to identify opportunities for collaboration that will support transformative revitalization efforts.

Transportation

Commuting facilities to New York City include daily train service provided by the Long Island Railroad, Hempstead Branch, for which the Village is the terminus.

The Hempstead Bus Terminal is the point of origin, destination or junction point of numerous bus routes of Long Island Bus, a subsidiary of the Metropolitan Transportation Authority, connecting the Village with many communities on Long Island. Greyhound Bus Lines provides service to upstate New York, New England and all parts of the United States.

The Village is approximately 10 miles from John F. Kennedy International Airport and approximately 12 miles from LaGuardia International Airport. In addition, MacArthur Airport is located approximately 30 miles east of the Village in the Town of Islip in Suffolk County.

The Village is served by a network of highways and parkways, including the Long Island Expressway, the Northern State Parkway, the Southern State Parkway, and the Meadowbrook State Parkway. These routes provide easy access to all of Long Island and New York City.

Education and Culture

Four school districts provide elementary, middle and high school education for Village residents. The majority of students attend the Hempstead Union Free School District, with remaining students attending the Uniondale Union Free School District, and the Rockville Centre and West Hempstead Union Free School Districts.

Hofstra University is also located in the Village, although part of the campus extends beyond the Village borders. Hofstra University, founded in 1935 as an extension of New York University, is, at present, one of the largest private universities in the eastern United States. In addition to basic liberal arts and sciences, law, business and education degrees are offered by the university.

Additional higher educational facilities are available nearby at Nassau Community College, Adelphi University, C.W. Post College, Molloy College, several technical institutes and the U.S. Merchant Marine Academy.

Form of Government

The Village is vested with such powers and has the responsibilities inherent in the operation of a municipal government, including the adoption of rules and regulations to govern its affairs. In addition, the Village may tax real property situated in its boundaries and incur debt subject to the provision of the State's Local Finance Law. The four independent school districts operating in the Village possess the same powers with respect to taxation and debt issuance as the Village. Village residents also pay real property taxes to the Town and the County to support programs conducted by these two governmental entities.

Government operations of the Village are subject to the provisions of the State Constitution and various statutes affecting Village governments including the Village Law, the General Municipal Law and the Local Finance Law. Real property assessment, collection, and enforcement procedures are determined by the Real Property Tax Law.

Elected and Appointed Officials

As prescribed by Village Law, the chief executive officer of the Village is the Mayor, who is elected for a term of four years and is eligible to succeed himself. The Mayor is also a member of the Board of Trustees of the Village, (the "Board") the legislative, governing and policy determining body of the Village. In addition to the Mayor, the Board consists of four trustees who are elected for four-year terms. These terms are staggered so that the Mayor and two of the trustees run for election in one year and the other two trustees run the following year. The Village Justice is the only other elected official of the Village.

The Mayor appoints all department heads and non-elected officials subject to the approval of the Board, including the Village Treasurer, Village Attorney and Village Clerk.

The Village Treasurer, as chief fiscal officer of the Village, is responsible for receipt, investment and disbursement of the Village funds as well as the issuance of obligations of the Village. The Village Clerk, in addition to regular duties of that office, is also the Tax Collector.

The Village Treasurer, as budget officer, also prepares the proposed budget each year, pursuant to the laws of the State, and a public hearing is held thereon. Subsequent to the public hearing, revisions, if any, are made and the budget is then adopted by the Board of Trustees of the Village as the Village's final budget for the coming fiscal year. The budget is not subject to referendum.

Village Administration

Waylyn Hobbs, Jr. is the current mayor of the Incorporated Village of Hempstead. He was first elected as a trustee in March 2013. During that time, he served as Deputy Mayor for two years and oversaw the police department, fire department, DPW and parks and recreation committees. He is a member of the Hempstead Fire Department where he serves as an officer with Truck Company One and EMT-CC with the Rescue squad. He brings a wealth of experience to his office and has distinguished himself as a vibrant, passionate Village official. He previously served as the Supervisor of the Code Enforcement Department for the Village in 1990. He also served as a Commissioner of the Hempstead Housing Authority. Currently, he serves on the Board of Nassau University Medical Center.

Mayor Hobbs works continuously and tirelessly on behalf of the entire community to foster social, educational, economic, and community development. He wants to see the Village become a better place for families to live, work and play.

Village Services

The Village provides its residents with many of the services traditionally provided by village governments. In addition, the Town and County furnish certain other services. A list of services provided by the Village include the following: police and fire protection, on and off-street parking facilities, parks playgrounds and recreation centers, street maintenance, street lighting, sanitary and storm sewers, refuse and garbage collection, a public library and a water system. Electricity in the Village is provided by PSEG Long Island.

Health care for Village residents is provided by hospitals located in or near the Village, including Mercy Medical Center, South Nassau Community Hospital, Nassau University Medical Center, Winthrop Hospital, and North Shore University Health System.

Employees

The Village provides services through approximately 340 full-time employees, which are represented by two labor organizations. Membership in each is as follows:

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
213	CSEA	05/31/25
127	Police Benevolent Association	05/31/25

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”) or the New York State and Local Police and Fire Retirement System (“PFRS”). (Both systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) The Retirement Systems are a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the “Retirement System Law”). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement Systems are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement Systems, at such time contributions become voluntary. Members hired after January 1, 2010 must contribute three percent or more of their gross annual salary toward the costs of retirement programs for the duration of their employment.

Police officers and firefighters who are members of PFRS are divided into four tiers. As with ERS, retirement benefit plans available under PFRS are most liberal for Tier 1 employees. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. Police officers and firefighters that were hired between July 1, 2009 and January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. Police officers and firefighters hired after January 9, 2010 are in Tier 5 which also requires a 3% employee contribution from members. Police officers and firefighters hired after April 1, 2012 are in Tier 6, which also originally had a 3% contribution requirement for members for FY 12-13; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: \$45,000.00 or less contributes 3%; \$45,000.01 to \$55,000.00 contributes 3.5%; \$55,000.01 to \$75,000.00 contributes 4.5%; \$75,000.01 to \$100,000.00 contributes 5.75%; and more than \$100,000.00 contributes 6%.

The employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1. As a result, the Village is notified of and can include the actual cost of the employer contribution in its budget. The Village is also required to make a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. For the 2024 bill, the Village’s required contribution was \$2,627,140 to ERS and \$5,245,592 to PFRS for a total of \$7,872,732 which was paid in December 2023. For the 2025 bill, the Village’s required contribution was \$2,899,438 to ERS and \$6,103,265 to PFRS for a total of \$9,002,703 which was paid in December 2024.

Beginning July 1, 2013, a voluntary defined contribution plan option was made available to all unrepresented employees of New York State public employers hired on or after that date, and who earn \$75,000 or more on an annual basis.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio has in some recent years experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State's Retirement System continues to be higher than the minimum contribution rate established by law. Contribution rates are expected to remain higher than the minimum contribution rates set by law in the near-term. To mitigate the expected increases in the employer contribution rate in 2010, legislation was enacted that authorizes local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. This legislation also requires those local governments and school districts, who decide to amortize their pension obligations pursuant to this law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Village did not participate in the 2010 pension amortization plan.

In Spring 2013, the State and ERS approved a Stable Contribution Option ("SCO"), which modified the 2010 law discussed above, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below. The Village has not participated in the ERS SCO plan and does not plan to do so in the foreseeable future.

Other Post Employment Benefits

The Village implemented GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), which replaces 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, 2023 was \$241,171,967 using a discount rate of 3.16% and actuarial assumptions and other inputs as described in the Village's May 31, 2023 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

COVID-19 Stimulus and Uses

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 (“ARPA”). Included in this bill was \$350 billion in direct aid to state and local governments. Payments to local governments will be made in two tranches, the first half 60 days after enactment and the second half one year later. The funding is available through, and must be spent by, the end of calendar year 2026.

Specifically, eligible uses of the aid include: (i) revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency; (ii) premium pay for essential workers; (iii) assistance to small businesses, households, and hard-hit industries, and economic recovery; and (iv) investments in water, sewer and broadband infrastructure. The bill also contains two restrictions on eligible uses: (i) funds cannot be used to directly or indirectly offset tax reductions or delay a tax increase; and (ii) funds cannot be deposited into any pension fund.

The Village is eligible to receive \$16,790,322 and received the first tranche of funding on May 19, 2021 in the amount of \$8,395,161; and an additional \$8,395,161 on June 6, 2022. The Village has spent ARPA funds for the provision of government services including homeowners’ assistance programs, firehouse generators, mentoring and youth programs, firefighter gear and other capital acquisitions. As of the Village’s most recent quarterly report, the Village has obligated all of the \$16.79 million received. Of the total, approximately \$11.8 million has been completed and approximately \$4.9 million remains obligated pending receipt of goods and services.

Independent Audit

The financial statements of the Village are audited by the firm of Nawrocki Smith LLP, independent certified public accountants. Appendix B to this Official Statement presents a summary of the audited financial statements for each of the fiscal years ended May 31, 2019 through 2023.

Fund Structure and Accounts

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

The Village has three basic fund types, Governmental, Proprietary and Fiduciary. Governmental Funds are those through which most governmental functions of the Village are processed and include the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Funds. The General Fund is the principal operating fund and includes all operations not required to be recorded in other funds. Special Revenue Funds account for proceeds of specific revenue sources. The Special Revenue Funds maintained by the Village is the Water Fund. Proprietary Funds are used to account for ongoing organizations or activities which are similar to those often found in the private sector. The Village maintains an Internal Service Fund. Fiduciary Funds are used to account for assets held in a trustee or custodial capacity.

Basis of Accounting

The Village maintains its records and reports on the modified accrual basis of accounting for recording transactions in all governmental and fiduciary 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, vacation

and sick pay, and accrued interest are recorded at the time liabilities are incurred. The Proprietary Fund types are accounted for on the accrual basis of accounting as commercial self-sustaining operations that render services to the public on a user-charge basis.

Recent Financial Operations

In some past years the Village suffered financial setbacks due to reductions in State aid, real property tax delinquencies, a declining tax base as a result of reductions in real property assessments pursuant to tax certiorari proceedings, revenue shortfalls, and increasing costs such as employee health care and pension payments.

The Village has sought to raise revenues by increasing taxes, fees and fines, and by attracting new businesses to expand the Village's tax base.

2019 Audited Results. For the fiscal year ended May 31, 2019, based on audited results, General Fund revenues and other sources were approximately \$79.6 million and General Fund Expenditures and other uses were \$75.0 million, which resulted in an operating surplus of \$4,610,529 and a cumulative General Fund balance of \$29,207,483.

2020 Audited Results. For the fiscal year ended May 31, 2020, based on audited results, General Fund revenues and other sources were approximately \$77.6 million and General Fund Expenditures and other uses were \$81.5 million, which resulted in an operating deficit of \$3,927,351 and a cumulative General Fund balance of \$25,280,132. The operating deficit consists of approximately \$900,000 from ordinary operations and \$3.2 million in deferred revenues, of which \$2.8 million is related to the Village bidding in its tax liens due to the COVID-19 pandemic.

2021 Audited Results. For the fiscal year ending May 31, 2021, based on audited results, General Fund revenues and other sources were approximately \$86.9 million and General Fund Expenditures and other uses were \$86.9 million, which resulted in an operating deficit of \$19,293 and a cumulative General Fund balance of \$25,260,839.

2022 Audited Results. For the fiscal year ending May 31, 2022, based on audited results, General Fund revenues and other sources were approximately \$84.4 million and General Fund Expenditures and other uses were \$82.7 million, which resulted in an operating surplus of \$1,729,054 and a cumulative General Fund balance of \$26,989,893.

2023 Audited Results. For the fiscal year ending May 31, 2023, based on audited results, General Fund revenues and other sources were approximately \$90.7 million and General Fund Expenditures and other uses were \$92.0 million, which resulted in an operating deficit of \$1,316,682 and a cumulative General Fund balance of \$25,673,211.

2024 Preliminary, Unaudited Results. For the fiscal year ending May 31, 2023, based on *preliminary, unaudited results*, General Fund revenues and other sources were approximately \$93.3 million and General Fund Expenditures and other uses were approximately \$92.3 million, which is expected to result in an operating surplus of approximately \$985 thousand and a cumulative General Fund balance of approximately \$26.6 million.

2025 Adopted Budget. For the fiscal year ending May 31, 2025, budgeted General Fund Revenues are \$93.8 million and General Fund Expenditures and other uses are \$99.5 million. (See "Appendix B" herein for a summary of the 2025 Adopted Budget.)

2026 Tentative Budget. For the fiscal year ending May 31, 2026, budgeted General Fund Revenues are \$101.8 million and General Fund Expenditures and other uses are \$101.8 million. (See "Appendix B" herein for a summary of the 2026 Tentative Budget.)

Revenues

The Village derives a major portion of its General Fund revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein). Real property taxes accounted for 76.1% of total General Fund revenues for the fiscal year ended May 31, 2023 and State aid accounted for 2.1%.

Real Property Tax. The following table sets forth the total general fund and State aid revenues for the last five audited fiscal years, the most recent unaudited fiscal year and the amounts budgeted for the three most recent fiscal years.

Fiscal Year Ending May 31:	<u>Property Taxes</u>		
	Total Revenues	Real Property Taxes ⁽¹⁾	Real Property Taxes to Revenues
2019	\$ 79,561,604	\$67,386,685	84.7%
2020	77,616,712	64,025,007	82.5
2021	78,941,545	65,919,829	83.5
2022	84,403,318	68,367,955	81.0
2023	90,658,050	68,991,102	76.1
2024 (Adopted Budget)	95,158,906	66,610,071	70.0
2025 (Adopted Budget)	99,474,373	66,610,071	67.0
2026 (Tentative Budget)	101,770,614	68,610,071	67.4

(1) Inclusive of other property tax items.

Source: Audited Financial Statements, Adopted and Tentative Budgets for the Village. Table itself not audited.

State Aid. The Village receives financial assistance from the State. State Aid is expected to account for approximately 2.5% of the total general fund revenues of the Village in the 2024-2025 fiscal year. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in this year or future years, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

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 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.

Reductions in federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

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, 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 the total general fund and State aid revenues for the last five audited fiscal years, the most recent unaudited fiscal year and the amounts budgeted for the three most recent fiscal years.

Fiscal Year Ending May 31:	<u>State Aid</u>		State Aid to Revenues
	Total Revenues	State Aid	
2019	\$79,561,604	\$1,672,643	2.1%
2020	77,616,712	988,164	1.3
2021	86,396,620	1,462,842	1.7
2022	84,403,318	1,798,123	2.1
2023	90,658,050	2,328,966	2.6
2024 (Adopted Budget)	95,158,906	3,073,236	3.2
2025 (Adopted Budget)	99,474,373	2,513,611	2.5
2026 (Tentative Budget)	101,770,614	2,177,410	2.1

Source: Audited Financial Statements, Adopted and Tentative Budgets for the Village. Table itself not audited.

Investment Policy Permitted Investments

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the “GML”), the Village is generally permitted to deposit moneys in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The Village may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Village; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the Village pursuant to law, in obligations of the Village.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the Village, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Village Board had adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the Village are made in accordance with such policy. A copy of such policy is available upon request.

REAL PROPERTY TAXES

Real Property Tax Collection Procedures

The Village levies and collects its own taxes. Property taxes become a lien on the first day of the levy year and may be paid in two equal installments. The first installment is due on June 1 each year and is payable without penalty during the month of June. The second installment is due on December 1 and is payable without penalty during the

month of December. Penalties for tax delinquencies are imposed at the rate of 5% for the first month and an additional 1% for each month or fraction thereof thereafter. The Village enforces liens for unpaid real estate taxes in the manner set forth in the Real Property Tax Law. (See “*Tax Levy Limitation Law*” and “*Tax Lien Sales*” herein.)

Stemming from concerns regarding COVID-19, the Village has “bid-in” all liens since FY2019-20 through and including FY2023-24.

The following table reflects the real property tax levies and the total amounts collected in each of the last five fiscal years.

Real Property Tax Levies and Collections

<u>Fiscal Year Ending May 31:</u>	<u>Gross Tax Levy⁽¹⁾</u>	<u>Total Taxes Collected</u>	<u>Percentage of Taxes Collected</u>
2021	\$71,840,497	\$70,068,290	97.5%
2022	73,697,712	73,331,093	99.5
2023	74,460,306	74,385,180	99.8
2024	76,064,250	75,624,143	99.4
2025	75,848,369	75,351,555	99.3

(1) The Gross Tax Levy includes real property taxes and user fees for refuse and garbage collection and disposal.

Tax Lien Sales

The Village conducts sales of outstanding tax liens in May of each year for tax liens created in the current fiscal year. The table below reflects the revenue from these annual tax lien sales for the last five years.

Annual Property Tax Lien Sale Revenue

<u>Fiscal Year Ending May 31:</u>	<u>Revenue from Tax Lien Sales</u>
2020*	\$2,831,674
2021*	2,425,674
2022*	2,998,331
2023*	3,288,622
2024*	3,009,455

*Bid-In liens, Village Owned

Real Property Tax Rates, Levies and Assessments

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 \$1,000 assessed valuation.

Tax Rates, Levies and Assessments

	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
Assessed Valuation	\$73,667,603	\$72,180,538	\$72,751,926	\$73,283,170	\$73,631,560
Equalization Rates	2.12%	2.03%	1.94%	1.69%	1.57%
Full Valuation	\$3,474,886,934	\$3,555,691,527	\$3,750,099,278	\$4,336,282,249	\$4,689,908,280
Village Tax Levy	62,710,071	62,710,071	63,710,071	66,610,071	66,610,071
Tax Rates per \$1,000 A.V.	851.25	868.79	875.72	908.94	904.64

Source: New York State Office of Real Property Services and Village Officials.

Tax Limit

The Village is responsible for preparing the tax assessment role and 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 levying limitation and the determination of its tax margin for the fiscal year ending May 31, 2025.

<u>Real Property Tax Assessment and Rates</u>				
<u>Assessment Year</u>	<u>Fiscal Year Ending May 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Ratio</u>	<u>Full Valuation</u>
2020	2021	\$73,667,603	2.12%	\$ 3,474,886,934
2021	2022	72,180,538	2.03	3,555,691,527
2022	2023	72,751,926	1.94	3,750,099,278
2023	2024	73,283,170	1.69	4,336,282,249
2024	2025	73,631,560	1.57	<u>4,689,908,280</u>
			Total:	<u>\$19,806,868,268</u>
Five-Year Average Valuation				<u>\$ 3,961,373,654</u>
Tax Levying Limitation: 2% of Average Five-Year Full Valuation:				79,227,473
Real Estate Tax Levy for 2024-2025				66,610,071
Less: Exclusions				5,880,214
Tax Levy Subject to Tax Limit				<u>60,729,857</u>
Constitutional Net Tax Margin				<u>\$18,497,616</u>
Percent of Tax Limitation Exhausted				<u>76.65%</u>

Source: Office of the New York State Comptroller and the Village.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 which created Section 3-c of the General Municipal Law was signed into law by the Governor. The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

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

Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the city’s faith and credit is both a commitment to pay and a commitment of the city’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the city’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit”, are used and they are not tautological. That is what the words say and that is what courts have held they mean.”

Article 8 Section 12 of the State Constitution specifically provides as follows:

“It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.”

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the Flushing National Bank case stated:

“So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted....While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

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

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

Ten Largest Taxpayers

The following table presents the total 2024-2025 assessed valuations of the Village’s largest property owners.

<u>Assessed Valuations</u>			
<u>Property Owner</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation⁽¹⁾</u>
Keyspan Energy Corp.	Utility	\$1,581,277	2.15%
BRE DDR IVA HUB	Shopping Plaza	928,093	1.26
Clinton Washington LLC	Apartments	639,390	0.87
Nassau Realty Group	Apartments	565,000	0.77
New Greenwich Gardens	Apartments	474,479	0.64
Heritage Place LLC	Apartments	425,000	0.58
Wendell Terrace Owners	Apartments	417,500	0.57
590-600 Realty Corp	Apartments	380,817	0.52
Cathedral Property Corp	Real Estate	321,000	0.43
Hempstead Realty II	Real Estate	<u>320,000</u>	<u>0.43</u>
Total:		<u>\$ 6,052,556</u>	<u>8.22%</u>

(1) The total assessed valuation of the Village used for the 2024-2025 year is \$73,631,560.

VILLAGE INDEBTEDNESS

Constitutional Requirements

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

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 thereof and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within 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 such indebtedness is to be contracted, no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Village determines to issue debt amortizing 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 on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers; however, as has been noted under "THE NOTES – *Nature of Obligation*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law imposes a statutory limitation on the Village's power to increase its annual tax levy. (See "REAL PROPERTY TAXES – *Tax Levy Limitation Law*" herein.)

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Village to borrow and incur indebtedness subject, of course, to the constitutional 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. Certain of 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 a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The Village has complied with such procedure with respect to the Notes.

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

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not extend 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, and has delegated, power to issue and sell bonds and notes to the Village Treasurer, the chief fiscal officer of the Village.

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

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof shall not exceed seven 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 five completed assessment rolls and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

There is no constitutional limitation on the amount that may be raised by the Village by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limitation Law imposes a statutory limitation. (See "REAL PROPERTY TAXES – *Tax Levy Limitation Law*", herein.)

Constitutional Debt Limit

The following table sets forth the constitutional debt limit of the Village.

Constitutional Debt Limit

<u>Assessment Roll</u>	<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Equalization Rate</u>	<u>Full Valuation</u>
2020	2021	\$73,667,603	2.12%	\$ 3,474,886,934
2021	2022	72,180,538	2.03	3,555,691,527
2022	2023	72,751,926	1.94	3,750,099,278
2023	2024	73,283,170	1.69	4,336,282,249
2024	2025	73,631,560	1.57	<u>4,689,908,280</u>
Total Five-Year Full Valuations				<u>\$19,806,868,268</u>
Average Full Valuation				3,961,373,654
Debt Limit – Seven (7) per centum of Average Full Valuation				<u>\$ 277,296,155</u>

Source: Office of the State Comptroller, Real Property Services

Statement of Debt Contracting Power

Statutory Debt Limit and Net Indebtedness
(As of April 10, 2025)

Debt-Contracting Limitation:	\$277,296,155
Gross Direct Indebtedness:	
Bonds:	
General Purpose	\$ 15,640,788
Water Purpose	2,074,212
Short Term Obligations:	
Bond Anticipation Notes	3,750,000
Total Gross Direct Indebtedness	\$ 21,465,000
Less Exclusions and Deductions:	
Water Debt	\$ 2,074,212
Appropriations for Non-Exempt Indebtedness During 2024/2025 Fiscal Year	0
Total Exclusions:	<u>\$2,074,212</u>
Total Net Direct Indebtedness	<u>\$ 19,390,788</u>
Debt-Contracting Margin	<u>\$257,905,367</u>
Percentage of Debt-Contracting Power Exhausted	<u>6.99%</u>

Source: Village Officials.

Bond Anticipation Notes

On July 18, 2024, the Village issued its \$3,750,000 Bond Anticipation Notes – 2024 (Federally Taxable) which mature on July 18, 2025. The proceeds from the sale of the Series B Notes, together with \$250,000 of Village funds, will be used to redeem these notes in full at maturity.

Tax and Revenue Anticipation Notes

The Village has not issued tax or revenue anticipation notes in the last five years and does not anticipate the issuance of tax or revenue anticipation notes in the current fiscal year.

Direct and Overlapping Indebtedness

The real property taxpayers of the Village are responsible for a proportionate share of outstanding debt obligations of the County and other governmental units. 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 instruments issued and outstanding by such other political units. Authorized but unissued debt has not been included.

Statement of Direct and Overlapping Indebtedness

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of:</u>	<u>Village Share</u>	<u>Amount Applicable To Village</u>
Nassau County	\$2,832,189,000	04/30/24	1.40%	\$39,650,646
Town of Hempstead	440,250,140	11/20/24	3.11	13,691,779
Hempstead UFSD	95,240,000	12/26/24	100.00	95,240,000
Uniondale UFSD	143,495,000	06/30/24	18.70	26,833,565
Rockville Centre UFSD	24,657,500	12/18/24	0.40	98,630
West Hempstead UFSD	30,950,000	9/18/24	0.75	<u>232,125</u>
Total Net Overlapping Debt				<u>\$ 175,746,745</u>
Total Net Direct Debt				<u>19,390,788</u>
Net Direct and Overlapping Debt				<u>\$195,137,533</u>

Debt Ratios

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

Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Debt to Full Value ⁽²⁾</u>
Net Direct Debt	\$ 19,390,788	\$ 333.03	0.41%
Net Direct and Overlapping Debt	195,137,533	3,351.44	4.16

(1) The estimated population of the Village is 58,225 as of 2023 according to the U.S. Census Bureau.

(2) The Village's full value of taxable real property used to levy taxes in 2024-2025 is \$4,689,908,280.

Trend of Outstanding Indebtedness

The following table provides information relating to the indebtedness outstanding at year-end for each of the five prior fiscal years.

	<u>Outstanding Indebtedness</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024⁽¹⁾</u>
Bonds:	\$41,085,000	\$36,210,000	\$31,695,000	\$27,015,000	\$22,440,000
Bond Anticipation Notes:	<u>0</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,250,000</u>	<u>4,000,000</u>
Total:	<u>\$41,085,000</u>	<u>\$40,710,000</u>	<u>\$36,195,000</u>	<u>\$31,265,000</u>	<u>\$26,440,000</u>

(1) Unaudited.

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

Debt Service Schedule

The following table sets forth all principal and interest payments required on the Village's outstanding bonded indebtedness, exclusive of economically defeased obligations, for the fiscal years ending as follows.

	<u>Bond Principal and Interest Maturity</u>		
Fiscal Year Ending May 31:	<u>Principal</u>	<u>Interest</u>	Total <u>Debt Service</u>
2025 ⁽¹⁾	\$ 4,725,000	\$ 606,454	\$ 5,331,454
2026	3,015,000	486,935	3,501,935
2027	2,685,000	403,996	3,088,996
2028	2,700,000	331,902	3,031,902
2029	2,010,000	257,563	2,267,563
2030	2,075,000	187,825	2,262,825
2031	2,155,000	117,800	2,272,800
2032	965,000	68,875	1,033,875
2033	985,000	44,075	1,029,075
2034	555,000	25,425	580,425
2035	<u>570,000</u>	<u>8,550</u>	<u>578,550</u>
Total:	<u>\$22,440,000</u>	<u>\$2,539,400</u>	<u>\$27,518,800</u>

(1) For the entire fiscal year.

Source: Village Officials.

Prospective Capital Financing

The Village expects to continue the practice of issuing serial bonds to address its capital needs.

On November 16, 2021, the Village Board adopted a bond resolution authorizing improvements to the water treatment system at the Clinton Water Plant totaling \$17,570,540. The project will be submitted to New York State Environmental Facilities Corporation (“EFC”) for grant consideration.

On January 18, 2022, the Village Board adopted a bond resolution authorizing the purchase of sanitation trucks in the amount of \$2,000,000. The Village experienced a fire which destroyed 5 trucks. A portion of the proceeds from the sale of the Series A Notes will be used to provide original financing pursuant to this authorization in full.

On June 6, 2023, the Village Board adopted a bond resolution authorizing the construction of improvements to various Village roads in the amount of \$7,000,000. A portion of the proceeds from the sale of the Series A Notes will be used to provide original financing pursuant to this authorization in full.

On May 21, 2024, the Village Board adopted bond resolutions authorizing the construction of improvements to the Clinton Street Water Treatment Plant in the amount of \$55,000,000. The Village has applied for EFC Water Infrastructure Improvement (“WIIA”) grants and subsidized financing that would reduce the amount to be borrowed by the Village and/or the cost of capital.

On June 18, 2024, the Village Board adopted a bond resolution authorizing the construction of improvements to various Village roads in the amount of \$7,000,000. A portion of the proceeds from the sale of the Series A Notes will be used to provide original financing pursuant to this authorization in full.

The Village maintains a five-year capital improvement plan that is expected to be funded largely by general obligation bonds or notes. Every effort will be made by the Village to secure Federal funds to supplement the issuance of bonds or notes. The Village assesses its capital needs on an annual basis and adjusts the capital improvement plan as circumstances and needs change.

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table presents population trends based upon 2020 U.S. census data.

	<u>Population Trend</u>			<u>% Change</u>	<u>% Change</u>
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2000/2010</u>	<u>2010/2020</u>
Village	56,554	53,891	59,113	-4.71%	9.69%
Town	755,924	759,757	793,526	0.51	4.44
County	1,334,544	1,339,532	1,395,774	0.37	4.20
State	18,976,457	19,378,102	20,201,249	2.12	4.25

Income

The following table presents median household income for the Town, County and State. The figures provided for the Town, County, and State are not necessarily representative of the Village.

	<u>Median Household Income</u>			<u>% Change</u>	<u>% Change</u>
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2000/2010</u>	<u>2010/2018</u>
Town	\$77,533	\$87,382	\$114,822	12.7%	31.4%
County	79,926	91,104	120,036	14.0	31.8
State	52,280	54,148	71,117	3.6	31.3

Source: U.S. Census Bureau.

Employment and Unemployment

	<u>Civilian Labor Force</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Village	28,300	28,100	28,400	28,700	27,900
Town	406,800	406,300	413,900	419,400	399,700
County	712,700	713,300	727,400	737,100	702,200
State	9,569,500	9,540,700	9,620,700	9,773,400	9,834,600

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

Yearly Average Unemployment Rates

<u>Year</u>	<u>Village</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2020	10.8%	8.5%	8.0%	9.8%
2021	6.5	4.8	4.5	7.1
2022	4.1	3.1	2.9	4.3
2023	4.1	3.3	3.1	4.1
2024	4.1	3.4	3.3	4.3

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

Monthly Unemployment Rates

<u>Month</u>	<u>Village</u>	<u>Town</u>	<u>County</u>	<u>State</u>
March 2024	4.7%	3.6%	3.4%	4.3%
April	3.6	3.1	2.9	3.9
May	3.8	3.2	3.1	4.0
June	3.8	3.4	3.3	4.3
July	4.3	3.8	3.7	4.8
August	4.4	3.8	3.6	4.8
September	3.5	3.1	3.0	4.0
October	3.5	3.2	3.0	4.2
November	3.6	3.2	3.0	4.2
December	3.7	3.1	3.0	4.2
January 2025	5.2	3.7	3.5	4.6
February	N/A	N/A	N/A	4.3

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

End of Appendix A

APPENDIX B

SUMMARY FINANCIAL STATEMENTS

**INCORPORATED VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK**

Adopted Budgets - General Fund

Fiscal Year ending May 31:

	ADOPTED <u>2025</u>	TENTATIVE <u>2026</u>
Revenues:		
Real Property Tax	\$66,610,071	\$68,610,071
Other Property Tax Items	4,275,387	4,735,496
Non-Property Taxes	1,666,096	1,666,096
Departmental Income	7,273,901	7,360,835
Use of Money and Property	937,890	937,890
Licenses and Permits	1,154,000	1,160,500
Fines and Forfeitures	5,030,000	6,110,047
Sale of Property and Comp. for Loss	212,500	177,500
Miscellaneous	1,011,743	1,011,743
State and Local Aid	2,513,611	2,177,410
Federal Aid	1,038,748	1,339,308
Use of Fund Equity	7,750,426	6,483,719
	<hr/>	<hr/>
Total Revenues	<u>\$99,474,373</u>	<u>\$101,770,615</u>
Expenditures:		
General Government Support	\$11,546,331	\$12,648,419
Public Safety	35,144,638	35,294,053
Transportation	2,290,552	2,372,225
Culture and Recreation	3,585,617	3,689,473
Home & Community Services	6,080,084	5,699,201
Employee Benefits	28,286,950	29,585,683
Interfund Transfers ⁽¹⁾	12,540,201	12,481,561
	<hr/>	<hr/>
Total Expenditures	<u>\$99,474,373</u>	<u>\$101,770,615</u>

(1) Interfund transfers included transfers made to the Debt Service Fund for payment of principal and interest on the Village's debt obligations.

Source: Adopted and Tentative Budgets of the Village.

**INCORPORATED VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK**

Balance Sheet

General Fund

Fiscal Year Ended May 31:

	<u>2022</u>	<u>2023</u>
Assets and Other Debits		
Assets:		
Unrestricted Cash	\$21,442,115	\$26,556,789
Restricted Cash	3,588,940	3,643,833
Service award program asset investments	3,725,097	3,608,293
Taxes Receivable	11,414,148	13,238,119
Accounts Receivable	4,418,979	5,024,161
Other Receivables	124,960	128,710
Due From Other Funds	281,391	3,755,083
Due From Proprietary Funds	4,500,000	9,797
Due From Component Units	1,883,424	2,151,855
Inventory	121,838	80,481
	<u>\$51,500,892</u>	<u>\$58,197,121</u>
Total Assets	<u>\$51,500,892</u>	<u>\$58,197,121</u>
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable and Accrued Expenses	\$2,603,605	\$3,491,215
Other Accrued Liabilities	2,042,185	2,467,711
Due To Other Funds	13,555	1,589,979
Due To Proprietary Funds	16,252	16,252
Due To Component Unit	0	0
	<u>\$4,675,597</u>	<u>\$7,565,157</u>
Total Liabilities	<u>\$4,675,597</u>	<u>\$7,565,157</u>
Deferred Inflows of Resources:		
American Rescue Plan Act	\$8,130,735	\$11,328,657
Miscellaneous Revenue Received in Advance	290,519	391,977
Property Tax Liens	11,414,148	13,238,119
	<u>19,835,402</u>	<u>24,958,753</u>
Total Deferred Inflows of Resources:	<u>19,835,402</u>	<u>24,958,753</u>
Total Liabilities and Deferred Inflows of Resources:	<u>24,510,999</u>	<u>32,523,910</u>
Fund Equity and Other Credits:		
Nonspendable	\$121,838	\$80,481
Restricted	7,314,037	7,252,126
Assigned	10,358,852	9,189,545
Unassigned	9,195,166	9,151,059
	<u>26,989,893</u>	<u>25,673,211</u>
Total Fund Balance	<u>26,989,893</u>	<u>25,673,211</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$51,500,892</u>	<u>\$58,197,121</u>

Source: Audited Financial Statements of the Village.

INCORPORATED VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Fiscal Year Ended May 31:

REVENUES	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Taxes	\$67,386,685	\$64,058,605	\$65,919,829	\$68,367,955	\$68,991,102
Licenses and Permits	774,394	951,576	805,999	1,008,153	1,814,048
Departmental Income	5,846,352	6,029,728	5,766,850	6,392,767	5,992,528
Fines and Forfeitures	2,361,361	2,310,258	2,098,787	3,449,003	3,363,021
Use of Money and Property	820,842	1,209,101	1,151,226	575,628	1,083,375
Sale of Property and Compensation for loss	167,351	55,454	44,836	58,857	129,419
Miscellaneous Revenues	519,208	1,966,705	2,092,094	2,483,685	1,742,355
State and Local Aid	1,672,643	988,164	916,264	1,798,123	2,328,966
Federal Aid	12,768	47,121	145,660	269,147	5,213,236
Total Revenues	<u><u>\$79,561,604</u></u>	<u><u>\$77,616,712</u></u>	<u><u>\$78,941,545</u></u>	<u><u>\$84,403,318</u></u>	<u><u>\$90,658,050</u></u>
EXPENDITURES					
General Government Support	\$7,827,251	\$10,247,366	\$8,099,922	\$8,992,712	\$10,113,451
Public Safety	28,707,609	30,029,969	29,578,933	30,724,795	36,477,182
Transportation	1,695,103	1,795,148	1,790,204	1,759,935	2,146,051
Culture and Recreation	3,275,862	3,310,647	3,087,769	3,328,002	3,377,611
Home and Community Services	3,732,755	3,823,842	3,937,238	4,536,321	4,645,849
Employee Benefits	21,216,021	21,206,207	21,613,336	23,422,162	24,251,226
Total Expenditures	<u><u>\$66,454,601</u></u>	<u><u>\$70,413,179</u></u>	<u><u>\$68,107,402</u></u>	<u><u>\$72,763,927</u></u>	<u><u>\$81,011,370</u></u>
Excess of Revenues over (under) Expenditures	<u><u>\$13,107,003</u></u>	<u><u>\$7,203,533</u></u>	<u><u>\$10,834,143</u></u>	<u><u>\$11,639,391</u></u>	<u><u>\$9,646,680</u></u>
Other Financing Sources (Uses):					
Proceeds of Obligations	\$0	\$0	\$7,945,000	\$0	\$0
Payment to Bond Refunding Escrow Agent	0	0	(8,702,627)	0	0
Premium on Refunding Bonds	0	0	757,627	0	0
Premium on Serial Bond	0	0	60,734	0	3,698
Issuance Cost for Refunding Bonds	0	0	0	0	0
Operating Transfers In (Out)	(2,296,745)	(5,042,326)	(4,973,481)	(4,047,768)	(5,548,052)
Transfers to Proprietary Fund	(3,332,664)	(3,259,185)	(3,344,926)	(3,015,337)	(2,604,898)
Transfers to/from Component Unit	(2,867,065)	(2,829,373)	(2,595,763)	(2,847,232)	(2,814,110)
Total Other Financing Sources (Uses)	<u><u>(\$8,496,474)</u></u>	<u><u>(\$11,130,884)</u></u>	<u><u>(\$10,853,436)</u></u>	<u><u>(\$9,910,337)</u></u>	<u><u>(\$10,963,362)</u></u>
Excess (Def) of Revenues and Other Sources Over Expenditures and Other Uses	<u><u>4,610,529</u></u>	<u><u>(3,927,351)</u></u>	<u><u>(19,293)</u></u>	<u><u>1,729,054</u></u>	<u><u>(1,316,682)</u></u>
Fund Balance Beginning of Year	\$24,596,954	\$29,207,483	\$25,280,132	\$25,260,839	\$26,989,893
Prior Period Adjustment	0	0	0	0	0
Fund Balance End of Year	<u><u>\$29,207,483</u></u>	<u><u>\$25,280,132</u></u>	<u><u>\$25,260,839</u></u>	<u><u>\$26,989,893</u></u>	<u><u>\$25,673,211</u></u>

Source: Audited Financial Statements of the Village.