

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



**COUNTY OF NASSAU, NEW YORK
GENERAL OBLIGATIONS**

\$155,110,000 GENERAL IMPROVEMENT BONDS, 2021 SERIES A

Dated: Date of Delivery

Due: April 1, as shown on the inside cover

The General Improvement Bonds, 2021 Series A (the “2021 Series A Bonds” or the “Bonds”) are general obligations of the County of Nassau, New York (the “County”), for the payment of which the County has pledged its faith and credit. All of the taxable real property within the County is subject to the levy of ad valorem taxes, subject to applicable statutory limitations, to pay both the principal of and interest on the Bonds. See “THE BONDS — Tax Levy Limitation Law” herein.

Interest on the Bonds is payable on April 1 and October 1 of each year commencing October 1, 2021. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds are payable from amounts provided by the County. See “THE BONDS” herein.

The scheduled payment of principal of and interest on the Bonds maturing on April 1 of the years 2026 through 2051, inclusive (the “Insured Bonds”) when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by ASSURED GUARANTY MUNICIPAL CORP.



The Bonds will be issued in registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. Purchases will be made in book-entry-only form in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive physical certificates representing their ownership interest in the Bonds. Principal and interest will be paid by the County to DTC which will in turn remit same to its Participants as described herein, for subsequent distribution to the beneficial owner of the Bonds. The Bonds are subject to redemption prior to maturity and purchase in lieu of redemption as set forth herein.

The Bonds are offered when, as and if issued and received by the purchaser thereof in accordance with the Notice of Sale, dated March 29, 2021. The issuance of the Bonds is subject to the approval of the legality thereof by Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the County. It is anticipated that the Bonds will be available for delivery on or about April 9, 2021, through the facilities of DTC in Jersey City, New Jersey.

THIS OFFICIAL STATEMENT IS IN A FORM “DEEMED FINAL” BY THE COUNTY FOR THE PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12.

April 6, 2021

COUNTY OF NASSAU, NEW YORK
\$155,110,000 GENERAL IMPROVEMENT BONDS
2021 SERIES A

<u>MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YIELD</u>	<u>CUSIP*</u>
4/1/2022	\$2,125,000	5.00%	0.20%	63165TV93
4/1/2023	2,230,000	5.00	0.30	63165TW27
4/1/2024	2,345,000	5.00	0.42	63165TW35
4/1/2025	2,885,000	5.00	0.56	63165TW43
4/1/2026 ⁽¹⁾	3,035,000	5.00	0.68	63165TW50
4/1/2027 ⁽¹⁾	3,195,000	5.00	0.85	63165TW68
4/1/2028 ⁽¹⁾	3,355,000	5.00	1.00	63165TW76
4/1/2029 ⁽¹⁾	3,525,000	5.00	1.17	63165TW84
4/1/2030 ⁽¹⁾	3,705,000	5.00	1.30	63165TW92
4/1/2031 ⁽¹⁾	3,900,000	5.00	1.40	63165TX26
4/1/2032 ⁽¹⁾⁽²⁾	4,095,000	5.00	1.45	63165TX34
4/1/2033 ⁽¹⁾⁽²⁾	4,310,000	5.00	1.49	63165TX42
4/1/2034 ⁽¹⁾⁽²⁾	4,505,000	4.00	1.72	63165TX59
4/1/2035 ⁽¹⁾⁽²⁾	4,690,000	4.00	1.77	63165TX67
4/1/2036 ⁽¹⁾⁽²⁾	4,880,000	4.00	1.81	63165TX75
4/1/2037 ⁽¹⁾⁽²⁾	5,080,000	4.00	1.87	63165TX83
4/1/2038 ⁽¹⁾⁽²⁾	5,285,000	4.00	1.93	63165TX91
4/1/2039 ⁽¹⁾⁽²⁾	5,505,000	4.00	1.96	63165TY25
4/1/2040 ⁽¹⁾⁽²⁾	5,725,000	4.00	2.01	63165TY33
4/1/2041 ⁽¹⁾⁽²⁾	5,960,000	4.00	2.05	63165TY41
4/1/2042 ⁽¹⁾⁽²⁾	6,205,000	4.00	2.09	63165TY58
4/1/2043 ⁽¹⁾⁽²⁾	6,460,000	4.00	2.13	63165TY66
4/1/2044 ⁽¹⁾⁽²⁾	6,720,000	4.00	2.16	63165TY74
4/1/2045 ⁽¹⁾⁽²⁾	6,995,000	4.00	2.19	63165TY82
4/1/2046 ⁽¹⁾⁽²⁾	7,285,000	4.00	2.20	63165TY90
4/1/2047 ⁽¹⁾⁽²⁾	7,580,000	4.00	2.21	63165TZ24
4/1/2048 ⁽¹⁾⁽²⁾	7,890,000	4.00	2.22	63165TZ32
4/1/2049 ⁽¹⁾⁽²⁾	8,210,000	4.00	2.23	63165TZ40
4/1/2050 ⁽¹⁾⁽²⁾	8,545,000	4.00	2.24	63165TZ57
4/1/2051 ⁽¹⁾⁽²⁾	8,885,000	4.00	2.25	63165TZ65
Total	\$155,110,000			

* CUSIP numbers have been assigned by an organization not affiliated with the County. The CUSIP numbers listed are being provided solely for the convenience of the holders of the Bonds only at the time of issuance of the Bonds and the County makes no representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

⁽¹⁾ Insured by Assured Guaranty Municipal Corp.

⁽²⁾ The Bonds stated to mature on or after April 1, 2032 shall be subject to optional redemption and purchase in lieu of redemption on April 1, 2031 or on any date thereafter. Priced to April 1, 2031 optional redemption date.

COUNTY OF NASSAU, NEW YORK

COUNTY EXECUTIVE

Laura Curran

COUNTY LEGISLATURE

Presiding Officer

Richard J. Nicoletto

Kevan Abrahams
Ellen W. Birnbaum
Siela A. Bynoe
Delia DeRiggi-Whitton
Arnold W. Drucker
John R. Ferretti Jr.
Denise Ford
C. William Gaylor III
James Kennedy

Howard J. Kopel
Joshua A. Lafazan
Thomas McKeivitt
Debra Mulé
Vincent T. Muscarella
Steven D. Rhoads
Laura Schaefer
Carrié Solages
Rose Marie Walker

COUNTY COMPTROLLER

Jack Schnirman

DEPUTY COUNTY EXECUTIVE FOR FINANCE

Raymond J. Orlando

COUNTY TREASURER

Beaumont A. Jefferson

BUDGET DIRECTOR

Andrew Persich

COUNTY ATTORNEY

Jared A. Kasschau, Esq.

FINANCIAL ADVISOR

PFM Financial Advisors LLC

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE ORIGINAL PURCHASER OF THE BONDS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesman or other person has been authorized by the County 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 County. 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 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the County 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 County since the date hereof.

PFM Financial Advisors LLC as Financial Advisor has not been engaged to and has not made any independent investigation of the accuracy or completeness of any financial information respecting the County which is included in this Official Statement or which was otherwise examined by the Financial Advisor. All such information was supplied by the County and its other professionals and has not been verified by the Financial Advisor. The Financial Advisor's exclusive engagement has been to advise the County on the likely financial consequences under present market circumstances of various financial actions based exclusively upon assumptions and data furnished by the County and its other professionals, and the Financial Advisor has assumed no responsibility with respect to the reasonableness or accuracy of any such assumptions or information. The Financial Advisor disclaims any implication that the Financial Advisor can be deemed to represent that the narrative and financial information in this Official Statement is complete or accurate.

The report of Marks Paneth LLP, the County's independent auditor, relating to the County's financial statements for the fiscal year ended December 31, 2019, which is a matter of public record, is included by specific reference in this Official Statement in APPENDIX B. Marks Paneth LLP has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Marks Paneth LLP also has not performed any procedures relating to this Official Statement.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and in "APPENDIX H – Specimen Municipal Bond Insurance Policy".

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

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

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OFFICIAL STATEMENT
of the
COUNTY OF NASSAU, NEW YORK

Relating to
GENERAL OBLIGATIONS
\$155,110,000 GENERAL IMPROVEMENT BONDS, 2021 SERIES A

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices, has been prepared by the County of Nassau (the “County”), in the State of New York (the “State”), and provides certain information in connection with the sale by the County of \$155,110,000 principal amount of General Improvement Bonds, 2021 Series A (the “2021 Series A Bonds” or the “Bonds”). The Bonds are dated the date of delivery. The interest rates, maturities and prices or yields of the Bonds are set forth on the inside cover pages of this Official Statement. The Bonds are subject to redemption prior to maturity as set forth herein.

This Official Statement consists of the front section and the Appendices hereto. The front section of this Official Statement sets forth information concerning the Bonds, including payment provisions of the Bonds, the use of proceeds of the Bonds, the nature of the Bonds and the rights of holders of the Bonds, and certain other information relating to the Bonds. APPENDIX A sets forth information about the County, including information about the County’s financial condition and certain economic factors affecting the County. The County’s audited financial statements for the fiscal year ended December 31, 2019 are included by specific reference in APPENDIX B. APPENDIX C sets forth the form of opinion to be rendered by Bond Counsel in connection with the issuance of the Bonds. APPENDIX D sets forth information about outstanding indebtedness of the County and the Nassau County Interim Finance Authority (“NIFA”). APPENDIX E sets forth information about the estimated outstanding bonded indebtedness of political subdivisions within the County. APPENDIX F sets forth information about the County’s workforce. APPENDIX G sets forth certain economic and demographic information about the County. The form of municipal bond insurance policy is set forth in APPENDIX H.

This Official Statement should be read in its entirety, including the Appendices hereto.

THE BONDS

The Bonds have been authorized and are to be issued pursuant to the Constitution and laws of the State including the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and various ordinances adopted by the legislative body of the County and approved by the County Executive pursuant to the Local Finance Law, the County Charter (the “County Charter”), the County Administrative Code and other related proceedings and determinations. In addition, NIFA, created pursuant to the Nassau County Interim Finance Authority Act, codified as Title I of Article 10-D of the State Public Authorities Law (as amended, the “NIFA Act”), has approved the issuance of the Bonds, as required by the NIFA Act during the control period declared by NIFA on January 26, 2011. It is not within NIFA’s powers to restrict the County’s obligation to pay debt service on the Bonds or other County debt. For further information regarding NIFA’s declaration of a control period, see “APPENDIX A – INFORMATION ABOUT THE COUNTY – MONITORING AND OVERSIGHT – External – *NIFA*” herein.

The Bonds are being issued to fund various public purposes, including capital projects, to refinance the County’s Bond Anticipation Note, 2020 (Renewal) Series A, dated May 28, 2020 and maturing May 27, 2021, issued to refinance notes that originally financed various sewer system improvements and other capital projects, and to pay costs of issuance.

The Bonds will be general obligations of the County, and will be issued, bear interest, mature and be payable as described on the cover page and inside cover page of this Official Statement and herein. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The record date for the payment of interest on the Bonds is the fifteenth day of the calendar month immediately preceding an interest payment date. The Bonds have been duly authorized and, when executed and delivered, will constitute legal, valid and binding obligations of the County. The County has pledged its faith and credit for the payment of the principal of and interest on the Bonds, and, unless paid from other sources, the County is authorized to levy on all taxable real property such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon subject to applicable statutory limitations. See “Tax Levy Limitation Law” herein. The Bonds do not constitute debt of NIFA.

Sources and Uses of Proceeds of the Bonds

The County expects to apply the proceeds from the sale of the Bonds as follows:

Sources

Par Amount.....	\$155,110,000
Net Original Issuance Premium*	28,538,153
Total Sources	<u>\$183,648,153</u>

Uses

Deposit to Bond Proceeds Account	\$183,648,153
Total Uses	<u>\$183,648,153</u>

*Net of underwriter’s discount and bond insurance premium.

Optional Redemption

The Bonds stated to mature on or after April 1, 2032 shall be subject to redemption prior to maturity, at the option of the County, as a whole or in part, from time to time, in any order of maturity or portion of a maturity as designated by the County, on or after April 1, 2031, upon payment of a redemption price of 100% of the principal. Notice of such call for redemption shall be given by transmitting such notice to the registered holder not more than sixty (60) nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date. See “Selection of Bonds to be Redeemed in Partial Redemption,” within this section.

Purchase in Lieu of Redemption

In lieu of optional redemption of the Bonds as described under “Optional Redemption” within this section, the County may purchase Bonds stated to mature on or after April 1, 2032, at the option of the County, as a whole or in part, from time to time, in any order of maturity or portion of a maturity as designated by the County, on or after April 1, 2031, at a purchase price of 100% of the principal, together with interest to such purchase date. The purchase of the Bonds is mandatory and enforceable against the

holders of the Bonds to be purchased, and such holders have no right to retain their Bonds. Notice of such purchase, including notice of any conditions that such purchase may be subject to, shall be given at the times and in the manner described above under “Optional Redemption,” within this section. In the case of the purchase of less than all of the Bonds, the particular Bonds to be purchased will be selected as described under “Selection of Bonds to be Redeemed in Partial Redemption,” within this section.

Selection of Bonds to be Redeemed in Partial Redemption

If less than all of the Bonds are called for optional redemption, the Bonds to be redeemed shall be selected by the County Treasurer in such manner as may be determined to be in the best interest of the County. If less than all of the Bonds of a particular maturity are called for redemption, DTC or any successor securities depository will select the Bonds to be redeemed pursuant to its rules and procedures or, if the book-entry system is discontinued, the Bonds to be redeemed will be selected by the County Treasurer, who has been appointed registrar (the “Registrar”), by lot in such manner as the Registrar in its discretion may determine. In either case, each portion of the \$5,000 principal amount is counted as one Bond for such purpose.

Nature of Bonds

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

Holders of any series of notes or bonds of the County may bring an action or commence a proceeding in accordance with the New York Civil Practice Law and Rules to enforce the rights of the holders of such series of notes or bonds.

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

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

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

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

“A pledge of the 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 this is what the courts have held they mean. . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the 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 and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded.”

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

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

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

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

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

Tax Levy Limitation Law

The following paragraphs describe the Tax Levy Limitation Law and the provisions of the State Constitution requiring an issuer to pledge its faith and credit to the payment of principal of and interest on any of its general obligation indebtedness. As explained herein, it is not clear whether the State Constitution grants a municipality authority to treat debt service payments as a constitutional exception to the statutory tax levy limitation.

As mentioned previously, 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 City). It also applies to independent special districts and to town and county improvement districts as part of the tax levies of their parent municipalities.

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 are permitted for taxable real property full valuation increases or changes due to 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 to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. 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. 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."

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 State Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation is not clear.

County May Not File For Bankruptcy Protection

Under the NIFA Act, the County is prohibited from filing any petition with any United States district court or bankruptcy court for the composition or adjustment of municipal indebtedness without the approval of NIFA and the State Comptroller and no such petition may be filed while NIFA bonds or notes remain outstanding. NIFA currently has bonds outstanding through November 15, 2035.

Contract Remedies

The General Municipal Law ("GML") of the State provides that it shall be the duty of the governing board (in the case of the County, the County Legislature) to assess, levy and cause to be collected a sum of money sufficient to pay a final judgment which has been recovered against the County and remains unpaid. The GML further provides that the rate of interest to be paid by a municipal corporation upon any judgment against a municipal corporation shall not exceed the rate of nine per centum per annum. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of principal of and interest on the Bonds. Execution or attachment of County property cannot be obtained to satisfy a judgment by holders of the Bonds.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation (none of which involved the County). While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events, including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to ensure the continuation of essential public services prior to the payment of debt service.

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds. See "Tax Levy Limitation Law" above.

Book-Entry-Only System

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

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct

Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of 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.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of redemption proceeds and principal and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on a payment 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 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

Source: DTC.

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

THE COUNTY 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 PAYMENT 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 BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF THE BONDS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE BONDS.

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the book-entry-only system of transfers through DTC (or a successor securities depository) at any time. In the event that such book-entry-only system is discontinued, the

applicable Bonds will be issued in registered form in denominations of \$5,000 or integral multiples thereof. The Bonds will remain subject to redemption prior to their stated final maturity date.

THE COUNTY

The County is located in New York State on Long Island and has a population of over 1.3 million. For a description of the County, its financial condition and projections, and certain economic factors affecting the County, see “APPENDIX A – INFORMATION ABOUT THE COUNTY” and other appendices herein.

LITIGATION

The County and its officers and employees are defendants in a number of lawsuits. Such litigation includes, but is not limited to, actions commenced and claims asserted against the County arising out of or related to: assessments and condemnation proceedings, and alleged torts, civil rights violations, breaches of contracts including union and employee disputes, and other alleged violations of law. The County intends to defend itself vigorously against all claims and actions. See “LITIGATION” in “APPENDIX A – INFORMATION ABOUT THE COUNTY” herein.

OTHER INFORMATION

The County is authorized to spend money for the objects or purposes for which the Bonds are to be issued by the General Municipal Law, the County Law, the County Charter, the County Administrative Code or other applicable law.

The County has no past due principal or interest on any of its indebtedness. To the best of the knowledge of current officials of the County, the County has never defaulted on the payment of principal of and interest on any indebtedness.

This Official Statement does not include either the debt or the tax collection records of the several cities, towns, villages, school districts or other municipal corporations or public corporations within the County, except as herein set forth.

COVENANT TO MAKE CONTINUING DISCLOSURE

At the time of the issuance and delivery of the Bonds, the County will covenant for the benefit of the Beneficial Owners (as hereinabove defined) of the Bonds, in accordance with the requirements of Rule 15c2-12 (as the same may be amended or officially interpreted from time to time) (the “Rule”) promulgated by the Securities and Exchange Commission (the “Commission”), to provide during any fiscal year in which the Bonds are outstanding, to the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board (“MSRB”) or other entity authorized or designated by the Commission, (i) certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained herein; such information and data will be so provided on or prior to August 1 of each such fiscal year; (ii) a copy of the audited financial statements (prepared in accordance with generally accepted accounting principles in effect at the time of the audit) for the preceding fiscal year; if such audit is not available when the information and data described in clause (i) is required to be provided, unaudited financial statements will be provided, and the audit will be so provided when it becomes available, but in any event, not later than the last business day of each such fiscal year; and (iii) in a timely manner not later than ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material. It should be noted that none of the Bonds, the proceedings of the County authorizing the Bonds, the Local Finance Law, nor any other law, makes any provision for non-payment related defaults on the Bonds, or other general obligations of the County;
3. Unscheduled draws on debt service reserves reflecting financial difficulties. It should be noted that the County is not legally authorized to establish, nor has it established a debt service reserve securing the Bonds;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Beneficial Owners or holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances. It should be noted that none of the Bonds, the proceedings authorizing the Bonds, the Local Finance Law, nor any other law makes any provision for the legal defeasance of the Bonds;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material. It should be noted that the Bonds are general obligations of the County and are not secured by any collateral, but rather are entitled to the pledge of the faith and credit of the County;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the County;*
13. The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material. It should be noted that there is no trustee for the Bonds;

* For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governmental 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 County.

15. Incurrence of a Financial Obligation (as defined below) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect holders of the Bonds, if material; or
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

The County will also undertake to provide, in a timely manner, notice of a failure to provide the required annual financial information, operating data and audited financial statements described above on or before the date specified above.

“Financial Obligation” (i) means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B), but (ii) shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The sole remedy of a Beneficial Owner of the Bonds under this covenant will be to bring an action to compel specific performance in a court in the State having appropriate jurisdiction. A default by the County of its obligations under the covenant shall not be deemed a default on the Bonds.

The County may amend its obligations under the provisions of the covenant without the consent of any holder of the Bonds or Beneficial Owner of the Bonds provided that the County shall first obtain an opinion of nationally recognized bond counsel to the effect that the proposed amendment would not in and of itself cause the covenant to violate the requirements of the Rule if such amendment had been effective at the time of issuance of the Bonds, but taking into account any subsequent change in or official interpretation of the Rule.

The County has not, in the previous five years, failed to comply in all material respects with any previous undertaking made pursuant to the Rule.

RISK FACTORS

The following description summarizes some of the risk factors associated with the Bonds and does not purport to be complete. The factors affecting the County’s financial condition described throughout the Official Statement are complex and are not intended to be summarized in any one section. This Official Statement should be read in its entirety.

Factors Affecting the Financial Condition of the County

The economic and financial condition of the County and the market for the Bonds could be affected by a variety of factors, including various changes in law, financial, social, economic, political and environmental factors, cybersecurity threats, public health crises, terrorist events, hostilities or war, and other factors, many of which are beyond the County’s control. There can be no assurance that adverse events in the State and in other jurisdictions of 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 Bonds. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions or in other jurisdictions of the country thereby further impacting the acceptability of obligations issued by borrowers within the State, both the ability of the County to arrange for additional

borrowings, and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

In addition, adverse events within the County could affect the market for the Bonds. These include, but are not limited to, events which impact the County's ability to reduce expenditures and raise revenues, economic trends, the willingness and ability of the State and the federal government to provide aid and to enact various other legislation and the County's ability to market its securities in the public credit markets. It is anticipated that the various news media will report on events which occur in the County and that such media coverage, as well as such events, could have an impact on the market for, and the market price of, the Bonds.

A major portion of the County's annual expenditures is utilized in the administration of various federal and State mandated aid programs including Medicaid, Temporary Assistance to Needy Families, and community services. Although a substantial portion of these expenditures (other than Medicaid) is reimbursed by the State and federal governments, expenditures fluctuate in response to overall economic conditions and are difficult to predict. These expenditures may increase in the future.

Uncertainty of State Aid

The County is dependent in part on financial assistance from the State. However, if the State should experience cash flow difficulties or 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 County, in any year, the County may be affected by a delay in receipt of State aid, until sufficient taxes have been received by the State to make State aid payments to the County, or a decline in State aid from budgeted or projected levels. See "COUNTY FINANCIAL CONDITION – State and Federal Aid" and "STATEMENT OF REVENUES AND EXPENDITURES – Revenues – *State and Federal Aid*" in "APPENDIX A – INFORMATION ABOUT THE COUNTY" herein. For a description of the County's current multi-year financial plan and the budget gap closing measures contained therein, see "COUNTY FINANCIAL CONDITION – 2021 Budget and 2021-2024 Multi-Year Financial Plan" in "APPENDIX A – INFORMATION ABOUT THE COUNTY" herein.

Property Tax Refunds

The County pays refunds of property taxes levied or imposed by the County Legislature, which, in addition to County taxes, includes those of the towns, special districts and all but one of the school districts in the County. Based on a provision of the County Administrative Code, the County may not charge the cost of such refunds to the towns, special districts and school districts, as would otherwise be required by Article 7 of the State Real Property Tax Law. See "COUNTY INDEBTEDNESS AND DEBT LIMITATIONS – Bonded Indebtedness" and "– Debt Service Requirements," "REAL PROPERTY ASSESSMENT AND TAX COLLECTION – Real Property Assessment – *Property Tax Refunds*" and "LITIGATION – Property Tax Litigation" in "APPENDIX A – INFORMATION ABOUT THE COUNTY" herein.

NIFA Oversight

Following from NIFA's declaration of a control period on January 26, 2011, NIFA may continue to seek, among other things, to restrict in whole or in part the County's ability to issue debt to finance expenditures, including, but not limited to, capital projects, judgments and settlements, and property tax refunds. For further information regarding NIFA's declaration of a control period, see "APPENDIX A – INFORMATION ABOUT THE COUNTY – MONITORING AND OVERSIGHT – External – *NIFA*" herein.

Environmental

Environmental factors, including climate change, pose significant risks to the region and the County. The magnitude of the impact on the County's operations, economy and financial condition of rising sea levels, coastal flooding and more frequent and extreme weather events is indeterminate and unpredictable. No assurance can be given that the County will not encounter natural disaster risks, such as hurricanes, tropical storms, heatwaves or catastrophic sea level rise in the future, or that such risks will not have an adverse effect on the operation, economy or financial condition of the County.

On October 29, 2012, Superstorm Sandy hit the New York metropolitan region. For further information regarding the storm and its impact on the County, see "APPENDIX A – INFORMATION ABOUT THE COUNTY – COUNTY FINANCIAL CONDITION – Superstorm Sandy" herein.

Cybersecurity

The County, like other large private and public entities, relies on a large and complex network of technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the County's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. The County has implemented cybersecurity policies and has adopted methodologies including a third party annual comprehensive security audit, desktop and network security features, and performance of phishing and end user testing. However, no assurance can be given that the County's security and operational control measures will be successful in guarding against all cybersecurity threats. As cybersecurity threats continue to evolve, the County may in the future be required to expend significant additional resources to strengthen security measures, investigate and remediate any vulnerabilities or invest in new technology designed to mitigate security risks. The result of any successful attack on the County's computer and information technology systems could impact its operations and the costs of remedying any damage could be substantial.

COVID-19 Pandemic

The outbreak of COVID-19 has been declared a pandemic by the World Health Organization. The Governor of the State declared a state of emergency in the State on March 7, 2020, and the County Executive declared a state of emergency in the County on March 13, 2020, each of which is still in effect. The outbreak of the virus has altered the behavior of businesses and people in a manner that has had, and is expected to continue to have, negative effects on the County, its economy and revenues. The 2021-2024 Multi-Year Financial Plan Update (defined herein) reflects the impact of the outbreak on the County's economy and revenues as of its date, and the County's estimates and forecasts of the impact of the outbreak on its economy and revenues for fiscal years 2021-2024. See "APPENDIX A – INFORMATION ABOUT THE COUNTY – COUNTY FINANCIAL CONDITION – 2021 Budget and 2021-2024 Multi-Year Financial Plan" herein.

The COVID-19 outbreak has affected and is expected to continue to affect travel, commerce, global financial markets and worldwide economic growth. Although the total impact and cost to the County of the ongoing COVID-19 pandemic cannot be determined at this time, the outbreak has had and is expected to continue to have a significant adverse impact on the County and the County's financial condition. See "APPENDIX A – INFORMATION ABOUT THE COUNTY – COUNTY FINANCIAL CONDITION – COVID-19 Pandemic" herein.

Changes in Law

From time to time, legislation is introduced on the federal and State levels, which, if enacted into law, could affect the County and its operations. The County is not able to represent whether such legislation will be introduced in the future or become law.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds will be covered by the final approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. The proposed form of such opinion is set forth in APPENDIX C hereto.

TAX MATTERS

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

To the extent that the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Contemporaneously with the issuance of the Bonds, the County will make certain representations and will covenant to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and that interest on the Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York), the ownership or disposition (including sale, redemption or payment on maturity) of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the County, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. Contemporaneously with the issuance of the Bonds, the County will covenant, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the County and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues may affect the market price for, or the

marketability of, the Bonds, and may cause the County or the Beneficial Owners to incur significant expense.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. (“AGM”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Bonds maturing on April 1 in the years 2026 through 2051, inclusive (the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A2” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On October 29, 2020, KBRA announced it had affirmed AGM’s insurance financial strength rating of “AA+” (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 16, 2020, S&P announced it had affirmed AGM’s financial strength rating of “AA” (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Capitalization of AGM

At December 31, 2020:

- The policyholders' surplus of AGM was approximately \$2,864 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$940 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,112 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Merger of MAC into AGM

On April 1, 2021, MAC was merged into AGM, with AGM as the surviving company. Prior to that merger transaction, MAC was an indirect subsidiary of AGM (which indirectly owned 60.7% of MAC) and AGM's affiliate, Assured Guaranty Corp., a Maryland-domiciled insurance company ("AGC") (which indirectly owned 39.3% of MAC). In connection with the merger transaction, AGM and AGC each reassumed the remaining outstanding par they ceded to MAC in 2013, and AGC sold its indirect share of MAC to AGM. All of MAC's direct insured par exposures have become insured obligations of AGM.

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (filed by AGL with the SEC on February 26, 2021).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be

deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and in "APPENDIX H – Specimen Municipal Bond Insurance Policy".

RATINGS

S&P has assigned a rating of "A+" (stable outlook) to the Bonds other than the Insured Bonds. S&P has assigned a rating of "AA" (stable outlook) to the Insured Bonds with the understanding that a municipal bond insurance policy insuring the payment when due for principal and interest on the Insured Bonds will be issued by Assured Guaranty Municipal Corp. Moody's and Fitch Ratings have assigned ratings of "A2" (positive outlook) and "A" (negative outlook), respectively, to the Bonds, which ratings do not take into account the municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. with respect to the Insured Bonds.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; S&P Global Ratings, 55 Water Street, New York, New York 10041; and Fitch Ratings, Hearst Tower, 300 West 57th Street, New York, New York 10019. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any of such ratings will be retained for any given period of time or that the same will not be revised upward or downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of, or the availability of a secondary market for, the Bonds. A securities rating is not a recommendation to buy, sell or hold securities.

FINANCIAL ADVISOR

The County has retained PFM Financial Advisors LLC ("PFMFA") of New York, New York, as Financial Advisor in connection with the issuance and sale of the Bonds. Although PFMFA has assisted in the preparation of the Official Statement, PFMFA is not obligated to undertake, and has not undertaken to

make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. PFMFA is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

UNDERWRITING

The Bonds will be purchased for reoffering by Jefferies LLC.

MISCELLANEOUS

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the County management's beliefs, as well as assumptions made by, and information currently available to, the County's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the County files with the MSRB. When used in County documents or oral presentations, the words "anticipate," "estimate," "expect," "objective," "projection," "forecast," "goal," or similar words are intended to identify forward-looking statements.

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, such matters of opinion and estimates are set forth as such and not as representations of fact. Neither this Official Statement nor any statement which may have been made verbally or in writing in connection therewith is to be construed as a contract with the holders of the Bonds.

Neither the County's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the County, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the County for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Upon delivery of the Bonds, the County Treasurer shall furnish a certificate stating (i) to his knowledge the Official Statement did not contain any untrue statements of material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the County is not guaranteed as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading, (ii) to his knowledge, since the date of said Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the County and no material adverse changes in the general affairs of the County or in its financial condition as shown in the Official Statement other than as disclosed or contemplated by said Official Statement, and (iii) that no litigation is pending or, to the knowledge of the County, threatened affecting the Bonds.

Various departments of the County, including the Office of Management and Budget, the County Comptroller and the Office of Legislative Budget Review, prepare periodic public reports relating to the financial condition of the County, its operations and the balances, receipts and disbursements of the various funds of the County. The County's financial statements are audited by independent certified public accountants.

Information pertaining to the Official Statement may be obtained upon request from the Office of the County Treasurer, 1 West Street, Mineola, New York 11501, telephone (516) 571-2090. The County maintains an investor relations website at <https://www.nassaucountyny.gov/3984/Investor-Relations> and may place a copy of this Official Statement on such website. Investors can refer to such website for information about the County and its debt obligations. No statement on such website is included by specific cross-reference herein. The information on such website is provided for the convenience of investors and potential investors and no investment decision should be made in reliance upon such information. The County disclaims any duty or obligation to update or maintain the availability of the information contained on the website and assumes no liability or responsibility for any errors or omissions therein.

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

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APPENDIX A
INFORMATION ABOUT THE COUNTY

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INFORMATION ABOUT THE COUNTY

The information below provides comprehensive information on the County, its financial management, current financial condition, litigation and other information and factors affecting the County.

THE COUNTY

The County is located on Long Island and has a population of over 1.3 million. It is bordered to the west by the New York City borough of Queens, to the east by Suffolk County, to the north by Long Island Sound and to the south by the Atlantic Ocean. The County was formed on January 1, 1899 and since 1938 has operated under the County Charter. The County Charter was the first of its type in the State and established a form of government headed by a County Executive and a Board of Supervisors.

The County Executive heads the executive branch of County government. The legislative power of the County is vested in the 19-member County Legislature, which superseded the Board of Supervisors in 1996. The County Comptroller has the authority to audit the records of the County departments and special districts, to examine and approve all payment vouchers including payroll, to ascertain that funds to be paid are both appropriated and available, and to report the financial status of the County to the County Legislature. The County Treasurer, the County's chief fiscal officer, receives and has custody of all County funds (unless otherwise provided by law) including County taxes, collects most revenues and is responsible for the issuance of all County debt.

The County Executive and the County Comptroller are each elected for four-year terms and the members of the County Legislature are elected for two-year terms. On January 1, 2018, Laura Curran took office as County Executive and Jack Schnirman took office as County Comptroller. The County Treasurer is appointed by the County Executive and confirmed by the County Legislature.

County Officials

County Executive – Laura Curran

Laura Curran was sworn into office as Nassau County Executive on Monday, January 1, 2018. She is the 9th County Executive in County history, and the first woman elected to the office. Immediately prior, she served as a member of the Nassau County Legislature from 2014-2017.

County Executive Curran, who represents more than 1.3 million residents, has said her priorities are reestablishing faith and trust at the highest levels of government, and working with local municipalities to foster economic development and regional projects that support and enhance the use of mass transit.

County Executive Curran began her career as a reporter at the New York Daily News and the New York Post. She specialized in in-depth features, often writing about Long Island. She was an adjunct professor of journalism at SUNY Purchase.

She started in public service as a Trustee on the Baldwin Board of Education from 2011-2014, serving as president in her final year.

She earned her B.A. in Liberal Arts at Sarah Lawrence College.

County Legislators

Kevan Abrahams	Howard J. Kopel
Ellen W. Birnbaum	Joshua A. Lafazan
Siela A. Bynoe	Thomas McKevitt
Delia DeRiggi-Whitton	Debra Mulé
Arnold W. Drucker	Vincent T. Muscarella
John R. Ferretti Jr.	Steven D. Rhoads
Denise Ford	Laura Schaefer
C. William Gaylor III	Carrié Solages
James Kennedy	Rose Marie Walker

Presiding Officer, County Legislature – Richard J. Nicoletto

Richard J. Nicoletto is the Presiding Officer of the Nassau County Legislature. Legislator Nicoletto also serves as the Chair of the Legislature’s Rules Committee and is the Vice Chair of the Budget Review Committee. He has represented the 9th Legislative District since the first session of the Nassau County Legislature in 1996. Mr. Nicoletto is a life-long resident of New Hyde Park.

Mr. Nicoletto has been a practicing attorney since 1986. He is of counsel to the law firm of Congdon, Flaherty, O’Callaghan, Reid, Donlon, Travis & Fishlinger, where he leads the firm’s insurance coverage group. He served as Counsel to the Board of Education of the New Hyde Park - Garden City Park U.F.S.D. from 1987 - 2009. Mr. Nicoletto is admitted to the New York State Bar, as well as the Federal District Court for the Eastern and Southern Districts. He is a member of the Nassau County Bar Association and Columbian Lawyers’ Association (the professional association of Italian-American attorneys).

Legislator Nicoletto’s community involvement includes: New Hyde Park Kiwanis Club (past president), Mineola Lions Club (1st vice president and past secretary), Cellini Lodge, Knights of Columbus, Elks Club, New Hyde Park Chamber of Commerce, Irish-Americans in Government (associate director), Friendly Sons of St. Patrick, Notre Dame Parish, Wildcats Soccer Club (former coach), Parks Civic Association, Shelter Rock District, Theodore Roosevelt Council, Boy Scouts of America (member-at-large), Jewish Advisory Network for Security on Long Island (honorary policy committee member), and CARE (Committee Against Rail Expansion).

Mr. Nicoletto received his Bachelor of Arts degree in Government and Politics (Magna Cum Laude) from St. John’s University. He received his Juris Doctor from Fordham Law School. He is a member of the Alumni Associations of Fordham Law School and St. John’s University.

County Comptroller – Jack Schnirman

Nassau County Comptroller Jack Schnirman was elected in November 2017.

Mr. Schnirman previously served as Brookhaven Chief Deputy Town Supervisor and Long Beach City Manager. He is a member of the Government Finance Officers Association (“GFOA”), New York State Association of Counties, Energeia Partnership, New Deal Leaders, and Truman National Security Project’s Partnership Program.

He is on the advisory board of the Hofstra University Peter S. Kalikow School of Government, Public Policy and International Affairs, and he has served as a career advisor to the NYU Wagner School of Public Service’s Fellowship for Emerging Leaders in Public Service and as co-chair of the Curriculum Committee for the New Leaders Council.

Mr. Schnirman is a former member of the New York Conference of Mayors, Mayors Against Illegal Guns, and Regional Economic Development Council's infrastructure working group. He has also previously served on the board of the Long Island Chapter of the New York League of Conservation Voters. A native Long Islander, Mr. Schnirman holds a Master's Degree in Public Policy from the Harvard University John F. Kennedy School of Government.

Deputy County Executive for Finance – Raymond J. Orlando

Raymond J. Orlando is the Deputy County Executive for Finance of the County, and is primarily responsible for overseeing the Office of Management and Budget, the Office of the County Treasurer, the Department of Assessment and the Assessment Review Commission. He was previously the Chief Financial Officer of the New York City Department of Education where he managed the department's \$31 billion budget and all of the department's financial operations, and served as the Chief Personnel Officer directing the human resources for over 140,000 employees. He previously served as the First Deputy Budget Director at the New York City Mayor's Office of Management and Budget, where he was responsible for overseeing New York City's \$75 billion operating budget and \$50 billion capital improvement plan. Prior to his work in the public sector, he was a Senior Manager in the Division of Small Business Services at American Express. He is a graduate of the University of Pennsylvania and the John F. Kennedy School of Government at Harvard University.

County Treasurer – Beaumont A. Jefferson

Beaumont A. Jefferson was appointed Deputy County Treasurer on February 5, 2010. Mr. Jefferson became Acting County Treasurer on December 1, 2011 upon the retirement of the appointed County Treasurer, and was confirmed as County Treasurer by the County Legislature on March 18, 2013.

Mr. Jefferson has 24 years of banking experience and is a former Vice President at JPMorgan Chase Bank. Mr. Jefferson's banking experience includes technology project and program management, call center management, retail back office operations and retail branch management.

Mr. Jefferson holds a B.S. in Business Administration and Management from SUNY Old Westbury.

County Budget Director – Andrew Persich

Andrew Persich re-joined the Office of Management and Budget in January 2016. He was appointed Budget Director in January 2018. Prior to becoming Budget Director, Mr. Persich was a Deputy Budget Director, responsible for overseeing Grants Management, the financial reporting for grants, and assisting the Director with various other financial operations, including annual budgets and legislative items.

Prior to joining the County, Mr. Persich was the Business Manager for the Greenlawn Water District. His responsibilities included preparing annual budgets and financial statements and handling the day-to-day administrative functions of the district. Prior to joining Greenlawn, he served as Comptroller and Deputy Comptroller for the Town of Huntington, where he was responsible for preparing the annual budgets and financial statements and helped the town achieve its "AAA" bond rating.

Mr. Persich was previously with the County as a Deputy Budget Director and was responsible for the budgets of General Services, Parks, Public Works and the Sewer and Storm Water Resources District. He also assisted in compiling the budget information for the entire County and administered interfund transfers. His prior experience includes 15 years in the financial services sector.

Mr. Persich received his B.A. in accounting from the New York Institute of Technology.

County Attorney – Jared A. Kasschau, Esq.

Nassau County Attorney Jared A. Kasschau was appointed by County Executive Laura Curran and unanimously confirmed by the Nassau County Legislature on January 29, 2018. The County Attorney’s office vigorously prosecutes and defends all civil actions and proceedings brought by or against the County. The County Attorney’s office also provides legal representation in transactional matters and legal advice to all County agencies and departments.

Prior to joining the County, Mr. Kasschau was a Partner at Harris Beach PLLC, where he was a member of the Business & Commercial Litigation and Government Compliance and Investigations Practice Groups.

Mr. Kasschau is a graduate of Lehigh University and Brooklyn Law School.

County Government

County Executive

The County Executive is the chief administrator of County government, supervising the performance of all County agencies and departments including, but not limited to, the Office of Management and Budget (“OMB”), law enforcement, economic development, planning, social services, public works and parks. The County Executive appoints department heads, commissioners, and other employees. In addition, the County Executive proposes to the County Legislature the County’s operating budget, multi-year financial plan, capital budget and capital plan.

County Legislature

Pursuant to the County Charter, the County Legislature meets to consider the approval of County laws, ordinances and resolutions, including those relating to multi-year financial plans, budgets, capital plans and capital budgets, certain contracts, the appointment of department heads and tax rates and levies. See “Budget Process and Controls” within this section. The County Legislature is also empowered to hold public investigative hearings. Ordinances, resolutions and local laws require at least ten affirmative votes for passage, except that bond ordinances and certain other actions require at least thirteen votes. Twelve votes are required to enact a local law to override the State law limitation on tax increases for the next fiscal year.

County Financial Management

The Deputy County Executive for Finance is responsible for all budget and finance matters in the County - overseeing OMB, the Office of the County Treasurer, the Department of Assessment, and the Assessment Review Commission (“ARC”).

Key Departments

OMB. OMB is primarily responsible for developing the County’s operating budgets and multi-year financial plans, as well as monthly financial forecasting reports. This is accomplished by assigning a budget examiner to each key County operational area. OMB works with departments to develop smart government initiatives which are reviewed in conjunction with monthly forecasts. OMB is responsible for approving and processing financial transactions, contracts and purchase orders, and providing expertise on operating and capital budget-related matters as well as revenue management. OMB is also responsible for performance measurement used by the County’s management, departments, fiscal monitors, investors and the public.

County Treasurer. The Office of the County Treasurer is responsible for managing the County’s cash receipts and disbursements, maintaining the County’s bank accounts and investing County funds on a daily

basis. The office also coordinates with the County Comptroller's Office to ensure that all transactions are recorded in a timely fashion and the County's books and records are accurate and complete. The County Treasurer is responsible for the issuance of all County debt obligations. The Office of the County Treasurer also tracks the use of bond and note proceeds and the investment of unexpended funds.

Financial Policies

Debt Policy. The goals and objectives of the County's debt policy are as follows: (1) to guide the County and its managers in policy and debt issuance decisions; (2) to maintain appropriate capital assets for present and future needs; (3) to promote sound financial management; (4) to protect and enhance the County's credit rating; (5) to ensure the legal and prudent use of the County's debt issuance authority; and (6) to evaluate debt issuance options.

The policy provides that debt issuance will be planned to achieve relatively level debt service while matching debt service to the useful life of the projects. The policy also states that the County will avoid the use of bullet or balloon maturities except in those instances where these maturities serve to make existing overall debt service level (to the extent permissible under the Local Finance Law). The County may elect a more rapid or other debt service structure, such as declining debt service (i.e., equal principal amortization), at its discretion.

The County will consider the refinancing of outstanding indebtedness whenever the present value savings of such transactions, taking into account costs of issuance, so warrant.

See "COUNTY INDEBTEDNESS AND DEBT LIMITATIONS – Bonded Indebtedness" and "– Debt Service Requirements" in this Appendix A for the amount of outstanding County and NIFA bonds and the purposes for which such debt was issued, and debt service requirements.

Fund Balance and Reserve Policy. The County's fund balance and reserve policy draws upon the recommendations of the GFOA. The policy outlines an approach for the accumulation and use of unreserved fund balance and reserve funds that takes into consideration issues that are particular to the County. It identifies an array of reserve funds that help the County stabilize its budget and finance important policy objectives. The policy sets a recommended level of fund balance and reserves of no less than 4% and no more than 5% of normal prior-year expenditures made from the General Fund, the County-wide special revenue funds (the Fire Prevention and Police Headquarters Funds), and the Police District Fund. The policy outlines the conditions under which the County's fund balance ought to be replenished, and identifies the appropriate uses for fund balance, formally-created reserves, and any projected operating surpluses. As of December 31, 2020, the County's projected unreserved budgetary fund balance and reserves totaled approximately \$368.9 million*, which includes all special revenue funds and reserves, such as the Employee Benefit Accrued Liability Reserve Fund (\$13.4 million), Retirement Contribution Reserve Fund (less than \$0.1 million), Litigation Fund (\$29.7 million) and Bonded Indebtedness Reserve Fund (\$0.0 million). See "COUNTY FINANCIAL CONDITION – 2021 Budget and 2021-2024 Multi-Year Financial Plan" herein.

Investment Policy. Under the law of the State, the County is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State, or certificates of deposits arranged by such entities in one or more banking institutions under certain conditions; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State (or public authorities of the State as may be provided by law); (5) with the approval of the State Comptroller, tax anticipation notes and revenue anticipation notes issued by any municipality (other than the County), school district or district corporation in the State; (6) certain

* Includes approximately \$1.9 million of fund balance in the Open Space and Technology Funds, which funds are not included in the County's fund balance and reserve policy.

certificates of participation issued on behalf of political subdivisions of the State; and (7) in the case of County monies held in certain reserve funds established pursuant to law, obligations issued by the County. The law further requires that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities (or a pro rata portion of a pool of eligible securities), an eligible surety bond or an eligible letter of credit, as those terms are defined in the law. From time to time, the County Legislature adopts a resolution setting forth the County's investment policy in accordance with the above statutory limitations, which policy currently substantially mirrors (1) through (7) above. The primary objectives of the County's investment activities are, in priority order: (i) to conform with all applicable federal, State and other legal requirements (legality); (ii) to adequately safeguard principal (safety); (iii) to provide sufficient liquidity to meet all operating requirements (liquidity) and (iv) to obtain a reasonable rate of return (yield). The investment policy authorizes the County Treasurer to purchase obligations subject to a repurchase agreement in accordance with guidance promulgated by the State Comptroller.

Swap Policy. Although State law does not empower the County to enter into interest rate exchange agreements (i.e., swaps), NIFA and the Nassau Health Care Corporation ("NHCC") are each statutorily empowered to do so. NHCC has executed certain LIBOR-based swaps to hedge its variable rate debt exposure and to enhance the savings generated by refundings of outstanding debt, which conform to the County's swap policy described below. For a description of existing interest rate exchange agreements, see "APPENDIX D – OUTSTANDING OBLIGATIONS – Interest Rate Exchange Agreements." Pursuant to a guaranty by the County of NHCC bonds and related payments, interest and net swap payments are made by the County on behalf of NHCC, and are secured by offsets of service payments and other amounts owed to NHCC and liens on certain of NHCC's assets. See "NASSAU HEALTH CARE CORPORATION" in this Appendix A.

The County utilizes a swap policy to guide its decisions regarding swaps. The policy identifies six reasons for entering into swaps: optimize the County's capital structure; achieve appropriate asset/liability match; actively manage or reduce interest rate risk; provide greater financial flexibility; generate interest rate savings; and enhance investment yields.

The County's swap policy puts forth a series of recommended terms for swap agreements. The policy recommends the use of ISDA swap documentation, including the Schedule to the Master Agreement, the Credit Support Annex, and a Swap Confirmation. The policy recommends that swaps should provide for optional termination at market at any time and in the event of a counterparty credit downgrade. The policy also recommends that swap agreements should only be made with qualified swap counterparties, and that the County should seek to diversify counterparty credit risk.

LIBOR-based interest rate swaps carry certain risks, notably basis risk, counterparty risk, rollover risk, tax risk, and termination risk. Working with NHCC, the County has made efforts to mitigate these risks. As recommended by the swap policy, the County regularly monitors these risks. The County notes that the United Kingdom's Financial Conduct Authority, a regulator of financial services firms and financial markets in the U.K., has stated that it will plan for a phase out of LIBOR with a target end date to the indices of December 31, 2021.

Risk Management

The County is exposed to various risks of loss related to torts, property loss, employee injuries, motor vehicle accidents and errors and omissions of its employees. The County self-insures for most risk exposures. It has transferred some of its risk by means of carrying property and liability insurance coverage on its police helicopters, a blanket fidelity bond covering all County employees and the following coverage for the summer recreation program: accident insurance, umbrella liability and general liability. The County has a contractual obligation to reimburse NHCC for the cost of certain insurance coverage in connection with NHCC's provision of health care services at the Nassau County Correctional Center (the "Correctional Center"). Essentially all other risks are assumed directly by the County.

Budget Process and Controls

The County Charter requires the County Executive to submit, no later than September 15th of each year, to the County Legislature for its review an annual operating budget for the ensuing fiscal year (January 1st through December 31st). Each year during a control period (as described herein), the NIFA Act (as defined herein) requires the County to submit the proposed budget to NIFA no later than September 15th, which must be consistent with the accompanying multi-year financial plan that the County must submit for NIFA's approval. See "Multi-Year Financial Plan Process" in this Appendix A. For further information regarding NIFA's powers and responsibilities upon its declaration of a control period on January 26, 2011, see "MONITORING AND OVERSIGHT – External – *NIFA*" herein.

The County Charter requires the proposed budget, among other things, to show a balanced relationship between the total estimated expenditures and the total estimated income for the ensuing fiscal year. The County Legislature holds budget hearings after the County Executive submits the proposed budget. After the conclusion of the public hearings, the County Legislature may reduce, add, increase or strike out any item of appropriation in the proposed budget. Prior to any addition or increase, however, another public hearing is necessary. The County Executive has the power to veto any item that constitutes an addition or increase in the proposed budget. The County Legislature has the power to override such a veto by affirmative vote of at least thirteen out of its nineteen members and then approve by ordinance the final budget. Within ten days of the final approval of the budget by the County Legislature, the County Executive may veto any item that constitutes a change from the proposed budget, while at the same time approving the remainder of the budget. The County Legislature may override any such vetoed item within seven days by an affirmative vote of at least thirteen members. Upon final adoption of the budget, the County Legislature must pass an appropriation ordinance for such budget, and must levy taxes for the ensuing year not later than October 30th. See "COUNTY FINANCIAL CONDITION – 2021 Budget and 2021-2024 Multi-Year Financial Plan" herein for a description of the actions of the County Executive and County Legislature with respect to adoption of the 2021 Budget and 2021-2024 Multi-Year Financial Plan, and for a description of NIFA's actions with respect to the 2021 Budget and 2021-2024 Multi-Year Financial Plan.

During the year, transfers of appropriations between departments and certain transfers within departments require approval by majority vote of the County Legislature on the recommendation of the County Executive. Supplemental appropriations from any moneys not otherwise appropriated may be made at any time upon recommendation of the County Executive upon approval by at least thirteen affirmative votes of the County Legislature.

The County has established controls to ensure compliance with adopted budgets. OMB and the County Comptroller supervise and control the expenditure and encumbrance of appropriations, and monitor revenues. The County's financial management system provides for on-line inquiries of budgeted and actual obligations and revenues, which are used to analyze current activity and historical trends, and to formulate forecasts of future operating results. Appropriations that have not been expended or encumbered lapse at the end of the year.

The County received the GFOA Distinguished Budget Presentation Award for its 2020 Budget.

Multi-Year Financial Plan Process

Each year, the County Executive is required to prepare and file with the Clerk of the County Legislature a four-year financial plan (the "multi-year financial plan") covering the Major Operating Funds not later than September 15th, in accordance with the provisions of the County Charter. The County Charter requires that each of the Major Operating Funds be balanced in each year of the multi-year financial plan in accordance with generally accepted accounting principles ("GAAP"). Upon the adoption of a budget, the County Executive must, if necessary, revise the multi-year financial plan to reflect the adopted budget. The County Executive

must then submit such revised multi-year financial plan to the County Legislature within thirty days following adoption of the budget. The County Legislature may modify the revised multi-year financial plan in accordance with the County Charter, subject to the veto in whole or in part of the County Executive, which may be overridden by at least thirteen affirmative votes by the County Legislature. The County Charter requires the County Legislature to adopt the final multi-year financial plan on or before December 31st.

No later than June 30th of the fiscal year following the adoption of the final multi-year financial plan, the County Executive is required to re-examine the expenditure and revenue estimates included in the final multi-year financial plan and file a report summarizing such re-examination with the Clerk of the County Legislature. In the event that the County Executive identifies actual or anticipated reductions in revenues or increases in expenditures that are likely to adversely impact the County's projected financial position in the out-years of the multi-year financial plan, the County Executive must submit to the County Legislature a modified multi-year financial plan, along with the report summarizing the re-examination, in accordance with the County Charter. The County Legislature may then further amend the modified multi-year financial plan within sixty days of the submission by the County Executive, subject to the veto in whole or in part of the County Executive, which may be overridden by at least thirteen affirmative votes by the County Legislature.

The County Charter does not address the effect of NIFA's powers during a control period under the NIFA Act on the provisions described above. See "MONITORING AND OVERSIGHT – External – *NIFA*" herein for information regarding NIFA's powers with respect to the multi-year financial plan during a control period. See "COUNTY FINANCIAL CONDITION – 2021 Budget and 2021-2024 Multi-Year Financial Plan" herein for a description of NIFA's actions with respect to the 2021 Budget and 2021-2024 Multi-Year Financial Plan.

See "CAPITAL PLANNING AND BUDGETING – Capital Plan and Capital Budget" for information regarding the County's capital planning and budgeting process.

COUNTY FINANCIAL CONDITION

Financial Results and Projections

The County calculates year end results on a budgetary basis, GAAP basis and, for purposes of the NIFA control period test, in accordance with the NIFA Act. The County's budgetary surplus in the Major Operating Funds for fiscal year 2019 was \$101.9 million. On a GAAP basis, the County ended fiscal year 2019 with a surplus in the Major Operating Funds of \$138.9 million. For purposes of the NIFA control period test under the NIFA Act, the County ended fiscal year 2019 with a surplus of \$76.8 million. The County Comptroller reported a surplus of \$145.3 million on a GAAP basis for fiscal year 2019 for the Major Operating Funds, the Sewer and Storm Water Resources District Fund and certain other funds. See "MONITORING AND OVERSIGHT – Internal – *County Comptroller*" and "APPENDIX B – Basic Audited Financial Statements for Fiscal Year Ended December 31, 2019."

The County projects a budgetary surplus of \$74.9 million for the Major Operating Funds for fiscal year 2020.

2021 Budget and 2021-2024 Multi-Year Financial Plan

On September 15, 2020 the County Executive submitted the proposed budget for fiscal year 2021 and accompanying proposed multi-year financial plan for fiscal years 2021-2024 to the County Legislature for approval. On October 29, 2020, the County Legislature adopted (i) the budget for fiscal year 2021 with certain amendments to the proposed budget submitted by the County Executive and (ii) the multi-year financial plan for fiscal years 2021-2024 in the form submitted by the County Executive (hereinafter, the "2021-2024 Multi-Year Financial Plan").

On October 29, 2020, the County Executive delivered to the County Legislature line-item vetoes of the changes the County Legislature made to the proposed budget and tax levy. On November 5, 2020, the County Legislature held a vote to override the County Executive’s line-item vetoes, which failed to receive the required thirteen votes. The budget for fiscal year 2021 as proposed by the County Executive (hereinafter, the “2021 Budget”) includes \$2.9 billion in appropriations, excluding interdepartmental transfers, in the Major Operating Funds and is balanced according to the budgetary basis of accounting.

On December 17, 2020, NIFA approved the 2021-2024 Multi-Year Financial Plan and required that the County’s administration develop a contingency plan of actions that could be implemented in 2021 if the ongoing COVID-19 pandemic results in an economic contraction of sales tax and other revenues; furthermore, no later than March 31, 2021, and quarterly thereafter, the County must submit a detailed plan that addresses the projected out-year baseline gaps.

On March 31, 2021, the County Executive released an update to the 2021-2024 Multi-Year Financial Plan (the “2021-2024 Multi-Year Financial Plan Update”).

As described in the 2021-2024 Multi-Year Financial Plan Update, the County is projecting budgetary deficits of \$47.6 million in 2022, \$170.5 million in 2023 and \$240.4 million in 2024, before gap closing measures. Figure 1 shows the gap projections and gap closing options for fiscal years 2022 through 2024 contained in the 2021-2024 Multi-Year Financial Plan Update.

FIGURE 1			
GAP CLOSING PLAN (MAJOR OPERATING FUNDS)			
2021-2024 MULTI-YEAR FINANCIAL PLAN UPDATE			
(IN MILLIONS)			
	2022 Plan	2023 Plan	2024 Plan
Current Baseline Surplus / (Gap)	(47.6)	(170.5)	(240.4)
<u>Gap Closing Options</u>			
<u>Expense/Revenue Actions</u>			
eFMAP Reconciliation	-	\$15.0	-
State Aid Mandated Cap	-	10.0	\$10.0
Building Consolidation	5.0	5.0	5.0
Sales Tax from Belmont	5.0	7.0	10.0
Sports Betting	5.0	5.0	5.0
Marijuana Sales	3.0	3.0	3.0
Bus Camera	3.0	3.0	3.0
Efficiency Program	20.0	20.0	20.0
Sales Tax Recovery	79.3	122.5	185.7
Gap Closing Options	\$120.3	\$190.5	\$241.7
Surplus/ (Deficit) After Gap Closing Actions	\$72.7	\$20.0	\$1.3

The County plans to implement some or all of the gap-closing options described above to produce savings and/or generate revenues in order to close the projected gaps. One or more of these items may require State legislation, actions by the County Legislature, approval from NIFA and/or other actions beyond the

control of the administration of the County. No assurance can be made that any such actions will be taken and/or necessary agreement will be achieved.

The County has identified a number of potential risks to its future financial performance. Such risks include, but are not limited to, a decline in County sales tax revenues, a decline in the real estate market, the inability to achieve various gap closing measures, the County's exposure to potentially adverse legal judgments including those related to property assessments, the continued commitment to institutionalization of financial and managerial reforms, the stability of NHCC, and the impact of the COVID-19 pandemic. See "2021 Budget and 2021-2024 Multi-Year Financial Plan" herein. See "RISK FACTORS" in this Official Statement. See "LITIGATION – Property Tax Litigation – *Assessments*" herein for a discussion of the County's ability to finance the payment of property tax refunds through borrowing.

Raising the age for criminal responsibility to 18 years of age was included as part of the State's fiscal year 2017-2018 budget legislation. The County does not anticipate that it will incur any additional costs relating to juvenile offenders, including Family Court and social services.

The gap closing actions include \$285 million in budgetary savings in fiscal year 2021 and \$150 million in budgetary savings in fiscal year 2022 resulting from NIFA's restructuring in 2021 of certain debt of the County maturing in fiscal years 2021 and 2022. In connection with the November 2020 mandatory tender and remarketing of certain NIFA bonds, the payment of the November 15, 2020 \$75 million mandatory redemption installment on such bonds was deferred to the November 15, 2021 stated maturity date of such bonds. The budgetary savings in fiscal year 2021 includes the restructuring in 2021 of such \$75 million principal payment. On December 22, 2020, the County Executive signed a Declaration of Need, as approved by the County Legislature, asking NIFA to refund County debt to achieve up to \$435 million of budgetary savings from County fiscal years 2021 and 2022. In accordance with the Declaration of Need, NIFA issued bonds in February 2021 a portion of the proceeds of which were applied to refund approximately \$856.8 million principal amount of outstanding County bonds. In addition, approximately \$331.2 million of principal amount of outstanding NIFA bonds were refunded. Such refunding of County and NIFA bonds will result in budgetary savings of approximately \$295 million in fiscal year 2021 and \$163 million in fiscal year 2022, including the restructuring in 2021 of the \$75 million principal payment described above.

There are a number of contingencies the County could exercise in the event that risks emerge which threaten the County's financial performance. For example, the County may continue using fund balance, if any, to defray expenses in the out-years of the 2021-2024 Multi-Year Financial Plan.

As discussed herein, the County is required to close future budgetary gaps in order to maintain balanced operating results. There can be no assurance that the County will maintain balanced operating results as required by the County Charter and NIFA without revenue increases or expense reductions.

Following NIFA's declaration of a control period on January 26, 2011, NIFA may continue to seek, among other things, to restrict in whole or in part, the County's ability to issue debt to finance expenditures, including, but not limited to, capital projects, judgments and settlements, and property tax refunds. For further information regarding NIFA's declaration of a control period, see "MONITORING AND OVERSIGHT – External – *NIFA*" herein.

The County's projections in its multi-year financial plans are based on various assumptions which are uncertain and may not materialize. Such assumptions are described throughout this Official Statement and include the condition of the regional and local economies, the provision of State and federal aid, and the impact on County revenues and expenditures of any future federal or State policies affecting the County.

Actual revenues and expenditures may be different from those forecasted in multi-year financial plans.

Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the County from its records. The presentation of such information is intended to show recent historical data and is not intended to indicate future or continuing trends in the financial position or other affairs of the County.

The factors affecting the County's financial condition described throughout the Official Statement, including but not limited to those in this Appendix A, are complex and are not intended to be summarized in this section. The Official Statement, including the Appendices, should be read in its entirety.

State and Federal Aid

For its normal operations, the County depends on aid from the State both to enable the County to balance its budget and to meet its cash flow requirements. There can be no assurance that there will not be reductions in State aid to the County from amounts currently projected, that State budgets will be adopted by the April 1 statutory deadline, that interim appropriations will be enacted or that any such reductions or delays will not have adverse effects on the County's cash flow or revenues. In addition, the annual federal budget negotiation process could result in a reduction or a delay in the receipt of federal reimbursements that could have adverse effects on the County's cash flow or revenues.

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

On April 25, 2020, the State Division of the Budget announced a projected fiscal year 2021 shortfall of \$13.3 billion as a direct consequence of the COVID-19 pandemic, and in October 2020 increased the projected shortfall to \$14.9 billion. As of the initial measurement period (April 1-30), the State budget was deemed out of balance for the fiscal year and the State Budget Director's powers were activated and are in force for the entire State fiscal year 2021. The State Budget Director has been withholding a minimum of 20 percent of most local aid payments to achieve cash flow savings anticipated in the FY 2021 Mid-Year Update to the State Financial Plan for fiscal years 2021-2024 released on October 30, 2020 (the "Mid-Year Update") pursuant to the reduction authority. The State's Fiscal Year 2022 Executive Budget Financial Plan released on January 19, 2021 (the "State Financial Plan") notes that \$2.9 billion of payments initially planned through December 31 were withheld or not paid. The State Financial Plan states that most local aid payments are now expected to be reduced by a total of 5 percent from the State 2021 Budget estimate, rather than the 20 percent anticipated in the Mid-Year Update and executed to date, and amounts that have been withheld in excess of the 5 percent are expected to be reconciled and repaid in the final quarter of fiscal year 2021. Local aid reductions would be executed pursuant to authority granted to the State Budget Director in the Governor's Fiscal Year 2022 Executive Budget to withhold payments in response to the direct and indirect financial effects of the COVID-19 pandemic.

The State Financial Plan notes that the timing and amount of federal aid will ultimately determine the level of spending cuts and tax increases that must be enacted in fiscal year 2022. The State Financial Plan

estimates \$3 billion in new federal aid in each of fiscal years 2022 and 2023. The Governor’s Fiscal Year 2022 Executive Budget includes a provision that will trigger automatic across-the-board reductions to planned local assistance appropriations and cash disbursements if unrestricted federal aid is not approved by August 31, 2021 or is approved at an amount less than the amount budgeted in the State Financial Plan, which reductions would be calculated to generate savings equal to the difference between the federal aid assumed in the State Financial Plan and the amount approved.

The State has delayed payments of approximately \$34 million of State aid to the County, which the County had expected to receive prior to March 2021. Although the County expects to receive payment of such State aid prior to the end of State fiscal year 2021, there can be no assurance that such aid will not be further delayed or withheld. The State Financial Plan includes reductions in planned local aid spending of \$2.2 billion and \$3.4 billion in State fiscal years 2021 and 2022, respectively. However, such reductions are dependent on legislative approval or specific gap-closing actions. Reductions or delays in the payment of State aid as described above could adversely affect the financial condition of the County and other municipalities in the State.

Under the American Rescue Plan (“ARP”) signed into law by the President on March 11, 2021, the County is expected to receive up to \$397.7 million in federal funds in response to the COVID-19 pandemic. Purposes for funds authorized under the ARP include (i) a response to negative economic impacts, including amounts to households, small business and nonprofits and aid to impacted industries, (ii) premium pay to essential workers of the County or grants to eligible employees that have eligible workers who perform eligible work, (iii) payments to the County for government services to the extent of the reduction in revenue, and (iv) investment in water, sewer or broadband infrastructure. The County is currently reviewing all eligible purposes and developing priorities for the use of funds under ARP.

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 Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

COVID-19 Pandemic

The outbreak of COVID-19 has been declared a pandemic by the World Health Organization. The Governor of the State declared a state of emergency in the State on March 7, 2020 and the County Executive declared a state of emergency in the County on March 13, 2020, each of which is still in effect. The outbreak of the virus has altered the behavior of businesses and people in a manner that has had, and is expected to continue to have, negative effects on the County, its economy and its revenues. The 2021-2024 Multi-Year Financial Plan Update reflects the impact of the outbreak on the County’s economy and revenues as of its date, and the County’s estimates and forecasts of the impact of the outbreak on its economy and revenues for fiscal years 2021-2024. See “2021 Budget and 2021-2024 Multi-Year Financial Plan” above.

The Governor of the State issued the “New York State on PAUSE” executive order (“PAUSE”), effective on March 22, 2020, that directed all non-essential businesses statewide to close in-office personnel functions and banned all non-essential travel and gatherings. PAUSE restrictions and closures were extended until May 28, 2020. Based on metrics established by the State, the State has lifted certain PAUSE restrictions on a regional basis in phases as each region meets the criteria outlined by the Governor to protect public health as businesses reopen. On July 8, 2020 the County entered the fourth phase of reopening which permits the opening of educational institutions, certain outdoor and indoor arts and entertainment establishments, professional sports events without fans, and malls, in each case with certain restrictions. It is expected that

COVID-19 infections and positive test results will fluctuate in the future, and there can be no guarantee that business closures and other restrictions will not be expanded during the course of the pandemic.

Sales tax accounts for approximately 34.8% of the County's total revenues in its major operating funds in the 2021 Budget (excluding interdepartmental revenues). PAUSE restrictions have significantly reduced the County's sales tax collections. Other revenues, including departmental revenues, fines, mapping fees, off-track betting revenues, and permit renewal fees, are being negatively impacted, some substantially, by the COVID-19 outbreak. In addition, as described above under "State and Federal Aid," the State's 2020-2021 Adopted Budget authorized the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. The County received \$102.9 million in federal CARES Act funding to be used for expenses related to the outbreak and is expected to receive up to \$397.7 million under the ARP. See "COUNTY FINANCIAL CONDITION – 2021 Budget and 2021-2024 Multi-Year Financial Plan" herein. The County will continue to monitor expense growth and react to continuous changes in the local economy.

Unemployment driven by the COVID-19 outbreak in the County was at 6.4% as of January 2021 compared to 3.9% as of January 2020, according to the U.S. Department of Labor, Bureau of Labor Statistics ("BLS"). As of January 2021, total non-farm employment on Long Island was 1.20 million, a decrease of 119,300 or 9% as compared to January 2020, according to BLS. The County continues to monitor the impact on unemployment and the broader County economy as the County moves through reopening from PAUSE restrictions.

The COVID-19 outbreak has affected and is expected to continue to affect travel, commerce, global financial markets and worldwide economic growth. Although the total impact and cost to the County of the ongoing COVID-19 pandemic cannot be determined at this time, the outbreak has had and is expected to continue to have a significant adverse impact on the County and the County's financial condition. No assurance can be provided that the COVID-19 pandemic and resulting economic disruption will not result in revenues to the County that are lower than projected herein.

The information included in this Appendix A includes historical information regarding the County, most of which describes periods of time prior to the outbreak of the COVID-19 pandemic. Much of this information does not reflect the impact of COVID-19 on the County's economic and demographic conditions. As such, historical data points and trends included in this Appendix A should be viewed in such context.

Superstorm Sandy

On October 29, 2012, Superstorm Sandy hit the New York metropolitan region causing widespread damage, including substantial damage to private homes, schools, and County and local government infrastructure. In the aftermath, the County worked with federal, State and other local governments, utility providers, and the private sector, to ensure a full recovery and secured substantial federal assistance from FEMA and other federal agencies to complete the work.

The County has completed all work on 62 grant awards received from FEMA. Two awards have work remaining to be completed, including the award to repair and mitigate the Bay Park Sewage Treatment Plant. The County is currently projecting a surplus of up to \$60 million in the award for Bay Park which the County plans to apply toward specific scope elements of the Bay Park Conveyance project.

MONITORING AND OVERSIGHT

In addition to the oversight role of OMB within the administration, various entities monitor and review the County's finances pursuant to State or local law, including the County Comptroller, the County Office of Legislative Budget Review, NIFA, independent auditors and the State Comptroller.

Internal

County Comptroller

In accordance with the County Charter, the County Comptroller maintains and audits the County's accounts. These powers include: auditing County departments and contractors to identify and prevent waste, fraud and abuse; reviewing contract payment terms, and determining that funds are available for payment and that payment of vendor claims are appropriate; monitoring the County's budget and financial operations; preparing the County's year-end financial statements; and issuing fiscal impact statements on matters that significantly affect the financial health of the County.

The County through its financial system manages the County budget using separate funds and describes its financial condition in this Official Statement for the Major Operating Funds (as defined herein) on such budgetary basis.

The County's Comprehensive Annual Financial Report (the "CAFR") reports the following funds as major governmental funds in accordance with GAAP: (i) the General Fund^{*}; (ii) Police District Fund; and (iii) the Sewer and Storm Water Resources District Fund. The County Comptroller defines these three funds as the County's primary operating funds for CAFR purposes. See "APPENDIX B – Basic Audited Financial Statements for Fiscal Year Ended December 31, 2019."

Certificate of Achievement for Excellence in Financial Reporting

The GFOA has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019.

Office of Legislative Budget Review

The non-partisan Office of Legislative Budget Review, established by the County Charter, analyzes financial data such as budgets, multi-year financial plans and capital plans on behalf of the County Legislature. The Office of Legislative Budget Review publishes reports from time to time on budgets, multi-year financial plans and the operations of select County departments. Such reports are available at the Office of Legislative Budget Review, 1550 Franklin Avenue, Mineola, New York 11501.

External

NIFA

Since enactment in 2000 of the Nassau County Interim Finance Authority Act, codified as Title I of Article 10-D of the State Public Authorities Law (as amended, the "NIFA Act"), creating NIFA, the County's finances have been subject to oversight by NIFA, a corporate governmental agency and instrumentality of the State constituting a public benefit corporation. Under the NIFA Act, NIFA has both limited authority to oversee the County's finances, including covered organizations as defined in the NIFA Act ("Covered Organizations") and discussed further below, and upon the declaration of a control period (described below), additional oversight authority. The interim finance period under the NIFA Act expired at the end of 2008.

Pursuant to the NIFA Act, NIFA performs ongoing monitoring and review of the County's financial operations, including, but not limited to: recommending to the County and the Covered Organizations measures related to their operation, management, efficiency and productivity; consulting with the County in preparation

^{*} The General Fund includes the Police Headquarters Fund, the Fire Prevention Fund, the Debt Service Fund, the Litigation Fund, the Technology Fund, the Open Space Fund, the Retirement Contribution Reserve Fund, the Employee Benefit Accrued Liability Reserve Fund and the Bonded Indebtedness Reserve Fund for CAFR purposes.

of the County's budget; reviewing and commenting on proposed borrowings by the County (in the absence of a control period, as more fully described below); and performing audits and reviews of the County, any of its agencies and any Covered Organization.

As part of its oversight responsibilities, in the absence of a control period (described herein) NIFA is required to review the terms of and comment on the prudence of each issuance of bonds or notes proposed to be issued by the County, and no such borrowing may be made unless first reviewed and commented upon by NIFA.

NIFA is further empowered to impose a control period, as defined in the NIFA Act, upon its determination that any of the following events has occurred or that there is a substantial likelihood and imminence of its occurrence: (1) the County shall have failed to pay the principal of or interest on any of its bonds or notes when due or payable; (2) the County shall have incurred a major operating funds deficit of one percent or more in the aggregate results of operations of such funds during its fiscal year assuming all revenues and expenditures are reported in accordance with GAAP; (3) the County shall have otherwise violated any provision of the NIFA Act and such violation substantially impairs the marketability of the County's bonds; or (4) the County Treasurer certifies at any time, at the request of NIFA or on the County Treasurer's initiative, that on the basis of facts existing at such time, the County Treasurer cannot certify that securities sold by or for the benefit of the County in the general public market during the fiscal year immediately preceding such date and the then current fiscal year are satisfying the financing requirements of the County during such period and that there is a substantial likelihood of a similar result from such date through the end of the next succeeding fiscal year.

On January 26, 2011, NIFA adopted a resolution declaring a control period upon its determination that there existed a substantial likelihood and imminence of the County incurring a major operating funds deficit of one percent or more in the aggregate results of operations during its fiscal year 2011 assuming all revenues and expenditures were reported in accordance with GAAP. In its determination, NIFA stated, among other things, that the County under GAAP, and thus the NIFA Act, could not count as revenues the proceeds of borrowings to pay property tax refunds, nor fund balance, despite having done so in prior years.

During a control period, NIFA is required to withhold transitional State aid and is empowered, among other things, to approve or disapprove proposed contracts and borrowings by the County and Covered Organizations; approve, disapprove or modify the County's multi-year financial plan; issue binding orders to the appropriate local officials; impose a wage freeze; and terminate the control period upon finding that no condition exists which would permit imposition of a control period. The NIFA Act limits under certain conditions NIFA's ability to suspend contractual salary adjustments according to plan and step-ups or increments, not including cost of living increases, as part of a wage freeze. See "COUNTY FINANCIAL CONDITION – 2021 Budget and 2021-2024 Multi-Year Financial Plan" herein for a description of NIFA's actions with respect to the 2021-2024 Multi-Year Financial Plan.

NIFA has adopted Contract Approval Guidelines establishing parameters for its approval of certain County contracts, including a threshold for certain contracts of \$50,000 or more, with certain exemptions and exclusions.

NIFA approved the issuance of the Bonds on December 17, 2020 and March 25, 2021, as required by the NIFA Act during the control period declared by NIFA on January 26, 2011. It is not within NIFA's powers to restrict the County's obligation to pay debt service on the Bonds or other County debt.

Under the NIFA Act, the County and the Covered Organizations are prohibited from filing any petition with any United States district court or court of bankruptcy for the composition or adjustment of municipal indebtedness without the approval of NIFA and the State Comptroller, and no such petition may be filed while NIFA bonds remain outstanding. NIFA bonds are outstanding through November 15, 2035. Under the NIFA

Act, the term Covered Organizations includes NHCC and any other governmental agency, public authority or public benefit corporation which receives or may receive monies directly, indirectly or contingently from the County, with certain exceptions. In addition, pursuant to Chapter No. 685 of the Laws of 2003, the Nassau County Sewer and Storm Water Finance Authority is a Covered Organization under the NIFA Act. See “NASSAU COUNTY SEWER AND STORM WATER FINANCE AUTHORITY” herein.

On February 4, 2020, by resolution NIFA determined that, to the extent that NHCC had been previously exempted therefrom, NIFA would subject NHCC to the exercise of its control period powers, including the review of certain NHCC contracts (along with submission of proposed contract approval guidelines by each of the County Executive and President of NHCC) and financial reporting by NHCC to NIFA.

In 2020, the State Legislature restored and extended through 2021 NIFA’s statutory authority to issue bonds. Under the applicable State statute, bonds issued by NIFA can be outstanding through January 31, 2051.

For information related to the restructuring by NIFA of certain NIFA bonds and County general obligation bonds, see “COUNTY FINANCIAL CONDITION – 2021 Budget and 2021-2024 Multi-Year Financial Plan” above.

Independent Auditors

The County’s audited financial statements for the fiscal year ended December 31, 2019 are included by specific reference in this Official Statement as APPENDIX B. The report of Marks Paneth LLP, the County’s independent auditor for the fiscal year ended December 31, 2019, relating to the County’s financial statements for such fiscal year, which is a matter of public record, is included by specific reference in this Official Statement in APPENDIX B. Marks Paneth LLP has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Marks Paneth LLP also has not performed any procedures relating to this Official Statement. The County’s financial statements are prepared in accordance with GAAP.

State Comptroller

The Department of Audit and Control of the State Comptroller’s office periodically undertakes performance audits and is also authorized to perform compliance reviews to ascertain whether the County has complied with the requirements of various State and federal laws.

STATEMENT OF REVENUES AND EXPENDITURES

Major Operating Funds

The 2021 Budget contains five major operating funds (the “Major Operating Funds”) - the General Fund, the Police Headquarters Fund, the Police District Fund, the Fire Prevention Fund and the Debt Service Fund - that support the primary operations of the County. The Police Headquarters Fund and the Fire Prevention Fund are special revenue funds with the same tax base as the General Fund. The Police District Fund does not have the same tax base as the General Fund.

The General Fund contains revenues and expenses for all County departments and offices other than the Fire Commission and the Police Department. The County frequently transfers funds between departments and offices in the General Fund to address needs as they arise. Revenues in this fund come primarily from County sales tax collections and a designated portion of the County property tax. Other sources of revenue include departmental fees, permits and licenses, investment income and State and federal aid.

The Police Headquarters Fund contains revenues and expenses for services the Police Department provides to all County residents, including crime investigations, ambulance services, traffic safety, highway patrol and administrative/support services. Revenues in this fund come primarily from a designated portion of the County property tax, special taxes, motor vehicle registration and other fees, and various fines and permits.

The Police District Fund contains revenues and expenses for the crime prevention services the Police Department’s precincts provide to a portion of the County’s residents. Revenues in this fund come primarily from a designated portion of the County property tax and various fines, permits and fees. Of the Major Operating Funds, the Police District Fund is the only one that does not fund County-wide services. Only areas of the County receiving such services pay the Police District property tax.

The Fire Prevention Fund contains revenues and expenses for the Fire Commission, which ensures compliance with County fire safety codes and coordinates the operations of the various local fire districts. Revenues in this fund come primarily from a designated portion of the County property tax and various fees, fines and permits.

The Debt Service Fund contains all interest and principal payments for the County’s debt obligations (other than for debt issued to the State Environmental Facilities Corporation (“EFC”)), including administrative costs in connection with such borrowings, and accounts for NIFA sales tax set-asides. Because the County charges debt service payments to specific projects in departments, the Debt Service Fund is supported by revenues transferred from other funds.

Revenues

The County derives its revenues from a variety of sources. The largest of these are the sales tax, the property tax, federal and State aid and departmental revenues. Figure 2 shows Major Operating Funds revenues.

FIGURE 2
REVENUES
(MAJOR OPERATING FUNDS)

REVENUE CATEGORY	2017	2018	2019	Projected 2020⁽³⁾	Projected 2021⁽⁴⁾
Sales Tax ⁽¹⁾	\$1,151,393,576	\$1,199,964,036	\$1,254,707,200	\$1,171,173,400	\$1,036,193,953
Property Tax	813,727,982	811,924,875	815,415,861	813,547,642	825,263,137
State Aid	213,768,053	220,744,613	232,946,828	190,943,776	200,899,759
Federal Aid	133,061,384	145,564,333	160,418,860	155,932,564	143,904,244
Departmental Revenues	236,004,379	225,356,471	228,233,306	200,717,279	212,880,819
Other Revenues ⁽²⁾	379,989,632	406,551,358	416,524,600	345,080,367	512,326,048
Sub-total	\$2,927,945,006	\$3,010,105,688	\$3,108,246,656	\$2,877,395,028	\$2,931,467,960
Interdepartmental Transfers	418,331,071	421,808,937	427,393,319	362,289,073	344,562,458
Total	\$3,346,276,077	\$3,431,914,625	\$3,535,639,975	\$3,239,684,101	\$3,276,030,418

⁽¹⁾ Sales tax totals reflect collections prior to NIFA set-asides.

⁽²⁾ Consists primarily of fines and forfeitures, investment income, permits and licenses, and interest on unpaid property taxes, none of which individually exceeds the lowest amount from the other categories.

⁽³⁾ Projected.

⁽⁴⁾ Projected as of February 28, 2021.

Sales Tax

The largest source of revenues for the County in the Major Operating Funds is the sales and compensating use tax (referred to herein as the “sales tax”), which constitutes approximately 34.8% of the total revenues in the 2021 Budget (excluding interdepartmental transfers). Figure 3 shows budgeted and actual (if available) sales tax revenues compared to budgeted and actual total revenues for the Major Operating Funds. See “COUNTY FINANCIAL CONDITION” herein.

FIGURE 3
BUDGETED AND ACTUAL SALES TAX REVENUES COMPARED TO BUDGETED
AND ACTUAL TOTAL REVENUES
(MAJOR OPERATING FUNDS)

Fiscal Year	<u>Budgeted</u>			<u>Actual</u>		
	Total Revenues	Sales Tax Revenues	Sales Tax as % of Total Revenues	Total Revenues	Sales Tax Collected	Sales Tax Collected as % of Total Revenues
2021	\$2,941,466,017	\$1,023,879,834	34.8%	N/A	N/A	N/A
2020	3,110,122,559	1,276,672,363	41.0	\$2,877,395,028 ⁽¹⁾	\$1,171,173,400 ⁽¹⁾	40.7% ⁽¹⁾
2019	3,075,559,394	1,243,825,575	40.4	3,108,246,656	1,254,707,200	40.4
2018	2,955,430,233	1,188,796,610	40.2	3,010,105,688	1,199,964,036	39.9
2017	2,970,979,140	1,142,491,476	38.5	2,927,945,006	1,151,393,576	39.3

Note: Sales tax totals reflect collections prior to NIFA set asides. All data exclude interdepartmental transfers.

⁽¹⁾ Projected.

The County’s sales tax is collected by the State. The total current sales tax rate in the County is 8⁵/₈%, of which (i) 4³/₈% is the State’s share (including a ³/₈% component that is imposed within the Metropolitan Commuter Transportation District pursuant to Section 1109 of the State Tax Law) and (ii) 4¹/₄% is the County’s share, out of which the County (a) must allocate a ¹/₄% component to towns and cities within the County under a local government assistance program established by the County and authorized pursuant to Section 1262-e of the State Tax Law and (b) is authorized to allocate up to a ¹/₁₂% component to the villages within the County under a local government assistance program.

Pursuant to Section 1261 of the State Tax Law, all sales taxes, other than (i) amounts payable to towns, cities and villages in the County pursuant to a local government assistance program established by the County and (ii) amounts which the State Comptroller has reserved for refunds of taxes and the State’s reasonable costs in administering, collecting and distributing such taxes, are paid by the State Comptroller to NIFA as long as NIFA bonds are outstanding. These monies are applied by NIFA in the following order of priority: first, pursuant to NIFA’s contracts with bondholders to pay debt service on NIFA notes and bonds, second, to pay NIFA’s operating expenses not otherwise provided for, and third, pursuant to NIFA’s agreements with the County to the County as frequently as practicable.

Prior to distribution to the County, however, State Tax Law Section 1261(c)(5-a) requires NIFA to return to the State Comptroller a specified portion of the sales tax for payment to the towns and certain villages in the County (“AIM-related payments”). AIM-related payments result in a net loss of sales tax revenue of approximately \$11.4 million annually.

In addition, State Tax Law Section 1261(c)(7) (“Section 1261(c)(7)”), which took effect April 1, 2020, requires the State Comptroller, beginning by April 15, 2020, and by January 1st of each year thereafter, to

withhold and pay quarterly into the New York State Agency Trust Fund, Distressed Provider Assistance Account (the “Distressed Provider Assistance Account”) a portion of the sales tax after payment to NIFA and subsequent AIM-related payments. Chapter 56 of the Laws of 2020 required the State Comptroller to defer withholding of the 2020 quarterly Distressed Provider Assistance Account payments until January 15, 2021. Section 1261(c)(7) provides that Distressed Provider Assistance Account payments are used to provide support to financially distressed hospitals and nursing homes throughout the State. The County expects such payments to result in a net loss of sales tax revenue of approximately \$7.3 million annually. Section 1261(c)(7) provides that it is deemed repealed two years after its effective date.

The State has authorized the County to continue to impose the 4¼% local sales tax from November 30, 2020 until November 30, 2023, which the County has implemented by local law. If such provisions are not renewed, the existing 3% base rate will be in effect. The State has, in the past, enacted amendments to the State Tax Law to exempt specified goods and services from the imposition of sales taxes, or to reduce the rate of such taxes on such goods and services. There can be no assurance that future proposals will not result in additional exemptions or reductions.

A business that has no physical presence in the State but has made sales delivered in the State above certain levels in the immediately preceding four sales tax quarters must register as a sales tax vendor, and collect and timely remit applicable State and local sales tax.

In December 2020, the County enacted a local law to create a special revenue fund into which all sales tax revenues collected by the County in excess of the 2021 budget must be deposited and any budgeted funds in any budget line that become surplus as a result of the receipt of federal aid to address the COVID-19 pandemic must be deposited. Sales tax revenues received by the County that exceed \$511,939,917 as of June 30, 2021 and \$1,023,879,834 as November 30, 2021, based on sales tax revenues received as reported in the Monthly County Budget Reports for the periods ending June 30, 2021 and November 30, 2021, respectively, must be deposited by the County Treasurer in such fund, with the balance of the funds to be deposited upon the close of the 2021 fiscal year. Amounts in the fund may be used only to pay tax certiorari settlements and judgments, principal and interest payments on debt issued in 2021 or later to pay tax certiorari settlements and judgments, claims by the NHCC, and claims relating the Fair Labor Standards Act, to fund expenses due to the loss of budgeted State aid, and to pay for unbudgeted COVID-19 response costs in the event that no federal COVID-19 assistance funds remain available to pay for such costs.

Real Property Tax

The County’s second largest source of revenues in the Major Operating Funds is the real property tax, which constitutes approximately 28.1% of total revenues in the 2021 Budget (excluding interdepartmental transfers). The levy of the property tax is at the sole discretion of the County, subject to constitutional and statutory limitations. State law limits property tax levy increases by most municipalities in the State, including the County, to the lesser of 2% or the annual increase in CPI, over the prior year’s levy, with certain exceptions. See “THE BONDS – Tax Levy Limitation Law” in the Official Statement to which this Appendix A is attached. The County is only at approximately 9.94% of its constitutional tax limit. See “REAL PROPERTY ASSESSMENT AND TAX COLLECTION – Real Property Tax Limit” herein. Figure 4 shows property tax levies in the Major Operating Funds.

FIGURE 4
PROPERTY TAX LEVY
(MAJOR OPERATING FUNDS)

Fund⁽¹⁾	2017 Budgeted Levy	2018 Budgeted Levy	2019 Budgeted Levy	2020 Budgeted Levy	2021 Budgeted Levy
Police District Fund	\$384,142,945	\$380,448,990	\$398,867,360	\$390,092,882	\$389,296,771
Police Headquarters Fund	359,106,917	367,316,702	370,221,376	366,185,547	374,656,545
General Fund	57,628,750	51,677,392	30,484,577	46,981,211	42,189,502
Fire Prevention Fund	16,115,628	15,258,520	16,437,909	18,463,956	19,120,319
Total	\$816,994,240	\$814,701,604	\$816,011,222	\$821,723,596	\$825,263,137

⁽¹⁾ Excludes the Debt Service Fund, which is supported by revenues transferred from other funds.

The percentage of Major Operating Funds revenues derived from the property tax has varied in recent years depending on the size of the annual property tax levy. Figure 5 shows budgeted and actual (if available) property tax revenues compared to budgeted and actual total revenues for the Major Operating Funds.

FIGURE 5
BUDGETED AND ACTUAL PROPERTY TAX REVENUES
(MAJOR OPERATING FUNDS)

Fiscal Year	<u>Budget</u>			<u>Actual</u>		
	Total Revenues	Property Tax Revenues	Property Tax as % of Total Revenues	Total Revenues	Property Tax Collected⁽¹⁾	Property Tax Collected as % of Total Revenues
2021	\$2,941,466,017	\$825,263,137	28.1%	N/A	N/A	N/A
2020	3,110,122,559	821,723,596	26.4	\$2,877,395,028 ⁽²⁾	\$813,547,642 ⁽²⁾	28.3% ⁽²⁾
2019	3,075,559,394	816,011,222	26.5	3,108,246,656	815,415,861	26.2
2018	2,955,430,233	814,701,604	27.6	3,010,105,688	811,924,875	27.0
2017	2,970,979,140	816,994,240	27.5	2,927,945,006	813,727,982	27.8

Note: All data exclude interdepartmental transfers.

⁽¹⁾ Includes collection of prior years' taxes.

⁽²⁾ Projected.

The County typically collects approximately 97% of its levy in the fiscal year in which it is due. Substantially all of the remaining 3% is collected within two years, as shown in Figure 6.

FIGURE 6
PROPERTY TAX COLLECTIONS VERSUS LEVY
(IN THOUSANDS)
(MAJOR OPERATING FUNDS)

<u>Fiscal Year Beginning Jan. 1</u>	<u>Total Real Property Tax</u>	<u>Uncollected at End of Fiscal Year</u>	<u>Percentage Uncollected at End of Fiscal Year</u>	<u>Uncollected as of February 28, 2021</u>	<u>Percentage Uncollected as of January 31, 2021</u>
2021	\$825,263	N/A	N/A	\$721,374	87.41%
2020	821,724	\$25,623	3.12%	19,574	2.38 ⁽¹⁾
2019	816,011	22,866	2.80	972	0.12
2018	814,702	21,619	2.65	1,069	0.13
2017	816,994	22,940	2.81	953	0.12

⁽¹⁾ The annual tax lien sale originally scheduled to be held in February 2021 has been delayed to on or about May 3, 2021. See “REAL PROPERTY ASSESSMENT AND TAX COLLECTION—Collection—Delinquency Procedure.”

See “REAL PROPERTY ASSESSMENT AND TAX COLLECTION” in this Appendix A. For information regarding the County’s payment of property tax refunds on behalf of the towns, special districts and all but one of the school districts in the County, see “COUNTY INDEBTEDNESS AND DEBT LIMITATIONS – Bonded Indebtedness” and “– Debt Service Requirements,” “REAL PROPERTY ASSESSMENT AND TAX COLLECTION – Real Property Assessment – *Property Tax Refunds*” and “LITIGATION – Property Tax Litigation” in this Appendix A.

State and Federal Aid

Approximately 12.0% of the total revenues in the 2021 Budget (excluding interdepartmental transfers) is expected to come from federal and State reimbursement, mainly for human services and other mandated entitlement programs. Consequently, changes in the amount of County revenues derived from federal and State aid result from the levels of payments in connection with public assistance, day care, foster care, early intervention and special education. See “COUNTY FINANCIAL CONDITION – State and Federal Aid” for additional information relating to State and federal aid.

Departmental Revenues

Departmental revenues include a variety of receipts generated by County departments, including parks usage fees, inspection fees, registration and licensing fees, and permit fees.

Other Revenues

The remainder of the County’s revenues comes from several sources, among which are prior-year recoveries, contract disencumbrances, interest and penalties on delinquent taxes, investment income, miscellaneous revenues and special taxes. Special taxes include the off-track betting tax, the hotel/motel occupancy tax, the entertainment surcharge and the motor vehicle registration surcharge.

Expenditures

The County incurs expenditures in the Major Operating Funds for personnel-related costs, Medicaid, other social services entitlement programs, contractual services, debt service and a variety of other expenditures. Figure 7 shows annual expenditures by category.

FIGURE 7
EXPENDITURES BY CATEGORY
(MAJOR OPERATING FUNDS)

EXPENDITURE CATEGORY	2017	2018	2019	Projected 2020 ⁽²⁾	Projected 2021 ⁽³⁾
Salaries & Wages	\$904,271,069	\$848,008,886	\$859,401,209	\$802,755,936	\$869,152,569
Fringe Benefits	538,917,964	570,730,580	575,851,309	548,068,751	600,842,530
Medicaid	233,191,869	238,959,000	243,103,487	228,467,567	225,534,893
DSS Entitlement Programs	168,162,253	169,165,570	173,263,321	157,622,539	179,291,940
Contractual Services	251,971,629	263,821,034	266,738,956	270,108,864	273,576,568
Administrative Expenses	62,869,095	65,232,618	65,359,544	68,051,051	74,965,459
Debt Service (Interest & Principal) ⁽¹⁾	207,074,560	216,729,627	236,793,307	245,559,066	274,750,618
Local Government Assistance	68,332,237	72,047,855	74,572,096	71,344,135	63,192,521
Mass Transportation	43,575,675	44,127,503	44,582,043	42,803,407	46,280,511
Other Expenses	503,911,661	520,899,346	466,672,049	367,722,322	323,314,816
SUB-TOTAL	\$2,982,278,014	\$3,009,722,018	\$3,006,337,319	\$2,802,503,639	\$2,930,902,425
Interdepartmental Transfers	418,331,071	421,777,469	427,393,319	362,289,072	344,562,458
TOTAL	\$3,400,609,085	\$3,431,499,487	\$3,433,730,638	\$3,164,792,711	\$3,275,464,883

⁽¹⁾ Does not include NIFA set-asides which are included in Other Expenses.

⁽²⁾ Projected.

⁽³⁾ Projected as of February 28, 2021.

Figure 8 shows annual expenditures by fund, excluding interdepartmental transfers, in the Major Operating Funds.

FIGURE 8
EXPENDITURES BY FUND
(MAJOR OPERATING FUNDS)

	2017	2018	2019	Projected 2020 ⁽¹⁾	Projected 2021 ⁽²⁾
General Fund	\$1,782,982,230	\$1,801,037,401	\$1,807,782,668	\$1,742,879,478	\$1,806,353,702
Debt Service Fund	365,076,179	381,103,160	380,627,358	319,709,581	289,582,668
Police District Fund	377,769,682	379,256,129	375,654,098	328,449,107	389,154,365
Police Headquarters Fund	434,922,812	427,875,828	421,121,329	394,362,785	423,035,713
Fire Prevention Fund	21,527,110	20,449,499	21,151,866	17,102,687	22,775,977
Total	\$2,982,278,014	\$3,009,722,018	\$3,006,337,319	\$2,802,503,639	\$2,930,902,425

Note: All data exclude interdepartmental transfers. Totals may not add due to rounding.

⁽¹⁾ Projected.

⁽²⁾ Projected as of February 28, 2021.

Personnel-Related Expenditures

The largest category of expenditures in the Major Operating Funds is for personnel-related costs, including salaries and wages, fringe benefits and workers' compensation expenses, which comprise approximately 51.3% of total Major Operating Funds expenditures in the 2021 Budget (excluding interdepartmental transfers). Figure 9 shows the County's personnel-related expenditures, excluding interdepartmental transfers, in the Major Operating Funds.

FIGURE 9
PERSONNEL-RELATED EXPENDITURES
(MAJOR OPERATING FUNDS)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Projected 2020⁽¹⁾</u>	<u>Projected 2021⁽²⁾</u>
Salaries and Wages	\$904,271,069	\$848,008,886	\$859,401,209	\$802,755,936	\$869,152,569
Fringe Benefits	538,917,964	570,730,580	575,851,309	548,068,751	600,842,530
Workers' Compensation	31,022,199	31,862,114	30,208,702	29,816,659	31,697,100
Total	\$1,474,211,233	\$1,450,601,579	\$1,465,461,219	\$1,380,641,346	\$1,501,692,199

⁽¹⁾ Projected.

⁽²⁾ Projected as of February 28, 2021.

Salaries and Wages

Salaries and wages include base wages, overtime, termination pay and other payments made to employees. Growth relates primarily to annual step increases and cost of living increases pursuant to collective bargaining agreements. See "APPENDIX F – COUNTY WORKFORCE" for details of wage agreements, staffing levels and wage freezes.

Health Insurance Contributions

The County pays the entire cost of health insurance coverage for all active employees and retirees hired prior to certain dates other than non-union employees hired since January 1, 2002, for whom it pays 90% of the cost for family coverage and 95% of the cost for individual coverage. For union employees hired on or after certain dates, with certain exceptions, the County pays 85% of the total cost of coverage for employees enrolled in the State's Empire Plan, or if such employees are enrolled in alternative health insurance plans, the County pays up to 85% of the monetary equivalent of the cost of the Empire Plan. The vast majority of County employees are enrolled in the State's Empire Plan. See "APPENDIX F – COUNTY WORKFORCE" for details regarding health insurance contributions and "– Other Post-Employment Benefits" below for information regarding the County's obligations for other post-employment benefits.

Health insurance rates are set by the State with respect to employees enrolled in the Empire Plan. Figure 10 displays the growth in the County’s health insurance costs, excluding interdepartmental transfers, in the Major Operating Funds.

FIGURE 10
HEALTH INSURANCE COSTS
(MAJOR OPERATING FUNDS)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Projected 2020⁽¹⁾</u>	<u>Projected 2021⁽²⁾</u>
Employees	\$147,235,453	\$147,975,778	\$154,608,974	\$141,357,926	\$156,402,108
Retirees	<u>143,449,994</u>	<u>155,950,643</u>	<u>157,164,916</u>	<u>154,893,271</u>	<u>164,904,116</u>
Total	\$290,685,447	\$303,926,421	\$311,773,890	\$296,251,198	\$321,306,224

⁽¹⁾ Projected.

⁽²⁾ Projected as of February 28, 2021.

Pension Contributions

The majority of County employees are members of the New York State and Local Employees’ Retirement System (the “ERS”), a defined benefit plan. Sworn County police officers are members of the New York State and Local Police and Fire Retirement System (the “PFRS”), also a defined benefit plan.

The County is required to make contributions on behalf of its employees into the pension system. ERS has six different tiers of membership which cover service dates ranging from prior to July 1, 1973 for Tier 1 through April 1, 2012 and after for Tier 6. PFRS has five different tiers of membership which cover service dates ranging from prior to July 31, 1973 for Tier 1 through April 1, 2012 and after for Tier 6. PFRS has no Tier 4. ERS Tiers 3 and 4 members are required to contribute 3% of their gross salaries for their first ten years of service, while there are no contributions required of PFRS members through Tier 3. Tier 5 is effective for ERS employees hired on or after January 1, 2010, and PFRS employees hired on or after January 9, 2010, but before April 1, 2012. ERS and PFRS employees in Tier 5 contribute 3% of their salaries and there is no provision for these contributions to cease after a certain period of service. Tier 6 is effective for new ERS and PFRS employees hired on or after April 1, 2012 other than PFRS members subject to an existing collective bargaining agreement. All new County PFRS members hired on or after April 1, 2014 are enrolled in Tier 6. Among other provisions, Tier 6 increases employee contribution rates in a progressive fashion from 3% to 6% (depending on the level of salary); increases the retirement age from 62 to 63; vests after 10 years of service; includes an optional defined contribution plan for new non-union employees with salaries \$75,000 and above; changes the time period for final average salary calculations from three to five years; and limits pension benefits for employees earning more than the Governor’s salary. The County’s expenses are funded on an actuarial basis determined by the State, and the County is assessed on an annual basis for its share of the State retirement system’s pension costs. The County’s pension costs are shown in Figure 11.

Beginning in 2011, the Contribution Stabilization Program, created pursuant to Part TT of Chapter 57 of the Laws of 2010 (the “Contribution Stabilization Program”), authorized participating employers to defer a portion of their annual pension costs during periods when actuarial contribution rates exceed thresholds established by the Contribution Stabilization Program, thereby reducing a participating employer’s annual pension contribution in a given year by paying a portion of such contribution over time. The County participated in the program in fiscal years 2012 and 2013. Through 2013, the total amount of pension expense the County has deferred under this program was approximately \$96.4 million (all funds)*. Pursuant to the terms of the Contribution Stabilization Program, the County pays the amount deferred in equal annual installments with

* A portion of the County’s pension costs is reimbursed by Nassau Community College and certain grant programs.

interest over a ten-year period, which it may prepay at any time without penalty. The interest rate on the deferred amount in a particular year is fixed for the duration of the ten-year repayment period. For more information regarding the County’s pension plans and funding policy, see Note 14 in the County’s financial statements attached hereto as APPENDIX B.

Beginning in 2014, the County elected to participate in an alternate option to the Contribution Stabilization Program. Similar to the Contribution Stabilization Program, this option, known as the “Alternate Contribution Stabilization Program,” establishes a graded contribution rate system that enables eligible employers to pay a portion of their annual contribution over time. This is intended to lead to smoother, more predictable pension costs, while still achieving full funding in each system over the long-term. By switching to the Alternate Contribution Stabilization Program, the County cannot return to the Contribution Stabilization Program. The Alternate Contribution Stabilization Program is characterized by the following provisions: contribution rates for 2014 and 2015 of 12% for ERS and 20% for PFRS; rates thereafter can only increase/(decrease) 0.50% per year; the difference between the Alternate Contribution Stabilization Program and the normal contribution amounts are amortized over 12 years; interest accrues at the 12-year U.S. Treasury rate plus 1%; and employers cannot withdraw once opting in, but retain the flexibility to pre-pay the deferred amount. Through 2020, the total amount of pension expense that the County has deferred under both programs is approximately \$370.6 million. As of December 31, 2020, the total deferred pension expense outstanding is estimated to be approximately \$206.4 million.

FIGURE 11
PENSION COSTS
(ALL FUNDS)

<u>Pension System</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Projected 2020⁽²⁾</u>	<u>Budgeted 2021</u>
Gross Invoice Amounts (Excluding Installments on Prior Deferrals)	\$174,116,889	\$172,834,183	\$164,999,084	\$161,514,713	\$165,796,302
Installments on Prior Deferrals	29,618,567	32,846,665	34,866,631	36,992,106	37,121,949
Gross Invoice Amounts	\$203,735,456	\$205,680,848	\$199,865,715	198,506,819	202,918,251
Less: Pension amounts deferred ⁽¹⁾	(29,737,580)	(24,647,652)	(15,194,657)	(12,251,599)	(14,221,750)
Less: Discount for Paying December 15th vs. February 1st	(1,592,215)	(1,593,407)	(1,533,517)	(1,516,192)	-
Pension Amounts (Net of Deferrals and Discounts)	\$172,405,661	\$179,439,789	\$183,137,541	\$184,739,028	\$188,696,501
Employees Retirement System (ERS)	84,576,729	88,054,334	92,810,583	94,213,518	96,466,429
Police and Fire Retirement System (PFRS)	87,828,932	91,385,455	90,326,958	90,525,510	92,230,072
Total Net Pension Expense	\$172,405,661	\$179,439,789	\$183,137,541	\$184,739,028	\$188,696,501

⁽¹⁾ Represents amounts deferred and paid over time pursuant to the Alternate Contribution Stabilization Program. Amounts from 2017, 2018, 2019, 2020 and 2021 are being amortized over the subsequent twelve years.

⁽²⁾ Projected.

Other Post-Employment Benefits

GASB Statement No. 45 (“GASB 45”) issued by the Government Accounting Standards Board (“GASB”) requires municipalities and school districts to account for other post-employment benefits (“OPEB”) much like they account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. The County is in compliance with the requirements

of GASB 45 and as of December 31, 2019, the County's net OPEB obligation was approximately \$5.2 billion. The County is not required to provide funding for OPEB other than the pay-as-you-go amount necessary to provide current benefits. Should the County be required to provide funding for the total OPEB liability, it could have a material adverse impact upon the County's finances. For more information, see Note 17 and "Required Supplementary Information" in the County's financial statements attached hereto as APPENDIX B.

GASB Statement No. 75 ("GASB 75") replaced GASB 45 effective for financial statements for fiscal years beginning after June 15, 2017. 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.

Medicaid

Under the State Medicaid cap law, certain of the County's Medicaid expenses are capped at a formula-derived base amount, which is a percentage increase from certain actual 2005 local share expenses, less certain 2005 Medicaid-related revenues. The County's required local share of Medicaid disproportionate share payments to NHCC are not subject to the cap.

The County's 2020 Medicaid expenditures, other than its required local share of Medicaid disproportionate share payments to NHCC, were \$228.5 million. The County expects to continue to fund its disproportionate share payments through inter-governmental transfer payments from NHCC, such that there is no budget impact to the County. The 2021-2024 Multi-Year Financial Plan Update reflects annual Medicaid expenses (excluding the County's required local share of Medicaid disproportionate share payments to NHCC) of \$225.5 million in 2021.

Other Social Services Entitlement Programs

Other County Department of Social Services entitlement programs comprise approximately 6.1% (excluding interdepartmental transfers) of the 2021 Budget, such as payments for public assistance, foster care, day care and preventive services, the majority of which are partially reimbursed by the federal government or the State.

Contractual Services

Contractual services total 9.2% (excluding interdepartmental transfers) of the 2021 Budget. The majority of this category is a contract with a private operator to provide bus service in the County. In addition, this category covers payments to outside vendors for a variety of services, including community-based human services programming, consulting services and legal services.

Debt Service

Debt service expenditures, which include interest and principal payments and NIFA set-asides, total \$289.6 million in the 2021 Budget (such amount is net of the \$75 million mandatory redemption installment on certain NIFA bonds deferred to the November 15, 2021 stated maturity date of such bonds). See "COUNTY FINANCIAL CONDITION – 2021 Budget and 2021-2024 Multi-Year Financial Plan" and "COUNTY INDEBTEDNESS AND DEBT LIMITATIONS" herein.

Other Expenses

The remainder of the County's expenditures falls into several categories including: special education; the local government assistance program to cities, towns and villages; mass transportation subsidies; and other-than-personal services costs for utilities and administrative expenses.

Other Funds

Other County funds include:

The Community College Fund supports the County's financial obligations with respect to Nassau Community College, which receives approximately 25% of its operating revenues from a dedicated property tax levied County-wide.

The Sewer and Storm Water Resources District Fund contains funding for the County's sewage disposal and collection system as well as the storm water resources system. It contains expenses related to the County's agreement with an operator to manage the sewer system, County Department of Public Works employees assigned to these functions, associated debt service and other costs.

The Capital Fund contains expenses associated with the County's infrastructure improvement program and bonded judgments and settlements. The bulk of revenue supporting the Capital Fund comes from the proceeds of debt issued by or on behalf of the County. A lesser amount originates from non-County sources such as the federal government and the State.

The Grant Fund contains outside funding the County receives, primarily from the federal government and the State, that helps offset the cost of certain programs, most of which are for health and human services, social services, public safety and transportation.

The Open Space Fund contains revenues generated from a percentage of County real estate sales, private gifts and grants for open space purposes in the County.

COUNTY INDEBTEDNESS AND DEBT LIMITATIONS

Computation of County Debt Limit

The Constitutional limit of total indebtedness that can be incurred by the County is 10% of the average full valuation of real estate for the latest five years. See “Constitutional Provisions” herein. Figure 12 sets forth the debt limit of the County and its debt contracting margin. As shown in Figure 12, the County has substantial additional debt issuance capacity.

FIGURE 12
STATEMENT OF CONSTITUTIONAL DEBT MARGIN
(AS OF February 17, 2021)
(IN THOUSANDS)

Average Full Valuation of Real Estate for the Fiscal Years Ended in 2016 through 2020 ⁽¹⁾	
2020 Full Valuation ⁽²⁾	\$ 248,424,030
2019 Full Valuation	236,228,932
2018 Full Valuation	217,543,898
2017 Full Valuation	207,499,977
2016 Full Valuation	212,185,368
Total	\$1,121,882,205
Average Full Valuation	\$224,376,441
Constitutional Debt Margin	
Constitutional Limit of Total Indebtedness, 10% Average Full Valuation	\$22,437,644
Outstanding Indebtedness	
County General Obligations ⁽³⁾	\$1,405,665
NIFA Bonds	1,148,634
Notes	531,809
Real Property Liabilities	6,015
Guarantees	156,390
Contract Liabilities	522,374
Total Outstanding Indebtedness	\$3,770,887
Less: Constitutional Exclusions	
Cash and Investments - Capital Projects Funds	289,043
Tax and Revenue Anticipation Notes Payable	452,800
Less: Total Exclusions	\$741,843
Net Outstanding Indebtedness (13.50%)	\$3,029,044
Constitutional Debt Margin (86.50%)	\$19,408,600

⁽¹⁾ Full Valuation figures for 2016 through 2019 are verified by the Office of the State Comptroller.

⁽²⁾ 2020 Full Valuation is based on preliminary data from the County and the Office of State Comptroller.

⁽³⁾ Includes County General Improvement Bonds and County Bonds issued to the New York State Environmental Facilities Corporation (“EFC”). See “APPENDIX D – OUTSTANDING OBLIGATIONS” for further information about such indebtedness.

Bonded Indebtedness

Figure 13 shows outstanding County and NIFA bonds and the purposes for which such debt was issued.

FIGURE 13
BONDED INDEBTEDNESS
(AS OF FEBRUARY 28, 2021)

<u>Debt Type</u>	<u>County Debt⁽¹⁾</u>	<u>NIFA Debt</u>	<u>Total Debt</u>
Capital Borrowing			
General Capital	\$700,721,671	\$599,062,221	\$1,299,783,892
Sewer Capital	372,361,393	62,861,224	\$435,222,617
Operating Borrowing			
Property Tax Refunds	\$267,440,841	\$353,531,510	\$620,972,351
Other Judgments	37,336,581	59,896,286	\$97,232,866
Termination Pay	93,872,510	59,033,532	\$152,906,042
Superstorm Sandy – Tax Relief	4,714,351	14,249,227	\$18,963,578
Total	<u>\$1,476,447,346</u>	<u>\$1,148,634,000</u>	<u>\$2,625,081,346</u>

⁽¹⁾ Includes County General Improvement Bonds and County Bonds issued to EFC. See “APPENDIX D – OUTSTANDING OBLIGATIONS” for further information about such indebtedness.

See APPENDIX D herein for a list of outstanding County and NIFA obligations.

Following from NIFA’s declaration of a control period on January 26, 2011, NIFA may continue to seek, among other things, to restrict in whole or in part the County’s ability to issue debt to finance expenditures, including, but not limited to, capital projects, judgments and settlements, and property tax refunds. For further information regarding NIFA’s declaration of a control period, see “MONITORING AND OVERSIGHT – External – *NIFA*” herein.

Figure 14 sets forth the amount of County debt that has been authorized but unissued by purpose.

FIGURE 14
SUMMARY OF BONDS AUTHORIZED BUT UNISSUED
(AS OF FEBRUARY 28, 2021)
(IN THOUSANDS)

Purpose	Amount Authorized but Unissued
Community College	\$ 56,827
Information Technology	13,327
Infrastructure	393,282
Land Acquisition	13,358
Parks & Recreation	28,180
Public Safety	92,216
Sewer & Storm Water	1,357,030
Property Tax Refunds and Other Judgments & Settlements	33,182
TOTAL	\$1,987,402

The authorized amounts in Figure 14 refer to amounts for which the County has adopted ordinances authorizing the issuance of debt for capital projects and other purposes pursuant to the Local Finance Law, but has not yet issued debt pursuant to such authority. Such authorization expires ten years after adoption of the approving bond ordinance if it has not been used, encumbered or rescinded prior to that time. See “CAPITAL PLANNING AND BUDGETING” herein.

Debt Service Requirements

Figures 15, 15A, 15B and 15C set forth the principal and interest payments on outstanding County bonds and NIFA bonds.

Figure 15
Total County and NIFA Debt Service
(as of February 28, 2021)

Date	County Bonds ^{1,2}			NIFA Bonds			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
12/31/2021	\$ 23,557,736	\$ 46,446,616	\$ 70,004,352	\$ 440,000	\$ 24,962,328	\$ 25,402,328	\$ 23,997,736	\$ 71,408,945	\$ 95,406,681
12/31/2022	31,811,233	70,459,762	102,270,995	460,000	32,922,084	33,382,084	32,271,233	103,381,846	135,653,079
12/31/2023	119,762,481	67,847,239	187,609,720	67,914,000	32,901,384	100,815,384	187,676,481	100,748,624	288,425,105
12/31/2024	125,636,604	61,912,628	187,549,232	57,850,000	32,173,090	90,023,090	183,486,604	94,085,718	277,572,322
12/31/2025	86,625,288	56,183,308	142,808,596	98,815,000	31,306,068	130,121,068	185,440,288	87,489,376	272,929,664
12/31/2026	86,859,411	51,867,497	138,726,908	82,985,000	30,252,749	113,237,749	169,844,411	82,120,246	251,964,657
12/31/2027	93,333,534	48,017,688	141,351,222	81,195,000	29,564,803	110,759,804	174,528,534	77,582,492	252,111,026
12/31/2028	61,297,218	43,377,002	104,674,220	103,700,000	28,648,924	132,348,924	164,997,218	72,025,926	237,023,144
12/31/2029	51,631,341	40,346,604	91,977,945	108,895,000	27,323,638	136,218,638	160,526,341	67,670,242	228,196,583
12/31/2030	53,610,500	37,785,998	91,396,498	91,820,000	25,318,261	117,138,261	145,430,500	63,104,259	208,534,759
12/31/2031	43,955,500	35,125,369	79,080,869	87,760,000	20,898,000	108,658,000	131,715,500	56,023,369	187,738,869
12/31/2032	33,395,500	33,060,947	66,456,447	93,725,000	16,510,000	110,235,000	127,120,500	49,570,947	176,691,447
12/31/2033	38,350,500	31,357,573	69,708,073	94,950,000	12,291,000	107,241,000	133,300,500	43,648,573	176,949,073
12/31/2034	35,430,500	29,570,993	65,001,493	90,495,000	8,013,000	98,508,000	125,925,500	37,583,993	163,509,493
12/31/2035	38,982,500	27,767,752	66,750,252	87,630,000	3,945,200	91,575,200	126,612,500	31,712,952	158,325,452
12/31/2036	68,602,500	25,166,083	93,768,583	-	-	-	68,602,500	25,166,083	93,768,583
12/31/2037	66,457,500	21,747,494	88,204,994	-	-	-	66,457,500	21,747,494	88,204,994
12/31/2038	54,517,500	18,840,590	73,358,090	-	-	-	54,517,500	18,840,590	73,358,090
12/31/2039	51,822,500	16,300,165	68,122,665	-	-	-	51,822,500	16,300,165	68,122,665
12/31/2040	49,672,500	13,859,855	63,532,355	-	-	-	49,672,500	13,859,855	63,532,355
12/31/2041	52,062,500	11,444,065	63,506,565	-	-	-	52,062,500	11,444,065	63,506,565
12/31/2042	54,567,500	8,909,350	63,476,850	-	-	-	54,567,500	8,909,350	63,476,850
12/31/2043	44,002,500	6,580,091	50,582,591	-	-	-	44,002,500	6,580,091	50,582,591
12/31/2044	18,402,500	5,113,523	23,516,023	-	-	-	18,402,500	5,113,523	23,516,023
12/31/2045	19,282,500	4,222,066	23,504,566	-	-	-	19,282,500	4,222,066	23,504,566
12/31/2046	20,187,500	3,285,706	23,473,206	-	-	-	20,187,500	3,285,706	23,473,206
12/31/2047	20,832,500	2,311,345	23,143,845	-	-	-	20,832,500	2,311,345	23,143,845
12/31/2048	19,862,500	1,345,610	21,208,110	-	-	-	19,862,500	1,345,610	21,208,110
12/31/2049	11,935,000	381,250	12,316,250	-	-	-	11,935,000	381,250	12,316,250
12/31/2050	-	-	-	-	-	-	-	-	-
Total	\$ 1,476,447,346	\$ 820,634,170	\$ 2,297,081,516	\$1,148,634,000	\$ 357,030,530	\$1,505,664,530	\$ 2,625,081,346	\$ 1,177,664,701	\$ 3,802,746,047

1. Payments under County guarantees in connection with NHCC debt are not included in the chart.
2. Includes debt service payable on the bonds issued to EFC without regard to the subsidy provided by the State.

Figure 15A
County Capital Debt Service
(as of February 28, 2021)¹

Date	County Debt – General Capital			County Debt – Sewer Capital ²			Total County Capital Debt		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
12/31/2021	\$ 3,484,422	\$ 19,819,246	\$ 23,303,668	\$ 18,148,544	\$ 16,425,620	\$ 34,574,164	\$ 21,632,966	\$ 36,244,866	\$ 57,877,832
12/31/2022	11,336,106	34,198,931	45,535,037	18,944,234	16,265,842	35,210,076	30,280,341	50,464,772	80,745,113
12/31/2023	59,264,361	33,131,292	92,395,653	20,358,858	15,341,145	35,700,003	79,623,219	48,472,436	128,095,655
12/31/2024	63,434,270	30,159,322	93,593,592	20,823,275	14,345,351	35,168,626	84,257,545	44,504,673	128,762,218
12/31/2025	50,770,985	27,150,279	77,921,263	15,824,161	13,301,516	29,125,677	66,595,146	40,451,794	107,046,940
12/31/2026	47,931,177	24,547,205	72,478,382	13,859,619	12,596,200	26,455,819	61,790,796	37,143,405	98,934,201
12/31/2027	41,222,762	22,523,664	63,746,425	19,071,389	11,950,290	31,021,679	60,294,151	34,473,954	94,768,105
12/31/2028	31,087,337	20,445,207	51,532,544	12,193,523	11,042,439	23,235,961	43,280,860	31,487,645	74,768,505
12/31/2029	28,651,739	18,872,662	47,524,402	9,531,178	10,488,028	20,019,207	38,182,917	29,360,691	67,543,608
12/31/2030	30,155,374	17,420,924	47,576,298	9,255,560	10,054,301	19,309,861	39,410,934	27,475,225	66,886,159
12/31/2031	22,715,648	15,893,168	38,608,816	9,484,445	9,634,243	19,118,688	32,200,093	25,527,411	57,727,504
12/31/2032	16,536,203	14,852,265	31,388,467	8,192,811	9,201,489	17,394,300	24,729,014	24,053,754	48,782,768
12/31/2033	20,169,518	13,963,815	34,133,333	8,540,734	8,831,849	17,372,582	28,710,251	22,795,664	51,505,915
12/31/2034	17,821,635	13,032,794	30,854,429	8,640,477	8,443,288	17,083,765	26,462,112	21,476,083	47,938,194
12/31/2035	20,832,669	12,082,381	32,915,050	8,727,822	8,050,314	16,778,136	29,560,492	20,132,695	49,693,187
12/31/2036	38,040,632	10,632,616	48,673,248	14,719,353	7,512,349	22,231,701	52,759,985	18,144,964	70,904,949
12/31/2037	38,107,891	8,702,994	46,810,884	14,232,073	6,809,699	21,041,772	52,339,964	15,512,693	67,852,657
12/31/2038	26,929,109	7,115,438	34,044,547	12,764,770	6,196,264	18,961,033	39,693,879	13,311,702	53,005,581
12/31/2039	23,916,174	5,882,688	29,798,861	13,269,621	5,619,045	18,888,667	37,185,795	11,501,733	48,687,528
12/31/2040	21,795,147	4,771,970	26,567,117	13,600,162	5,016,777	18,616,939	35,395,309	9,788,748	45,184,057
12/31/2041	22,866,690	3,698,635	26,565,325	14,194,251	4,397,462	18,591,713	37,060,941	8,096,097	45,157,038
12/31/2042	23,988,734	2,572,190	26,560,924	14,820,622	3,749,066	18,569,688	38,809,356	6,321,256	45,130,612
12/31/2043	17,936,985	1,570,888	19,507,873	14,616,496	3,091,651	17,708,147	32,553,481	4,662,539	37,216,020
12/31/2044	4,193,412	1,043,001	5,236,413	9,094,006	2,559,073	11,653,079	13,287,418	3,602,074	16,889,492
12/31/2045	4,408,907	831,039	5,239,946	9,501,130	2,135,332	11,636,462	13,910,037	2,966,371	16,876,408
12/31/2046	4,624,089	608,417	5,232,506	9,924,691	1,690,217	11,614,908	14,548,780	2,298,634	16,847,414
12/31/2047	4,563,700	382,139	4,945,839	10,346,074	1,224,071	11,570,145	14,909,774	1,606,210	16,515,983
12/31/2048	2,992,211	196,800	3,189,010	10,651,723	739,811	11,391,533	13,643,933	936,611	14,580,544
12/31/2049	943,785	47,189	990,974	9,029,793	235,990	9,265,782	9,973,578	283,179	10,256,756
12/31/2050	-	-	-	-	-	-	-	-	-
Total	\$ 700,721,671	\$ 366,149,156	\$ 1,066,870,828	\$ 372,361,393	\$ 226,948,722	\$ 599,310,115	\$ 1,073,083,065	\$ 593,097,878	\$ 1,666,180,943

1. Payments under County guarantees in connection with NHCC debt are not included in the chart.
2. Includes debt service payable on the bonds issued to EFC without regard to the subsidy provided by the State.

Figure 15B
County Operating Debt Service
(as of February 28, 2021)¹

Date	County Debt – Property Tax Refunds			County Debt – Other Judgments			County Debt – Termination Pay			County Debt – Superstorm Sandy			Total County Operating Debt		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
12/31/2021	\$464,416	\$6,659,964	\$7,124,380	\$178,370	\$918,370	\$1,096,740	\$1,266,755	\$2,505,892	\$3,772,647	\$15,229	\$117,523	\$132,752	\$1,924,770	\$10,201,750	\$12,126,520
12/31/2022	9,889	13,316,075	13,325,964	1,217	1,836,075	1,837,292	1,519,376	4,607,893	6,127,269	410	234,946	235,357	1,530,892	19,994,990	21,525,882
12/31/2023	23,718,802	12,900,406	36,619,208	4,038,785	1,786,386	5,825,171	10,691,951	4,491,024	15,182,975	1,689,724	196,988	1,886,711	40,139,262	19,374,803	59,514,065
12/31/2024	23,735,411	11,740,773	35,476,183	3,861,356	1,598,401	5,459,757	11,983,250	3,958,216	15,941,466	1,799,042	110,565	1,909,607	41,379,059	17,407,955	58,787,014
12/31/2025	9,866,824	10,849,036	20,715,860	2,428,522	1,420,095	3,848,616	7,601,622	3,401,886	11,003,508	133,175	60,497	193,672	20,030,142	15,731,514	35,761,656
12/31/2026	11,855,494	10,350,851	22,206,345	3,130,395	1,297,598	4,427,992	9,894,391	3,021,805	12,916,196	188,336	53,839	242,174	25,068,615	14,724,092	39,792,707
12/31/2027	13,855,303	9,809,143	23,664,447	3,784,932	1,163,084	4,948,016	15,082,351	2,527,085	17,609,436	316,797	44,422	361,219	33,039,383	13,543,734	46,583,118
12/31/2028	8,391,708	9,113,971	17,505,679	1,574,736	973,838	2,548,574	7,918,109	1,772,967	9,691,076	131,805	28,582	160,387	18,016,358	11,889,357	29,905,715
12/31/2029	6,794,987	8,691,764	15,486,750	865,614	895,101	1,760,715	5,715,372	1,377,057	7,092,429	72,452	21,992	94,443	13,448,424	10,985,913	24,434,337
12/31/2030	7,165,731	8,349,286	15,515,017	920,287	851,820	1,772,108	6,036,520	1,091,297	7,127,816	77,028	18,369	95,397	14,199,566	10,310,772	24,510,338
12/31/2031	7,524,424	7,988,164	15,512,589	965,140	805,806	1,770,945	3,185,061	789,470	3,974,531	80,782	14,518	95,300	11,755,407	9,597,958	21,353,365
12/31/2032	6,545,224	7,608,947	14,154,171	483,879	757,549	1,241,428	1,596,882	630,218	2,227,100	40,501	10,479	50,979	8,666,486	9,007,193	17,673,679
12/31/2033	7,257,405	7,272,299	14,529,704	665,562	730,786	1,396,347	1,674,809	550,371	2,225,180	42,473	8,454	50,927	9,640,249	8,561,910	18,202,159
12/31/2034	7,003,308	6,919,106	13,922,414	448,194	702,844	1,151,038	1,479,373	466,631	1,946,004	37,514	6,330	43,844	8,968,388	8,094,911	17,063,299
12/31/2035	7,517,310	6,559,826	14,077,137	540,769	678,109	1,218,879	1,330,197	392,667	1,722,863	33,732	4,454	38,186	9,422,008	7,635,057	17,057,065
12/31/2036	11,854,987	6,087,105	17,942,092	2,062,712	616,549	2,679,261	1,889,549	314,697	2,204,246	35,267	2,768	38,034	15,842,515	7,021,119	22,863,634
12/31/2037	11,519,735	5,495,499	17,015,234	1,801,017	516,593	2,317,609	789,988	221,705	1,011,694	6,796	1,004	7,800	14,117,536	6,234,801	20,352,337
12/31/2038	12,098,244	4,916,408	17,014,652	1,890,262	428,091	2,318,353	827,990	183,725	1,011,715	7,125	665	7,789	14,823,621	5,528,888	20,352,509
12/31/2039	12,086,628	4,315,858	16,402,486	1,727,982	338,351	2,066,332	815,930	143,915	959,845	6,166	308	6,474	14,636,705	4,798,432	19,435,137
12/31/2040	12,103,233	3,711,341	15,814,574	1,574,317	254,994	1,829,311	599,641	104,773	704,414	-	-	-	14,277,191	4,071,108	18,348,299
12/31/2041	12,720,564	3,096,071	15,816,635	1,653,148	175,393	1,828,541	627,847	76,504	704,350	-	-	-	15,001,559	3,347,968	18,349,527
12/31/2042	13,364,048	2,449,429	15,813,477	1,736,997	91,769	1,828,767	657,099	46,896	703,995	-	-	-	15,758,144	2,588,094	18,346,238
12/31/2043	9,758,185	1,877,216	11,635,401	1,002,390	24,460	1,026,850	688,445	15,876	704,320	-	-	-	11,449,019	1,917,552	13,366,571
12/31/2044	5,115,082	1,511,449	6,626,531	-	-	-	-	-	-	-	-	-	5,115,082	1,511,449	6,626,531
12/31/2045	5,372,463	1,255,695	6,628,158	-	-	-	-	-	-	-	-	-	5,372,463	1,255,695	6,628,158
12/31/2046	5,638,720	987,072	6,625,791	-	-	-	-	-	-	-	-	-	5,638,720	987,072	6,625,791
12/31/2047	5,922,726	705,136	6,627,862	-	-	-	-	-	-	-	-	-	5,922,726	705,136	6,627,862
12/31/2048	6,218,567	408,999	6,627,566	-	-	-	-	-	-	-	-	-	6,218,567	408,999	6,627,566
12/31/2049	1,961,422	98,071	2,059,494	-	-	-	-	-	-	-	-	-	1,961,422	98,071	2,059,494
12/31/2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$267,440,841	\$175,044,962	\$442,485,803	\$37,336,581	\$18,862,061	\$56,198,641	\$93,872,510	\$32,692,567	\$126,565,077	\$4,714,351	\$936,702	\$5,651,053	\$403,364,282	\$227,536,292	\$630,900,574

1. Payments under County guarantees in connection with NHCC debt are not included in the chart.

Figure 15C
NIFA Debt Service
(as of February 28, 2021)

<u>Date</u>	<u>NIFA Debt – General Capital</u>			<u>NIFA Debt – Sewer Capital</u>			<u>Total NIFA Capital Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12/31/2021	\$ 83,181	\$ 13,939,323	\$ 14,022,504	\$ 353,522	\$ 1,177,998	\$ 1,531,520	\$ 436,704	\$ 15,117,321	\$ 15,554,024
12/31/2022	85,993	18,551,414	18,637,407	368,323	1,552,554	1,920,877	454,316	20,103,968	20,558,284
12/31/2023	27,972,881	18,547,544	46,520,426	3,717,134	1,535,978	5,253,113	31,690,016	20,083,523	51,773,538
12/31/2024	24,252,016	18,322,756	42,574,772	2,927,733	1,518,905	4,446,638	27,179,750	19,841,661	47,021,411
12/31/2025	43,773,972	18,034,116	61,808,087	5,979,215	1,506,199	7,485,414	49,753,187	19,540,314	69,293,501
12/31/2026	37,855,200	17,618,743	55,473,943	5,476,960	1,463,806	6,940,766	43,332,160	19,082,549	62,414,709
12/31/2027	37,038,657	17,304,924	54,343,581	5,358,821	1,418,402	6,777,223	42,397,478	18,723,326	61,120,804
12/31/2028	47,304,744	16,887,128	64,191,872	6,844,138	1,357,954	8,202,092	54,148,882	18,245,082	72,393,964
12/31/2029	51,414,183	16,282,573	67,696,756	6,944,236	1,270,486	8,214,723	58,358,419	17,553,060	75,911,478
12/31/2030	54,711,321	15,280,800	69,992,121	4,270,203	1,150,271	5,420,474	58,981,524	16,431,071	75,412,595
12/31/2031	53,010,097	12,623,120	65,633,217	3,981,198	948,030	4,929,228	56,991,295	13,571,150	70,562,445
12/31/2032	56,613,165	9,972,615	66,585,780	4,251,798	748,970	5,000,768	60,864,963	10,721,585	71,586,548
12/31/2033	57,353,107	7,424,192	64,777,299	4,307,370	557,576	4,864,946	61,660,477	7,981,769	69,642,246
12/31/2034	54,662,132	4,840,131	59,502,263	4,105,271	363,507	4,468,777	58,767,403	5,203,638	63,971,040
12/31/2035	52,931,572	2,383,038	55,314,611	3,975,301	178,972	4,154,273	56,906,873	2,562,011	59,468,884
Total	\$ 599,062,221	\$ 208,012,417	\$ 807,074,638	\$ 62,861,224	\$ 16,749,609	\$ 79,610,833	\$ 661,923,445	\$ 224,762,027	\$ 886,685,472

(continued on next page)

Figure 15C
NIFA Debt Service
(as of February 28, 2021)

Date	NIFA Debt – Property Tax Refunds			NIFA Debt – Other Judgments			NIFA Debt – Termination Pay			NIFA Debt – Superstorm Sandy			Total NIFA Operating Debt		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
12/31/2021	\$2,880	\$6,960,627	\$6,963,507	\$417	\$1,457,277	\$1,457,693	-	\$1,286,881	\$1,286,881	-	\$140,222	\$140,222	\$3,296	\$9,845,007	\$9,848,304
12/31/2022	4,963	8,998,269	9,003,232	721	1,902,842	1,903,564	-	1,728,647	1,728,647	-	188,358	188,358	5,684	12,818,116	12,823,800
12/31/2023	28,578,366	8,998,047	37,576,412	3,848,937	1,902,810	5,751,747	2,593,184	1,728,647	4,321,831	1,203,498	188,358	1,391,856	36,223,984	12,817,862	49,041,846
12/31/2024	24,282,043	8,586,326	32,868,370	3,149,345	1,838,083	4,987,429	2,212,185	1,721,827	3,934,012	1,026,676	185,193	1,211,869	30,670,250	12,331,429	43,001,679
12/31/2025	37,802,526	8,105,323	45,907,848	4,644,664	1,767,468	6,412,132	4,517,875	1,712,226	6,230,100	2,096,748	180,737	2,277,485	49,061,813	11,765,753	60,827,566
12/31/2026	30,035,466	7,622,207	37,657,673	3,558,382	1,701,927	5,260,309	4,138,372	1,680,194	5,818,566	1,920,621	165,871	2,086,492	39,652,840	11,170,200	50,823,040
12/31/2027	29,387,596	7,373,213	36,760,809	3,481,627	1,672,428	5,154,055	4,049,107	1,645,887	5,694,994	1,879,193	149,949	2,029,142	38,797,522	10,841,478	49,639,000
12/31/2028	37,533,022	7,041,721	44,574,743	4,446,637	1,633,156	6,079,793	5,171,407	1,600,213	6,771,620	2,400,053	128,752	2,528,805	49,551,118	10,403,842	59,954,960
12/31/2029	37,897,326	6,562,049	44,459,375	4,853,776	1,576,328	6,430,103	5,508,621	1,534,122	7,042,743	2,276,859	98,079	2,374,938	50,536,581	9,770,578	60,307,160
12/31/2030	22,056,403	5,912,024	27,968,427	5,296,590	1,481,118	6,777,709	5,155,105	1,430,209	6,585,315	330,377	63,838	394,215	32,838,476	8,887,190	41,725,666
12/31/2031	20,455,502	4,871,001	25,326,503	5,138,483	1,223,610	6,362,094	4,959,412	1,180,969	6,140,381	215,307	51,270	266,578	30,768,705	7,326,850	38,095,555
12/31/2032	21,845,851	3,848,226	25,694,077	5,487,743	966,686	6,454,429	5,296,501	932,998	6,229,499	229,942	40,505	270,447	32,860,037	5,788,415	38,648,452
12/31/2033	22,131,380	2,864,842	24,996,222	5,559,469	719,657	6,279,126	5,365,727	694,578	6,060,305	232,947	30,154	263,101	33,289,523	4,309,231	37,598,754
12/31/2034	21,092,988	1,867,707	22,960,695	5,298,622	469,174	5,767,795	5,113,970	452,823	5,566,794	222,017	19,659	241,676	31,727,597	2,809,362	34,536,960
12/31/2035	20,425,201	919,565	21,344,766	5,130,872	230,998	5,361,869	4,952,066	222,948	5,175,014	214,988	9,679	224,667	30,723,127	1,383,189	32,106,316
Total	\$353,531,510	\$90,531,149	\$444,062,659	\$59,896,286	\$20,543,562	\$80,439,847	\$59,033,532	\$19,553,169	\$78,586,701	\$14,249,227	\$1,640,624	\$15,889,851	\$486,710,555	\$132,268,504	\$618,979,059

NHCC is a party to existing interest rate exchange agreements entered into to hedge outstanding variable rate bonds which are backed by a guaranty of the County. The County understands and regularly monitors the risks associated with the agreements. See “THE COUNTY – County Financial Management – *Financial Policies* – Swap Policy” and “NASSAU HEALTH CARE CORPORATION” herein. For a description of existing interest rate exchange agreements, see “APPENDIX D – OUTSTANDING OBLIGATIONS – Interest Rate Exchange Agreements.”

Refunded Bonds

Various outstanding County bond issues have been refunded for present value debt service savings, in addition to County bonds refunded or restructured by NIFA.

Capital Leases

The County has entered into various capital leases, installment sales contracts and lease purchase agreements. Figure 16 shows the future minimum lease payments due on such obligations and the present value of these minimum payments.

FIGURE 16
MINIMUM LEASE PAYMENTS
CAPITAL LEASES (IN THOUSANDS)
(AS OF DECEMBER 31, 2019)⁽¹⁾

Fiscal Year Ending December 31:	
2020	\$ 8,253
2021	8,439
2022	8,629
2023	8,823
2024	9,022
2025-2029	43,843
2030-2034	48,536
2035-2036	15,644
 Future Minimum Payments	 151,189
Less Interest	73,656
Present Value of Future Minimum Lease Payments	\$ 77,533

⁽¹⁾ Data extracted from County CAFR for the Fiscal Year ended December 31, 2019.

Short-Term Indebtedness

The County expects from time to time to issue bond anticipation notes (“BANs”), tax anticipation notes (“TANs”) and revenue anticipation notes (“RANs”). Projected amounts in the following figures reflect the County’s assumptions as of the date of this Official Statement. The timing and amounts of such issuances may differ from such projections based on the County’s future needs.

Bond Anticipation Notes

The County utilizes BANs for short-term financing of capital expenditures with the expectation that the principal amount thereof will be refinanced with the proceeds of long-term bonds or repaid with State or federal funds. Figure 17 shows recent and expected issuance of BANs by the County.

FIGURE 17
SHORT-TERM INDEBTEDNESS
BOND ANTICIPATION NOTES (IN MILLIONS)

Note	2017⁽¹⁾	2018	2019	2020	2021⁽²⁾
Bond Anticipation Notes	\$139.3	\$255.1	\$77.1	\$75.4	-

⁽¹⁾ Includes \$95,175,000 Bond Anticipation Notes, 2017 Series B, issued December 12, 2017, to renew, in part, the Bond Anticipation Notes, 2016 Series D (Federally Taxable).

⁽²⁾ Projected.

Cash Flow Notes

The County periodically issues RANs and TANs to fund the County’s short-term cash flow needs. Figure 18 shows recent and expected issuances of RANs and TANs by the County.

FIGURE 18
CASH FLOW NOTES (IN MILLIONS)

Note	2017	2018	2019	2020	2021⁽¹⁾
Revenue Anticipation Notes	\$ 0.0	\$119.9	\$ 78.7	\$286.3	\$147.6
Tax Anticipation Notes	377.3	298.0	219.4	-	217.0
Total	\$377.3	\$417.9	\$298.1	\$286.3	\$364.6

⁽¹⁾ Projected.

The County expects to continue to undertake one or more cash flow borrowings annually.

Recent and Projected Bond Issuances

Figure 19 shows the County’s recent and projected bond issuances. Projected amounts in the following figure reflect the County’s assumptions as of the date of this Official Statement. The timing and amounts of such issuances may differ from such projections based on the County’s future needs.

FIGURE 19
COUNTY BONDS (IN MILLIONS)

	2017	2018	2019	2020	2021⁽¹⁾
New Money	\$135.2	\$259.9	\$169.5	-	\$405.1
Refunding	338.2	-	-	-	-
Total	\$473.4	\$259.9	\$169.5	-	\$405.1

⁽¹⁾ Projected. Includes the 2021 Series A Bonds offered hereby. All or a portion of such amount could be issued as BANs.

See “CAPITAL PLANNING AND BUDGETING” herein for additional information concerning the County’s projected borrowings.

Constitutional Provisions

Limitations on indebtedness (some of which apply to guarantees by the County of NHCC debt as hereinafter described below and under “NASSAU HEALTH CARE CORPORATION” herein) are found in Article VIII of the State Constitution and are implemented by the Local Finance Law. The provisions of Article VIII referred to in the following summaries are generally applicable to the County and the obligations authorized by its County Legislature. There is no constitutional limitation on the amount that may be raised by the County by tax upon real estate in any fiscal year to pay principal of and interest on County indebtedness. See, however, “THE BONDS – Tax Levy Limitation Law” in the Official Statement to which this Appendix A is attached regarding statutory limitations on the ability of the County to levy taxes.

Article VIII, Section 1

The County shall not give or loan any money or property to or in aid of any individual or private corporation, association or private undertaking nor shall the County give or loan its credit to or in aid of any of the foregoing or a public corporation. This provision does not prevent the County from contracting indebtedness for the purpose of advancing to a town or school district pursuant to law the amount of unpaid taxes returned to the County. Notwithstanding the provisions of Article VIII, Section 1 of the State Constitution, Article 17, Section 7 provides that the State Legislature may authorize a municipality to lend its money or credit to or in aid of any corporation or association, regulated by law as to its charges, profits, dividends, and disposition of its property or franchises, for the purpose of providing hospital or other facilities for the prevention, diagnosis or treatment of human disease, pain, injury, disability, deformity or physical condition, and for facilities incidental or appurtenant thereto as may be prescribed by law.

Article VIII, Section 2

The County shall not contract indebtedness except for a County purpose. No such indebtedness shall be contracted for longer than the period of probable usefulness of the purpose or, in the alternative, the weighted average period of probable usefulness of the several purposes, for which it is contracted and in no event may this period exceed forty years. The County must pledge its faith and credit for the payment of the principal of and the interest on any of its indebtedness. Except for certain short-term indebtedness contracted in anticipation of the collection of taxes and indebtedness to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, all indebtedness shall be paid in annual installments. Indebtedness must be paid in annual installments commencing not more than two years after the debt was contracted and no installment shall be more than 50% in excess of the smallest prior installment unless the governing body of the County provides for and utilizes substantially level or declining annual debt service payments. Provision shall be made annually by appropriation by the County for the payment of interest on all indebtedness and for the amounts required for the amortization and redemption of serial bonds.

Article VIII, Section 4

The County shall not contract indebtedness which including existing indebtedness shall exceed 10% of the five-year average full valuation of taxable real estate therein. The average full valuation of taxable real estate of the County is determined pursuant to Article VIII, Section 10 of the State Constitution by taking the assessed valuations of taxable real estate on the last completed assessment roll and the four preceding rolls and applying to such rolls the ratio (as determined by the State Office of Real Property Tax Services or such other State agency or official as the State Legislature shall direct) which such assessed valuation bears to the full valuation. The Local Finance Law requires that the face value of the principal amount of guarantees by the County of NHCC debt be deemed indebtedness for the purpose of this

constitutional provision. See “NASSAU HEALTH CARE CORPORATION” herein. Article VIII, Section 5 and Article VIII, Section 2-a, of the State Constitution enumerate exclusions and deductions from the Constitutional debt limit. Such deductions include indebtedness incurred for water and certain sewer facilities.

Statutory Provisions

Title 8 of the Local Finance Law contains the statutory limitations on the power to contract indebtedness. Section 104.00 limits, in accordance with Article VIII, Section 4 of the Constitution, the ability of the County to contract indebtedness to 10% of the five-year average full valuation of taxable real estate. The statutory provisions implementing constitutional provisions authorizing deductions and excluding indebtedness from the debt limits are found in Title 9 and Title 10 of the Local Finance Law. In addition to the constitutionally enumerated exclusions and deductions, deductions are allowed for cash or appropriations for debt service pursuant to the authority of a decision of the State Court of Appeals. NIFA is not subject to the provisions of the Local Finance Law; however, obligations issued by NIFA on behalf of the County count toward the County’s debt limit.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the power and procedure for the County to borrow and incur indebtedness subject, of course, to the constitutional and statutory provisions set forth above. The power to spend money, however, generally derives from other law, including, but not limited to, the County Charter and the County Law.

Pursuant to the Local Finance Law, the County Charter and the County Law, the County authorizes the issuance of bonds by the adoption of an ordinance, approved by a super-majority vote of the voting strength of the members of the County Legislature, the finance board of the County. Customarily, the County Legislature has delegated to the County Treasurer, as chief fiscal officer of the County, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds. The Local Finance Law also provides that where a bond ordinance is published with a statutory form of estoppel notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

1. such obligations are authorized for a purpose for which the County is not authorized to expend money; or
2. (a) there has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations; and (b) an action, suit, or proceeding contesting such validity, is commenced within twenty days after the date of such publication; or
3. such obligations are authorized in violation of the provisions of the State Constitution (the “Estoppel Procedure”).

Each bond ordinance usually authorizes the construction, acquisition or installation of the object or purpose to be financed, or class of objects or purposes, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (State Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto. Historically, the County has authorized bonds for a variety of County objects or purposes.

The Local Finance Law permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not extend five years beyond the original date of borrowing.

In general, the Local Finance Law also contains provisions providing the County with power to issue certain other short-term general obligation indebtedness including budget notes, capital notes, deficiency notes, revenue anticipation notes and tax anticipation notes.

CAPITAL PLANNING AND BUDGETING

The County Charter requires the County to have a four-year capital plan and an annual capital budget. The Charter sets forth deadlines for the County Executive to submit a proposed capital plan and capital budget to the County Legislature, describes the minimum informational requirements to be contained therein, and contains a schedule and structure for the legislative review, modification and approval process.

Capital Plan and Capital Budget

The County Charter requires the County Executive to submit to the County Legislature by October 15th of each year a proposed four-year capital plan, the first year of which is the capital budget for the following year, and requires the County Legislature by December 15th of each year to vote on the capital plan resolution and the capital budget ordinance. The County Legislature has approved, most recently, the capital budget for fiscal year 2019 (as it may be amended from time to time, the “2019 Capital Budget”) and a capital plan for fiscal years 2019-2022 (as it may be amended from time to time, the “2019-2022 Capital Plan”).* The County Legislature has not adopted a capital budget for fiscal year 2020 or 2021. The 2019 Capital Budget, as amended, has increased by approximately \$19.9 million compared to the original 2019 Capital Budget of \$265.0 million, the revenue for which is a combination of long-term debt (or bond anticipation notes) and local, State or federal aid.

On October 15, 2020, the County Executive submitted to the County Legislature the proposed capital plans for fiscal years 2020-2023 (as it may be amended from time to time, the “2020-2023 Capital Plan”) and fiscal years 2021-2024 (as it may be amended from time to time, the “2021-2024 Capital Plan”), including the proposed capital budget for fiscal year 2020 (as it may be amended from time to time, the “2020 Capital Budget”), and the proposed capital budget for fiscal year 2021 (as it may be amended from time to time, the “2021 Capital Budget”).** The proposed 2021 Capital Budget is approximately \$319.6 million, the revenue for which is a combination of long-term debt (or bond anticipation notes) and local, State or federal aid. The amount of such debt projected to be issued by or on behalf of the County for objects or purposes in the 2021 Capital Budget is approximately \$196.2 million.

The amount of debt issued by the County each year varies depending upon capital expenditure requirements. Following from NIFA’s declaration of a control period on January 26, 2011, NIFA may continue to seek, among other things, to restrict in whole or in part the County’s ability to issue debt to finance expenditures, including, but not limited to, capital projects, judgments and settlements, and property tax refunds. For further information regarding NIFA’s declaration of a control period, see “MONITORING AND OVERSIGHT – External – *NIFA*” herein. County financings often include prior-year(s) approved

* Pursuant to the County Charter, subsequent to the approval of an ordinance to amend the capital budget, the County Executive may amend the capital plan to conform it to the capital budget as amended.

** The 2020 submission replaces the 2019 submission of the 2020-2023 Capital Plan and 2020 Capital Budget.

capital items. The major components of the 2019 Capital Budget and the 2019-2022 Capital Plan are listed in Figure 20.

Major capital projects in the 2019-2022 Capital Plan include a plan to resurface 125 lane miles of County roads annually, the creation of a state-of-the-art Police Academy, the renovation of 101 County Seat Drive to house the Family and Matrimonial Court and the Western Bay marshes restoration project (a \$358 million project that includes \$82 million in State aid and \$77 million in Federal aid). Other new projects include new voting machines for early voting and police fleet replacement.

FIGURE 20
2019-2022 CAPITAL PLAN

<u>Category</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Buildings	\$39,423,563	\$49,800,000	\$31,750,000	\$9,625,000
Equipment	6,655,000	1,532,500	4,500,000	2,750,000
Infrastructure	31,645,000	48,050,000	56,155,000	28,575,000
Parks	8,600,000	15,350,000	5,850,000	4,025,000
Public Safety	42,782,150	39,813,500	19,675,000	9,757,500
Roads	53,400,000	62,250,000	32,400,000	8,375,000
Technology	4,100,000	4,600,000	8,850,000	3,822,500
Traffic	16,594,244	45,631,000	40,637,379	14,273,000
Transportation	4,200,000	11,340,000	19,360,000	1,500,000
Sewer and Storm Water	57,630,000	166,950,000	219,200,000	40,050,000
Total	\$265,029,957	\$445,317,000	\$438,377,379	\$122,753,000
Non Debt Financed	\$82,861,063	\$105,800,000	\$143,583,979	\$24,598,000
Debt Financed	\$182,168,894	\$339,517,000	\$294,793,400	\$98,155,000

REAL PROPERTY ASSESSMENT AND TAX COLLECTION

Real Property Assessment

The County Assessor assesses all real property within the County to support the County’s property tax levy and the tax levies for the three towns, all but one of the 56 school districts, and approximately 225 County and town special districts. The County is one of only two county assessing units in the State.

Property Tax Refunds

The County pays refunds of property taxes levied or imposed by the County Legislature, which, in addition to County taxes, includes those of the towns, special districts and all but one of the school districts in the County. Based on a provision of the County Administrative Code, the County may not charge the cost of such refunds to the towns, special districts and school districts, as would otherwise be required by Article 7 of the State Real Property Tax Law (“RPTL”). See “COUNTY INDEBTEDNESS AND DEBT LIMITATIONS – Bonded Indebtedness” and “– Debt Service Requirements” and “LITIGATION – Property Tax Litigation” in this Appendix A.

Administrative Review of Assessments

Administrative review of assessments in the County is the responsibility of ARC, which is headed by a chairman appointed by the County Executive. During the tentative roll period, corrections of assessments by ARC do not generate refund liability for the County. In addition to its ability to correct the

tentative assessment roll, ARC is authorized to resolve administratively up to three years of pending litigation. See “LITIGATION – Property Tax Litigation” herein.

Real Property Tax Limit

The amount that may be raised by the County tax levy on real estate in any fiscal year for purposes other than for debt service on County indebtedness is limited to two per centum (2%) of the average five-year full valuation of real estate of the County in accordance with the provisions of Article VIII of the State Constitution (1½%) and the County Law (additional ½%), less certain deductions as prescribed therein. State legislation limits the amount by which the real property tax levy may be increased from year to year. See “THE BONDS – Tax Levy Limitation Law” in the Official Statement to which this Appendix A is attached.

Figure 21 sets forth the constitutional real property taxing limit of the County.

FIGURE 21
COMPUTATION OF CONSTITUTIONAL TAXING POWER
(IN THOUSANDS)

Year Roll Completed	Full Valuation of Real Estate ^(c)
2020	\$ 248,424,030
2019	236,228,932
2018	217,543,898
2017	207,499,977
2016	212,185,368
Total	\$1,121,882,205
Five-Year Average Full Valuation	\$224,376,441
Tax Limit ^(a)	\$4,487,529
Total Exclusions ^(b)	236,569
Total Taxing Power for 2020 Levy	4,724,098
Total Levy 2020	682,448
Tax Levy Subject to Limit	445,879
Percentage of Taxing Power Exhausted	9.94%

- ^(a) The State Constitution limits the tax on real estate to one and one-half per centum of the average five-year full valuation, and provides that the State Legislature may prescribe a method to increase this limitation to not to exceed two per centum. The tax limit was raised to two per centum by provisions of the County Law and a resolution adopted by the County Board of Supervisors, predecessor to the County Legislature. See “THE BONDS – Tax Levy Limitation Law” in the Official Statement to which this Appendix A is attached.
- ^(b) Interest on and principal of indebtedness supported by real property taxes for fiscal year 2020 is excluded from the calculation of real estate taxes limited under the provisions of Article VIII, Section 10 of the State Constitution.
- ^(c) Full valuation figures for 2016 through 2019 are verified by the Office of the State Comptroller. 2020 full valuation figure is based on preliminary data from the County and the Office of State Comptroller.

Largest Real Property Taxpayers

Figure 22 shows the largest real property taxpayers in the County.

FIGURE 22
LARGEST REAL PROPERTY TAXPAYERS
2020

<u>Taxpayer</u>	<u>Taxable Assessed Value⁽¹⁾</u>	<u>Taxable Assessed Value (%)</u>
KEYSPAN GAS EAST	\$ 17,030,445	3.18%
RETAIL PROPERTY TRUST	4,042,039	0.76
VERIZON NEW YORK	2,736,212	0.51
LIPA	1,865,443	0.35
PEOPLE OF THE STATE OF NEW YORK	1,307,921	0.24
NEW YORK WATER	1,292,944	0.24
FIFTH AVENUE OF LONG ISLAND	933,928	0.17
RECKSON ASSOCIATION	865,970	0.16
REXCORP PLAZA SPE LLC	787,670	0.15
SUNRISE MALL LLC	761,002	0.14
1111 CLK MARCUS AVE PROPERTY	752,158	0.14
LONG ISLAND AMERICAN WATER	700,869	0.13
CLK MARCUS AVE PROPERTY	577,903	0.11
WE'RE ASSOCIATES INC	546,591	0.10
KRE BROADWAY OWNER LLC	539,273	0.10
TL GCP OWNER LLC	532,430	0.10
JMM RACEWAY LLC & MATTONE GROUP	530,666	0.10
EQUITY ONE LLC	528,059	0.10
JERICO PLAZA LLC	526,800	0.10
CORPORATE PROPERTY INVESTORS	469,446	0.09
T1 FRANKLIN AVENUE PLAZA	468,980	0.09
ROCKAWAY REALTY ASSOCIATES	416,223	0.08
COUNTRY GLEN LLC	411,856	0.08
ASN ROOSEVELT CENTER LLC	408,644	0.08
JQ ASSOCIATES	407,546	0.08
TOTAL (TOP 25)	\$ 39,441,018	7.37%
TOTAL TAX BASE	\$535,101,261	100.00%

⁽¹⁾The amounts reflect a level of assessment for commercial properties of 1% of full value.

Collection

General and school district taxes levied by the County are collected by the receivers of taxes for each of the three towns and the two cities within the County, as applicable. General taxes include taxes and similar levies for the County, towns and special districts.

County, Town and Special District Taxes

One-half of all taxes upon real estate, except school district taxes, are due and payable on the first day of January, and the remaining and final one-half of such taxes on real estate are due and payable on the first day of July. All such taxes are and become liens on the real estate affected thereby and are construed and deemed to be charged thereon on the respective days when they become due and payable and remain such liens until paid. The second half of such tax on real estate which is due on the first day of July may be paid on the first day of January, the date when the first half becomes due and payable, or at any time thereafter. The second half may be thus paid if the first half shall have been paid or shall be paid at the same time. A discount of one per cent is allowed on those payments of the second half which are made on or before February tenth. Such discounts are a town or city charge as the case may be. In the event such discounts allowed by a city receiver on the State and County taxes of a given taxable year exceed fifty per cent of the amount of penalties and interest collected by such city receiver on the State and County taxes of such taxable year during the time the receiver has had in his or her possession the consolidated tax warrant for such taxable year and the portion of the assessment roll annexed thereto containing the real property within such city, the County must reimburse such city for such excess of such discounts.

The receivers of taxes pay to the towns and special districts, as applicable, the amount of the levies for town and special districts and then pay the difference to the County. The County collects delinquent general taxes following the return of unpaid general taxes by the receivers to the County on September first. See "*Delinquency Procedure*" within this section.

The receivers of taxes are required to pay to the County Treasurer on the fifteenth day of each month all County taxes they have collected prior to the first day of such month.

School District Taxes

One-half of all school district taxes upon real estate are due and payable on the first day of October and the remaining and final one-half of such taxes on real estate are due and payable on the first day of the following April. All such taxes are liens on the real estate affected thereby and are construed and deemed to be charged thereon on the respective days when they become due and payable and remain such liens until paid. The second half of such tax which is due on the first day of April may be paid on the first day of October, the date when the first half becomes due and payable, or at any time thereafter. The second half may be thus paid if the first half shall have been paid or shall be paid at the same time. A discount of one per cent is allowed on those payments of the second half which are made on or before November tenth. Such discounts are a town charge.

Uncollected school district taxes are returned by the receivers to the County on June first. The County then pays the school districts the amounts billed and uncollected by the receivers. The County collects delinquent school district taxes following the return of unpaid school district taxes. See "*Delinquency Procedure*" within this section. This procedure covers all but one of the school districts in the County.

The County is authorized to pay monies due to the school districts from funds on hand or may borrow monies for such purpose pursuant to the provisions of the Local Finance Law.

Delinquency Procedure

(a) General taxes

Penalties on taxes due January first: if such taxes are paid on or before February tenth^{*}, no interest or penalty; if such taxes are paid on or before August thirty-first, no penalty; if such taxes are paid after February tenth interest is added at the rate of one per cent per month calculated from January first to the first day of the month following the date of payment or time of sale of such unpaid taxes. Such interest is charged on the full amount of such taxes and any penalty. Such interest is compounded on the first day of each month, beginning on the first day of September. If such taxes are paid after August thirty-first, a penalty of 6% is added.

Penalties on taxes due July first: if such taxes are paid on or before August tenth, no interest or penalty; if such taxes are paid on or before August thirty-first, no penalty; if such taxes are paid after August tenth interest is added at the rate of one per cent per month calculated from July first to the first day of the month following the date of payment or time of sale of such unpaid taxes. Such interest is charged on the full amount of such taxes and any penalty. Such interest is compounded on the first day of each month, beginning on the first day of September. If such taxes are paid after August thirty-first, a penalty of 6% is added.

Penalties and interest on general taxes collected by the receivers are paid to the towns or cities as applicable; those collected by the County (i.e., after the return of taxes by the receivers to the County) are retained by the County.

(b) School district taxes

Penalties on taxes due October first: if such taxes are paid on or before November tenth^{*} of the current year, no interest or penalty; if such taxes are paid on or before May thirty-first of the following year, no penalty; if such taxes are paid after November tenth of the current year interest is added at the rate of one per cent per month calculated from October first to the first day of the month following the date of payment or time of sale of such unpaid taxes. Such interest is charged on the full amount of such taxes and any penalty. Such interest is compounded on the first day of each month, beginning on the first day of June of the following year. If such taxes are paid after May thirty-first of the following year, a penalty of 6% is added.

Penalties on taxes due April first: if such taxes are paid on or before May tenth, no interest or penalty; if such taxes are paid on or before May thirty-first, no penalty; if such taxes are paid after May tenth interest is added at the rate of one per cent per month calculated from April first to the first day of the month following the date of payment or time of sale of such unpaid taxes. Such interest is charged on the full amount of such taxes and any penalty. Such interest is compounded on the first day of each month, beginning on the first day of June. If such taxes are paid after May thirty-first, a penalty of 6% is added.

Penalties and interest on school district taxes collected by the receivers are paid to the towns; those collected by the County (i.e., after the return of taxes by the receivers to the County) are retained by the County.

^{*} Pursuant to an executive order, Governor Cuomo suspended the County Administrative Code to the extent necessary to extend the deadline to pay 2021 first half general taxes without interest or penalties from February 10, 2021 to March 12, 2021.

(c) Tax Lien Sale

The County holds an annual tax lien sale each February*. The taxpayer is charged additional statutory interest of 10% per each six-month period, for a maximum of 24 months until paid if the taxes are paid after the tax lien sale. Taxpayers receiving a hardship designation pay additional statutory interest of 5% per each six-month period until paid for up to an additional year (following the initial 24 months). Tax liens not sold at auction become owned by the County.

The holder of a tax lien for a property other than those classified as class one or as a class two condominium pursuant to section 1802 of the RPTL, if it has not been satisfied within 24 months of the sale date, may obtain a deed of conveyance from the County Treasurer or foreclose his tax lien. The holder of a tax lien for a property classified as class one or as a class two condominium pursuant to section 1802 of the RPTL, if it has not been satisfied within 24 months of the sale date, may commence a foreclosure action unless the property owner has been granted a one-year extension through hardship designation.

In December 2020, the State enacted legislation providing that mortgagors and owners of ten or fewer dwelling units (occupying one as a primary residence) may file a hardship declaration that shall create a rebuttable presumption that the owner is experiencing financial hardship, in any judicial or administrative proceeding that may be brought, for the purposes of establishing a defense under an executive order of the Governor or any other local or State law, order or regulation restricting actions to sell a tax lien or foreclose a tax lien against an owner suffering from a financial hardship during or due to the COVID-19 pandemic.

The County Treasurer has at times sold groups of County-owned tax liens in bulk.

NASSAU HEALTH CARE CORPORATION

NHCC is a public benefit corporation that provides health care primarily to the County's uninsured and underinsured population. Pursuant to State authorizing legislation (hereinafter referred to as the "NHCC Act"), the County transferred its hospital, nursing home and health centers and clinics to NHCC effective September 29, 1999 as provided in the Acquisition Agreement between the County and NHCC dated as of September 24, 1999. The County and NHCC subsequently entered into the Stabilization Agreement dated as of September 22, 2004 in order to stabilize the financial condition of NHCC. The County and NHCC then entered into the Successor Agreement dated as of November 1, 2007 (as amended, the "Successor Agreement") to clarify the relationship between the parties. The NHCC Act also permits the County (i) to enter into contracts with NHCC for services; (ii) to appropriate sums of money to defray NHCC's project costs or other expenses; (iii) to lend its money or credit to NHCC; and (iv) to issue County notes and bonds for NHCC objects or purposes.

Under the NHCC Act, NHCC is governed by a board of fifteen directors, eight of whom are appointed by the Governor (two on recommendation of the County Executive, three on recommendation of the majority leader of the County Legislature, one on recommendation of the minority leader of the County Legislature, one on recommendation of the Speaker of the State Assembly and one on recommendation of the Temporary President of the State Senate), four by the County Legislature and three by the County Executive.

The report of Mitchell & Titus LLP, the independent auditor of the Nassau Health Care Corporation ("NHCC"), dated June 26, 2020, and accompanying financial statements of NHCC for the year ended December 31, 2019 (collectively, the "NHCC Auditor's Report"), states that NHCC has experienced

* The County enacted a local law to move the date of the 2021 lien sale from February 16, 2021 to on or about May 3, 2021.

recurring operating losses, a working capital deficit and has a total negative net position of \$810,752,000 at December 31, 2019, and is dependent on the continuation of federal, state and local subsidies, certain of which are scheduled to end or be reduced. The NHCC Auditor’s Report states that NHCC has stated that these matters raise substantial doubt about its ability to continue as a going concern. The NHCC Auditor’s Report further states that, in 2020, the COVID-19 health crisis added further uncertainty regarding the operations of NHCC, as well as the healthcare system in general. The NHCC Auditor’s Report and such financial statements are available on the NHCC website (<https://www.numc.edu/about/public-authority-reporting/>) and the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system at <https://emma.msrb.org/>. See “MONITORING AND OVERSIGHT – External – NIFA” herein regarding NIFA’s oversight of NHCC during the control period.

NHCC is a component unit of the County and is included as a discretely presented component unit in the financial statements of the County. The County provides direct pay guarantees on NHCC’s outstanding bonds and has guaranteed interest rate exchange agreements associated with NHCC Bonds. The County annually provides NHCC payments for certain health services and various other payments. The County expects to continue to fund its disproportionate share payments through inter-governmental transfer payments from NHCC. NHCC’s financial position may impact the ability of the County to offset all debt service-related payments against any payments made by the County to NHCC. The impact on the County and the 2021-2024 Multi-Year Financial Plan, which may be material, are not yet known. See “County-guaranteed NHCC Bonds” below and “STATEMENT OF REVENUES AND EXPENDITURES – Expenditures – Medicaid” herein for information about the County’s guaranties and NHCC.

The County Legislature has approved an amendment to the Successor Agreement to resolve certain outstanding claims made by NHCC for payment for services and other amounts, some of which date back many years, and to supersede or delete various provisions of the Successor Agreement and related agreements to clarify certain aspects of the relationship between the parties. Such amendment is subject to the approval of NIFA.

County-guaranteed NHCC Bonds

The County has provided a direct-pay guaranty on NHCC’s Series 2009A Bonds and on its Series 2009B, C and D Bonds, which are variable rate bonds secured by letters of credit. The County also has guaranteed interest rate exchange agreements associated with NHCC bonds. See APPENDIX D herein for listings of outstanding County-guaranteed NHCC variable rate bonds and associated interest rate exchange agreements.

See “COUNTY INDEBTEDNESS AND DEBT LIMITATIONS – Debt Service Requirements” and “THE COUNTY – County Financial Management – *Financial Policies* – Swap Policy” herein. The Successor Agreement provides for the County to offset all debt service related payments, including payments to swap counterparties, against any payments it makes to NHCC.

NASSAU COUNTY SEWER AND STORM WATER FINANCE AUTHORITY

The Nassau County Sewer and Storm Water Finance Authority (the “SSWFA”) is a State public authority empowered to issue debt to finance County sewer or storm water projects within its statutory authorization. It does not own or operate any facilities, and does not provide sewer or storm water services. The SSWFA is governed by a seven-member board appointed by the County Executive and confirmed by the County Legislature. The presiding officer and the minority leader of the County Legislature each nominate two of the appointees, and the County Comptroller nominates one of the appointees. It is a Covered Organization under the NIFA Act. See “MONITORING AND OVERSIGHT – External – NIFA” herein.

The County has entered into an agreement with the SSWFA for the financing of County sewer or storm water projects, although the County also continues to issue debt for such purposes.

The County includes in its annual tax levy for the Nassau County Sewer and Storm Water Resources District (the "District") amounts needed to pay the costs of the SSWFA. Each city and town receiver of taxes in the County collects such taxes and distributes them to the SSWFA trustee for SSWFA requirements. The County on behalf of the District then receives the balance of the taxes.

LITIGATION

The County and its officers and employees are defendants in a number of lawsuits. Such litigation includes, but is not limited to, actions commenced and claims asserted against the County arising out of or related to: assessments and condemnation proceedings, and alleged torts, civil rights violations, breaches of contracts including union and employee disputes, and other alleged violations of law. The County intends to defend itself vigorously against all claims and actions.

The County self-insures for most risk exposures. It has transferred some of its risk by means of carrying property and liability insurance coverage on its police helicopters, property insurance on certain leased facilities, a blanket fidelity bond covering all County employees, public official bonds and the following coverage for the summer recreation program: accident insurance, umbrella liability and general liability. The County has a contractual obligation to reimburse NHCC for the cost of certain insurance coverage, and to indemnify NHCC for liability and related costs not covered by insurance, in connection with NHCC's provision of health care services at the Correctional Center. Essentially all other risks are assumed directly by the County. The County annually appropriates sums for the payment of judgments and settlements of claims and litigation, which appropriations may be financed, in whole or in part, pursuant to the Local Finance Law by the issuance of County bonds, subject, however, to NIFA approval during the control period. The County intends to defend itself vigorously against all claims and in all litigation. Estimated liabilities of approximately \$475.2 million for claims and litigation (excluding tax certiorari claims) have been recorded as a liability in the County's government-wide financial statement of net position as of December 31, 2019.

Such estimated liabilities include liabilities resulting from several third-party actions that were filed against the County seeking indemnification for judgments and/or claims pending against the Towns of Hempstead, North Hempstead and Oyster Bay, as well as garbage districts within these towns relating to the refund of special ad valorem levies on mass properties of utilities (Verizon, American Water and others) for garbage and refuse collection services. The towns and garbage districts sought to have the County indemnify these judgments on the basis that the County is allegedly a guarantor for any claim for an illegal assessment for non-benefitted properties. In 2017, the County settled the outstanding claims of the Town of Hempstead. The settlement agreement requires the County to pay to the Town of Hempstead (x) approximately \$18 million in satisfaction of certain judgments and claims against the County (which the County has paid) and (y) seventy percent of the amount of judgments and settlements paid by such town on the then-remaining claims of such town, in installments over ten years, subject to certain conditions, which claims have since been resolved. In 2019, the County began paying its then-estimated \$58 million share of all such resolved claims of the Town of Hempstead in annual installments of \$5.8 million. In December 2020, the State Appellate Division, Second Department in a series of decisions held that pre-judgment interest on damages in certain of the claims by the Town of Hempstead (that were not reduced to judgments until after 2018) shall be at the statutory rate of 9%, reversing the Nassau Supreme Court's decisions that had found that it should be at lower, market rate-based amounts. The County estimates that, if the decisions are not reversed on appeal, their effect would be to increase the amounts owed to the Town of Hempstead from the originally estimated \$58 million to an estimated \$72 million, which would increase the annual installments from the original \$5.8 million to an estimated \$7.2 million. The Town of

Hempstead, in conjunction with the County, has filed a motion to reargue the decisions to the Appellate Division, and if denied, the County expects the town to seek leave to appeal them to the State Court of Appeals. In 2018, the County settled the remaining claims of two Town of Oyster Bay garbage districts for approximately \$1.1 million in the aggregate, with the final installment expected to be paid in 2023. In 2020, the County’s final appeals were denied in the litigation with the Town of North Hempstead. Therefore, the County is liable for judgments in favor of such town of approximately \$8 million; the parties are currently in discussion for a structured payment schedule.

Approximately \$244.9 million has been recorded as a liability in the County’s government-wide financial statement of net position at December 31, 2019 related to workers’ compensation claims, as estimated by the County’s third-party administrator. Such amounts are only estimates, and no assurance can be given that additional claims will not be made or that the ultimate liability on existing and future claims will not be greater.

Property Tax Litigation

Assessments

The County is a party to numerous claims and legal actions for reductions of assessments and refunds of real property taxes. The County intends to defend itself vigorously against all such claims and actions.

Expenditures recorded in the County’s governmental fund statements for all such claims in each of the fiscal years 2016 to 2019, inclusive, is shown below (in millions):

2019.....	\$90.8
2018.....	66.4
2017.....	81.0
2016.....	92.1

The County Comptroller recorded an estimated long-term liability of \$474.3 million for future property tax refunds in the County’s government-wide financial statement of net position at December 31, 2019. The County Comptroller accrued an additional liability for property tax refunds of \$26.6 million as current liabilities in the governmental fund statements and in the government-wide financial statement of net position at December 31, 2019 (which is also included in the \$90.8 million in 2019 expenditures recorded in the governmental fund statements described above). The estimate of long-term liability of \$474.3 million at December 31, 2019 for future property tax refunds includes an estimate of liability of \$242.9 million related to litigation regarding the assessments of certain power generating facilities in the County. The County administration has negotiated a settlement with the operator of such power generating facilities to eliminate the related property tax refund liability of the County which remains subject to the approval of the County Legislature.

For the year ended December 31, 2019, the County Comptroller recorded \$199.0 million in total liabilities in the governmental funds for the Disputed Assessment Fund (“DAF”), representing collections of DAF charges from class four (commercial) property owners. Of this amount, \$33.9 million (current liabilities) and \$52.7 million (non-current liabilities) have been included in the estimated tax certiorari payable balances in the government-wide financial statement of net position. The County Comptroller has recorded the remainder of \$112.4 million as DAF deposits held (current liabilities of \$102.3 million) and accrued liabilities (current liabilities of \$10.1 million) in the government-wide financial statement of net position. For the year ended December 31, 2019, the County Comptroller also accrued \$10.1 million of

expenditures in the DAF in the governmental fund statements for refunds due and payable in the fiscal year and which were expected to be paid in 2020.

The County Comptroller has determined that the County's total estimated tax certiorari payable as of December 31, 2019 is \$587.4 million, which includes, as described in the previous paragraphs, \$474.3 million recorded as a long-term liability for future property tax refunds, \$26.6 million accrued liability recorded as current liabilities and \$86.6 million estimated tax certiorari liability for the DAF.

State law applicable to the DAF for the County's 2017 and 2018 tax rolls required class four property owners in the County to pay a charge projected to be equivalent to the amount of taxes being disputed in proceedings brought by them under Article 7 of the RPTL. This provides an estimated funding source for the payment for such refunds by parcel and tax year for the County's 2017 and 2018 tax rolls. Amendments to the DAF law provide that, for the County's 2019 tax levy and subsequent annual levies, the County is to levy an amount on class four (commercial) property (generally in the same manner as County taxes) to fund the County's payment of class four refunds expected in such fiscal year, provided, however, that the levy may be not more than ten percent of class four levies on the County tax roll for County, town, special district and school district property taxes and other levies. As such, amounts raised for the DAF in 2019 and subsequent years are not restricted to payment of refunds by parcel and tax year.

In 2018, certain taxpayers filed two lawsuits against the County and others alleging that the enactment of the DAF by the State (prior to the 2018 amendments to the DAF law) and its implementation by the County violated various provisions of the State constitution, the RPTL and the County Administrative Code. See "Other Litigation" below.

Following from NIFA's declaration of a control period on January 26, 2011, NIFA may continue to seek, among other things, to restrict in whole or in part the County's ability to issue debt to finance expenditures, including, but not limited to, the payment of property tax refunds. For further information regarding NIFA's declaration of a control period, see "MONITORING AND OVERSIGHT – External – NIFA" herein. See "COUNTY FINANCIAL CONDITION – 2021 Budget and 2021-2024 Multi-Year Financial Plan" herein.

No assurance can be given as to the amount of the County's ultimate liability on existing and future refund claims. Furthermore, these amounts do not include litigation relating to real estate taxation other than challenges to assessments. For a discussion of such other litigation, see "*Other Property Tax Litigation*" within this section.

Other Property Tax Litigation

(i) New York Telephone Company (now known as Verizon), New York Water Service Corporation (now known as American Water), Long Island Water Corporation (now known as American Water) and KeySpan (collectively, the "Utilities") have each filed actions and proceedings challenging the determination of their taxes in 1997, 1998, 1999, and 2000 in non-County-wide special districts such as police, fire, water and library districts. The Utilities allege that the County erroneously placed all parcels in classes in calculating their assessed values for the payment of special district taxes. The Supreme Court, Nassau County declared that the assessments violated the RPTL and constitutional requirements of equal protection. The court directed that discovery be conducted and a trial held to determine the amount of tax refunds, if any, to be awarded to the Utilities. In 2002, the Appellate Division, Second Department, determined that the County violated the RPTL, but granted the County summary judgment dismissing the complaints on the grounds that no refunds should be awarded because of the fiscal impact on the special districts. In 2004, the Court of Appeals remitted the case to the Supreme Court, Nassau County for a trial on both the amount of the refunds due and whether those damages would have such an adverse impact on

the County that no refunds should be ordered. In the KeySpan litigation, the Supreme Court, Nassau County denied the County's motion to dismiss the complaint and ordered discovery to proceed in the matter and the related Utilities cases. The court then stayed discovery pending the County's appeal to the Appellate Division concerning the application of the so-called County guaranty in these matters. In 2014, the Appellate Division denied the County's appeal and the Court of Appeals denied the County's application for leave to appeal the Appellate Division's decision. The court lifted the stay of discovery and the County has appealed the court's denial of its motion to dismiss on the grounds that the relief sought could only be granted by the exclusive remedy of an RPTL Article 7 challenge. Plaintiffs have appealed the court's denial of their motion for re-argument based on the court's ruling that evidence of financial hardship could be a mitigating factor in determining damages. The County expects the judge to set a date for trial to take place in 2021. The County intends to continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition. The County cannot state with certainty the amount of a refund if the court were to order one, but has estimated, depending on the methodology of calculation, that such refund could be as high as \$200 million. If mediation is unsuccessful, such estimate could increase by \$50 million. The matters described in this paragraph were considered when estimating liabilities for claims and litigation (excluding tax certiorari claims) that were recorded as a liability in the County's government-wide financial statement of net position as of December 31, 2019 as described earlier in this section.

(ii) In 2018, the County was served with two summonses and complaints challenging the manner in which the County calculated current base proportions ("CBPs"), adjusted base proportions ("ABPs") and special district annual adjustments beginning in 2014 under Article 18 of the RPTL as a result of certain demolition of a power plant in Glenwood Landing, New York between 2012 and 2015. In one action, National Grid Generation LLC and Keyspan Gas East Corporation d/b/a National Grid allege that in 2014 the County calculated the CBPs, ABPs and special district annual adjustments in a manner that failed to reflect the demolition of the plant and thereby caused the plaintiffs' class three utility property to pay an excessive amount of taxes and a disproportionate share of the tax burden as compared to class one, class two and class four properties. The complaint further alleges that based on the purported 2014 error, all calculations for subsequent tax years were made in error. In the second action, New York American Water Company Inc. makes substantially similar allegations. In each action, plaintiffs seek, among other forms of relief, tax refunds in the amount of the alleged overpayment of taxes. Neither complaint specifies the amount of the tax refunds or damages sought. The County's motions to dismiss the actions were denied. Discovery has concluded and the parties have filed motions for partial summary judgment, with a trial to follow. Plaintiffs have each filed and served complaints in 2019 and 2020 asserting identical claims and alleging continuing entitlement to refunds for the 2019 and 2020 tax years. At this time the County's ultimate potential liability cannot be determined and the County is in the process of investigating the allegations made in the complaints. The County will continue to defend itself vigorously in these actions and proceedings.

Other Litigation

(i) In 2013, the U.S. District Court for the Eastern District of New York issued a decision in Carver, et al. v. Nassau County Interim Finance Authority, et al. granting the plaintiffs' motion for summary judgment seeking to nullify NIFA's imposition of a wage freeze in 2011. Although the matter was brought by plaintiffs in federal court, the court resolved the motion on exclusively State law grounds, i.e., an interpretation of State Public Authorities Law Section 3669. In 2013, the U.S. Court of Appeals for the Second Circuit vacated the decision of the U.S. District Court and remanded the matter for further proceedings, directing the U.S. District Court to dismiss the State law claim and retain jurisdiction only over the federal constitutional claim. In 2013, plaintiffs filed a State court action regarding the authority of NIFA to impose the wage freeze under State law. At that time, the U.S. District Court stayed the federal action "pending completion of the state court proceeding...without prejudice to re-opening, upon letter

application, at the conclusion of the state court proceedings.” In 2014, the State Supreme Court ruled in this and related lawsuits that NIFA “did not exceed its authority to impose wage freezes in 2011, 2012 and 2013.” In 2014, the County and the unions respectively agreed (among other things) to settle in part this and certain related cases, and such unions respectively released the County and NIFA from liability for the parts of the lawsuits that were settled. In 2016, the Appellate Division upheld the Supreme Court’s decision, and later in 2016, the Court of Appeals denied the plaintiffs’ motions seeking leave to appeal the Appellate Division decision. In 2018, the U.S. District Court denied plaintiffs’ motions for summary judgment and granted the County and NIFA defendants’ cross-motions for summary judgment on the federal questions raised by the plaintiffs. Later in 2018, the U.S. District Court denied the plaintiffs’ motion for reconsideration and affirmed its dismissal of plaintiffs’ claims. In 2020, the Second Circuit affirmed the U.S. District Court’s grant of summary judgment. In January 2021, the U.S. Supreme Court denied the plaintiffs’ petition for a writ of certiorari with respect to the 2011 wage freeze. The County will continue to defend itself vigorously in these proceedings. It is not possible to predict the ultimate outcome of this and related cases or their ultimate impact on the County’s financial condition; however, the County estimates that, in the event of a final adverse decision, the amount of its retroactive liability for this and related cases would be approximately \$101 million, including ancillary costs such as payroll taxes and pension contributions, among others. This amount is not included in the 2021-2024 Multi-Year Financial Plan. The matters described in this paragraph were considered when estimating liabilities for claims and litigation (excluding tax certiorari claims) that were recorded as a liability in the County’s government-wide financial statement of net position as of December 31, 2019, as described earlier in this section.

(ii) In 2017, plaintiff Jeffrey Falk, on behalf of himself and others similarly situated, brought a lawsuit in State Supreme Court challenging the County’s tax map verification fee alleging that the fee is excessive of costs and constitutes an illegal tax enacted for general revenue purposes. The fee is charged for the verification of a tax map of real property that must accompany the recordings of mortgages and satisfactions and other real property transactions. The plaintiff sought an injunction of the fee, a declaration that the fee is unlawful and money damages. The court granted the County’s motion to dismiss the request for injunctive relief, conversion and money damages. The court, however, did not dismiss the plaintiff’s claim for declaratory judgment on the legality of the fee. Plaintiff has filed a notice of appeal. In 2020, the court determined that the fee is used to generate revenue and therefore is an unlawful and unconstitutional tax, although it did not stay collection of the fee, and a judgment declaring the fee excessive and otherwise dismissing the complaint has been entered. The County has filed an appeal from the judgment and will continue to defend itself vigorously in these actions and proceedings. If the court’s judgment that the fee is excessive is upheld, the County would forego annual collections of up to approximately \$45 million.

(iii) In 2015, 2016, and 2017, certain members of County collective bargaining units respectively filed five lawsuits in federal court challenging the County’s calculation of overtime under the federal Fair Labor Standards Act (“FLSA”). Among plaintiffs’ allegations are that the County did not calculate their overtime correctly because longevity pay, shift differential payments and hazardous duty payments were not included in their regular rate of pay, that the County systemically failed to pay overtime timely within the pay period earned and miscalculated FLSA overtime based on collectively bargained schedules. The court has certified or is expected to certify respective classes of County employees that allegedly may have been affected by an improper calculation and payment of overtime and has consolidated certain lawsuits for efficiency. In one of the lawsuits, plaintiffs have challenged the County’s designation of certain employees as FLSA-exempt. If plaintiffs are successful in establishing that the County’s calculations of overtime are not consistent with FLSA, the County would be responsible for liquidated damages to the classes. The County is currently mediating several of the lawsuits. The County will continue to defend itself vigorously in these actions and proceedings. The County cannot state with certainty the amount of such potential damages and attorneys’ fees, but has estimated, depending on the size of the classes and the methodology of calculation, that they could total approximately \$80-120 million.

(iv) In 2017, plaintiff David Abramov filed a lawsuit (continued by his estate) against the County alleging serious injuries and eventual death resulting from a motor vehicle accident involving a County Police Department vehicle and another car driven by Donna Comuniello. Ms. Comuniello also filed a lawsuit against the County for alleged injuries sustained in the accident. The two cases have been joined in State Supreme Court and the litigation is currently in the discovery phase. The County will continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition; however, the County estimates that, in the event of a final adverse decision, the amount of damages for which the County may be liable could be in excess of \$30 million.

(v) In 2018, certain taxpayers filed two lawsuits against the County and others alleging that the enactment of the DAF by the State (prior to the 2018 amendments to the DAF law) and its implementation by the County violated various provisions of the State constitution, the RPTL and the County Administrative Code. In 2019, the Court granted the County's motion to dismiss one of the lawsuits in part and denied it in part but did not determine any of the constitutional or statutory claims. The Court dismissed the claim challenging the County Assessor's discretionary determination as barred by the statute of limitations. The Court also held that the taxpayers were not entitled to a refund of the monies paid into the DAF fund. Subsequently, the parties cross-moved for summary judgment and in 2020, the court issued an order granting the plaintiff's motion in part, finding that the pre-2019 DAF law violated the State Constitution. The County intends to appeal when the court enters a judgment. It is expected that a similar procedural course will be followed in the second lawsuit. In 2019, certain taxpayers filed a proceeding seeking to compel the refund of certain DAF charges on the 2017 and 2018 tax rolls. The resolution of the proceeding is dependent on the outcome of the two lawsuits and motions by various other taxing jurisdictions to dismiss the proceeding against them. The County intends to continue to defend itself vigorously against these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition; however, the County estimates that, in the event of a final adverse decision, the amount of damages for which the County may be liable could be in excess of \$30 million.

(vi) In 2018, the County brought five separate actions against its major employee unions in Nassau Supreme Court to invalidate the provisions of purported memoranda of understanding signed by the then-Chief Deputy County Executive in 2017 and such unions, respectively, related to longevity pay and related matters. The unions are seeking to have the terms of the memoranda of understanding arbitrated, which the County is opposing. The County has also responded to charges filed by the unions with the State Public Employment Relations Board alleging the County has failed to honor the terms of the memoranda of understanding. In 2018, judgment was entered of a Nassau Supreme Court decision dismissing the County's complaint in one of the actions. The court also determined that the meaning or interpretation of longevity pay as set forth in one of the purported memoranda and the underlying collective bargaining agreement is a grievance and is arbitrable and ordered the parties to arbitrate the matter. The County appealed the decision. In two of the actions, the Appellate Division, Second Department modified the Supreme Court's decision and remanded them to arbitration to determine the validity of the purported memoranda of understanding; the remaining actions remain pending before the Appellate Division. The County will continue to defend itself vigorously in these actions and proceedings. If the County is unsuccessful in these actions, it would result in additional longevity pay expenditures of approximately \$11.8 million annually in the aggregate retroactively to 2018.

(vii) In 2018, plaintiff Joseph Jackson filed an action against the County and various County police officers alleging claims of false arrest and wrongful imprisonment under 42 U.S.C. §1983. After serving twenty-three years in prison, plaintiff's conviction was vacated after an investigation by the County District Attorney's Office determined that a police officer failed to turn over certain exculpatory evidence to plaintiff when he was the defendant in a criminal case. Plaintiff also alleges that his confession was the

product of coercion. The County will continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition; however, the County estimates that, in the event of a final adverse decision, the amount of damages for which the County may be liable could be in excess of \$30 million.

(viii) In 2019, certain plaintiffs filed a federal class action in U.S. District Court seeking declaratory, monetary and limited injunctive relief on behalf of residential property owners in communities in the County described in the action as "nonwhite". The complaint alleges that since 2010 the County imposed irrational and discriminatory policies and procedures in its property tax system that allegedly shifted more than \$1.7 billion in property taxes from wealthier, white communities to lower income, non-white communities. Plaintiffs are seeking as relief (i) a declaratory judgment that the real property valuation and assessment laws, policies and practices were unfairly imposed on non-white, low income residential property owners and such alleged actions violated and continue to violate the federal Fair Housing Act, the federal Equal Protection Act, the Due Process Clause of the Fourteenth Amendment of the U.S. Constitution and the County Charter, (ii) court-ordered supervised re-assessment with a permanent injunction to prevent the alleged inequities in the future and (iii) restitution. The County has moved to dismiss the action. At this time, the County's ultimate potential liability cannot be determined, and the County is in the process of investigating the allegations made in the complaint. The County will continue to defend itself vigorously in these actions and proceedings.

(ix) In 2018, an individual driving a vehicle on Dutch Broadway struck several children walking on the sidewalk of Dutch Broadway. As a result of this incident, three complaints have been filed against the County alleging that the defective design of Dutch Broadway and Elmont Road caused serious injuries to the children. The County will continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition; however, the County estimates that, in the event of a final adverse decision(s), the amount of damages for which the County may be liable could be in excess of \$30 million.

(x) Between 2012 and 2017, multiple claims were filed against the County and Armor Correctional Health Services Inc. ("Armor") alleging medical malpractice and/or tortious conduct in connection with the provision of health care services to inmates at the Correctional Center. Pursuant to agreement, Armor is required to indemnify the County for its losses resulting from Armor's acts or omissions in performing such services and to include the County as an additional insured on its applicable insurance policy or policies. In 2019, issues as to the extent of the indemnification and additional insured coverage have been raised between the County and Armor. If Armor and/or its insurance carrier(s) successfully disclaim any financial obligation to indemnify the County for the multiple claims, then the County could be solely responsible for any liability determined by a court. The County will continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition; however, the County estimates that, in the event of a final adverse decision(s), the amount of damages for which the County may be liable could be in excess of \$30 million.

With the exception of the litigation discussed herein, based on historical precedent, no litigation is pending by or against the County which if finally determined to result individually or in the aggregate in final judgments against the County would materially adversely affect the financial condition of the County.

RECENT LEGAL DEVELOPMENTS

On July 17, 2020, the City of Long Beach, New York filed a civil complaint against Jack Schnirman relating to actions allegedly taken by Mr. Schnirman during his tenure as the City Manager for the City of Long Beach from 2012 through 2017. In January 2018, Mr. Schnirman became County Comptroller, an

elected position. The complaint seeks monetary relief from Mr. Schnirman for breach of fiduciary duty, breach of duty of loyalty, fraud, conspiracy to commit fraud and constructive fraud related to allegedly illegal overpayments of accrued vacation leave, sick leave and personal leave time, among other claims. The complaint also stated that the County District Attorney and the United States Attorney's Office had ongoing investigations into Mr. Schnirman's activities. Subsequent to the filing of the complaint, the County District Attorney closed its investigation. The alleged actions pre-date Mr. Schnirman's term as County Comptroller. On December 14, 2020, a motion to dismiss was filed on the basis, among others, that the claim is time-barred as to certain allegations, fails to state a cause of action for the breach of duty of loyalty alleged, and alleges no facts to sustain the specific fiduciary duty on which the claim is predicated.

PROPERTY TAX RATES AND LEVIES

Property Tax Rates

Figures 23 and 24 show County tax rates but do not include local, town, city, school, village or town special district tax rates for the respective political subdivisions in the County.

FIGURE 23
GENERAL COUNTY TAX RATES
COUNTY-WIDE PURPOSES BY FUND AND CLASS (I-IV)
PER \$100 OF ASSESSED VALUATION - FISCAL YEAR BEGINNING AS SHOWN

	Town of Hempstead					Town of North Hempstead					Town of Oyster Bay				
	1/1/2020	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2020	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2020	1/1/2019	1/1/2018	1/1/2017	1/1/2016
General County ^(a)															
I	11.677	7.568	11.943	12.169	17.056	11.677	7.568	11.943	12.169	17.056	11.677	7.568	11.943	12.169	17.066
II	5.470	3.550	5.730	5.864	2.322	5.470	3.550	5.730	5.864	2.322	5.470	3.550	5.730	5.864	2.332
III	6.862	4.920	8.249	8.524	9.774	6.862	4.920	8.249	8.524	9.774	6.862	4.920	8.249	8.524	9.784
IV	5.262	3.578	6.469	6.356	.922	5.262	3.578	6.469	6.356	.922	5.262	3.578	6.469	6.356	.933
Community College															
I	12.183	11.694	11.272	11.024	10.343	12.183	11.694	11.272	11.024	10.343	12.183	11.694	11.272	11.024	10.343
II	5.707	5.485	5.408	5.313	5.429	5.707	5.485	5.408	5.313	5.429	5.707	5.485	5.408	5.313	5.429
III	7.160	7.602	7.786	7.722	7.915	7.160	7.602	7.786	7.722	7.915	7.160	7.602	7.786	7.722	7.915
IV	5.490	5.529	6.106	5.759	4.963	5.490	5.529	6.106	5.759	4.963	5.490	5.529	6.106	5.759	4.963
Police Headquarters															
I	90.036	87.761	84.112	78.485	72.925	90.032	87.795	84.110	78.486	72.925	90.056	87.665	84.110	78.483	72.925
II	31.843	29.415	30.541	29.561	38.279	31.838	29.449	30.539	29.562	38.279	31.862	29.319	30.529	29.560	38.279
III	44.900	49.303	52.264	50.201	55.802	44.896	49.337	52.262	50.202	55.802	44.920	49.207	52.252	50.200	55.802
IV	29.894	29.824	36.908	33.379	34.988	29.889	29.858	36.906	33.380	34.988	29.914	29.728	36.896	33.378	34.998
Fire Prevention															
I	4.345	3.716	3.330	3.403	3.301	4.345	3.716	3.330	3.403	3.301	4.345	3.716	3.330	3.403	3.301
II	2.035	1.743	1.598	1.640	1.733	2.035	1.743	1.598	1.640	1.733	2.035	1.743	1.598	1.640	1.733
III	2.553	2.415	2.300	2.383	2.526	2.553	2.415	2.300	2.383	2.526	2.553	2.415	2.300	2.383	2.526
IV	1.958	1.757	1.804	1.778	1.584	1.958	1.757	1.804	1.778	1.584	1.958	1.757	1.804	1.778	1.584
Environmental Bond															
I	2.535	2.378	1.694	0	0	2.535	2.378	1.694	0	0	2.535	2.378	1.694	0	0
II	1.187	1.115	.813	0	0	1.187	1.115	.813	0	0	1.187	1.115	.813	0	0
III	1.490	1.546	1.170	0	0	1.490	1.546	1.170	0	0	1.490	1.546	1.170	0	0
IV	1.142	1.124	.917	0	0	1.142	1.124	.917	0	0	1.142	1.124	.917	0	0

^(a) The County Legislature determines the general County tax rate for each of the towns and cities in the County after allocation of certain sales and compensating use tax revenues in the County.

FIGURE 24
GENERAL COUNTY TAX RATES
COUNTY-WIDE PURPOSES, BY FUND AND CLASS (I-IV)
PER \$100 OF ASSESSED VALUATION - FISCAL YEAR BEGINNING AS SHOWN

	City of Glen Cove					City of Long Beach				
	1/1/2020	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2020	1/1/2019	1/1/2018	1/1/2017	1/1/2016
General County(a)										
I	11.677	7.568	11.943	12.169	17.048	11.677	7.568	11.943	12.169	31.013
II	5.470	3.550	5.730	5.864	2.314	5.470	3.550	5.730	5.864	16.279
III	6.862	4.920	8.249	8.524	9.766	6.862	4.920	8.249	8.524	23.730
IV	5.262	3.578	6.469	6.356	.915	5.262	3.578	6.469	6.356	14.879
Community College										
I	12.183	11.694	11.272	11.024	10.343	12.183	11.694	11.272	11.024	10.343
II	5.707	5.485	5.408	5.313	5.429	5.707	5.485	5.408	5.313	5.429
III	7.160	7.602	7.786	7.722	7.915	7.160	7.602	7.786	7.722	7.915
IV	5.490	5.529	6.106	5.759	4.963	5.490	5.529	6.106	5.759	4.963
Police Headquarters										
I	90.036	87.876	84.117	78.489	72.925	109.477	109.894	102.984	94.435	72.925
II	31.842	29.530	30.545	29.565	38.279	51.284	51.548	49.412	45.512	38.279
III	44.900	49.417	52.269	50.205	55.802	64.341	71.436	71.136	66.151	55.802
IV	29.894	29.939	36.913	33.383	34.988	49.335	51.957	55.780	49.329	34.988
Fire Prevention										
I	4.345	3.716	3.330	3.403	3.301	4.345	3.716	3.330	3.403	3.301
II	2.035	1.743	1.598	1.640	1.733	2.035	1.743	1.598	1.640	1.733
III	2.553	2.415	2.300	2.383	2.526	2.553	2.415	2.300	2.383	2.526
IV	1.958	1.757	1.804	1.778	1.584	1.958	1.757	1.804	1.778	1.584
Environmental Bond										
I	2.535	2.378	1.694	0	0	2.535	2.378	1.694	0	0
II	1.187	1.115	.813	0	0	1.187	1.115	.813	0	0
III	1.490	1.546	1.170	0	0	1.490	1.546	1.170	0	0
IV	1.142	1.124	.917	0	0	1.142	1.124	.917	0	0

^(a) The County Legislature determines the general County tax rate for each of the towns and cities in the County after allocation of certain sales and compensating use tax revenues in the County.

Figure 25 shows tax rates for County special districts.

FIGURE 25
TAX RATES FOR SPECIAL DISTRICTS/ZONES OF ASSESSMENT
BY FUND AND CLASS (I-IV)
PER \$100 OF ASSESSED VALUATION-FISCAL YEAR BEGINNING AS SHOWN

	<u>1/1/2020</u>	<u>1/1/2019</u>	<u>1/1/2018</u>	<u>1/1/2017</u>	<u>1/1/2016</u>
<u>Police District</u>					
I	93.055	92.521	85.237	83.749	82.423
II	67.453	67.782	63.508	62.298	61.789
III	207.263	218.321	208.364	219.205	130.533
IV	88.305	87.284	90.461	86.204	76.545
<u>Sewer and Storm Water Resources District</u>					
<u>Storm Water Resources Zone of Assessment</u>					
I	2.958	3.112	2.486	2.413	2.978
II	1.386	1.460	1.192	1.163	1.563
III	1.738	2.023	1.717	1.690	2.279
IV	1.333	1.471	1.346	1.261	1.429
<u>Sewer Collection & Disposal Zone of Assessment</u>					
I	34.184	26.457	22.488	22.150	20.954
II	24.337	18.829	17.071	16.505	15.971
III	215.068	183.477	170.284	170.246	158.235
IV	33.518	26.127	24.695	24.214	20.356
<u>Sewer Disposal Zone of Assessment</u>					
I	29.170	35.540	49.195	27.661	26.940
II	3.804	4.597	6.476	3.623	3.475
III	87.770	121.618	186.754	103.855	95.476
IV	21.040	26.040	40.860	22.542	19.904

Property Tax Levies

Figure 26 lists the percentage of the total tax levy of all political subdivisions (by category) that real property taxes bear in relation to each other.

	2018		2017		2016	
	Tax Levy	% of Total	Tax Levy	% of Total	Tax Levy	% of Total
Nassau County Government	\$866,909	13.24%	\$869,202	13.50%	\$865,647	13.63%
Sewer & Storm Water Consolidated	124,764	1.90%	115,012	1.79%	115,012	1.81%
Environmental Bond Fund	7,702	0.12%	0	0.00%	0	0.00%
Town & City Governments ⁽¹⁾					340,234	5.36%
Town Governments ⁽¹⁾	268,749	4.10%	274,150	4.26%		
City Governments ⁽¹⁾	70,950	1.08%	66,692	1.04%		
Incorporated Villages	477,210	7.29%	477,799	7.42%	465,615	7.33%
School Districts ⁽²⁾	4,110,871	62.77%	4,037,053	62.71%	3,999,044	62.97%
Special Districts:						
Fire	120,187	1.84%	118,474	1.84%	113,866	1.79%
Fire Protection	19,399	0.30%	18,462	0.29%	19,462	0.31%
Garbage, Refuse & Sanitary	252,356	3.85%	240,364	3.73%	213,380	3.36%
Lighting	14,966	0.23%	14,531	0.23%	16,240	0.26%
Park	95,419	1.46%	89,087	1.38%	84,891	1.34%
Parking & Improvement	52,327	0.80%	50,978	0.79%	53,459	0.84%
Sewer Special	18,645	0.28%	19,559	0.30%	19,293	0.30%
Water	49,080	0.75%	46,700	0.73%	44,243	0.70%
Total Special Districts	622,379	9.50%	598,155	9.29%	564,834	8.89%
Total	\$6,549,534	100.00%	\$6,438,063	100.00%	\$6,350,386	100.00%

Data extracted from County CAFR for the Fiscal Year ended December 31, 2019.

⁽¹⁾ For 2017 and 2018, Town Governments and City Governments are reported separately. For 2016 and prior years, they are reported on a consolidated basis.

⁽²⁾ School taxes are net of Disputed Assessment Fund beginning in 2017.

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APPENDIX B

BASIC AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2019

The County's financial statements, including the report of Marks Paneth LLP, the independent auditor of the County's audited financial statements for the fiscal year ended December 31, 2019, which are a matter of public record, are included by specific reference in this Official Statement as APPENDIX B. Marks Paneth LLP, the County's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Marks Paneth LLP also has not performed any procedures relating to this Official Statement. The County's financial statements for the fiscal year ended December 31, 2019 have been filed with the MSRB through its EMMA system.

Copies of the County's financial statements for the fiscal year ended December 31, 2019 are available on EMMA (<http://emma.msrb.org>) or on the County's website (<https://www.nassaucountyny.gov/DocumentCenter/View/26110>).

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APPENDIX C

FORM OF BOND COUNSEL OPINION

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FORM OF BOND COUNSEL OPINION

[Letterhead of Orrick, Herrington & Sutcliffe LLP]

April 9, 2021

County of Nassau,
State of New York

Re: County of Nassau, New York

\$155,110,000 GENERAL IMPROVEMENT BONDS, 2021 SERIES A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the County of Nassau, New York (the “County”) of \$155,110,000 principal amount of General Improvement Bonds, 2021 Series A (the “Bonds”). The Bonds are dated the date of delivery. The interest rates, maturity dates and price or yield of the Bonds are set forth on the inside cover of the Official Statement. The Bonds are issued pursuant to the Constitution and statutes of the State of New York and proceedings of the finance board of the County.

In such connection, we have reviewed the Constitution and statutes of the State of New York, the Tax Certificate of the County dated the date hereof (the “Tax Certificate”), the Bond Certificate of the County dated the date hereof (the “County Bond Certificate”), a certified copy of proceedings of the finance board of the County and such other documents and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the County. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the County Bond Certificate and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to ensure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Tax Certificate and the County Bond Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against counties in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the documents described in the second paragraph hereof.

Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding obligations of the County.
2. The County Bond Certificate has been duly executed and remains in full force and effect.
3. The County Legislature has power and is obligated to levy ad valorem taxes, subject to applicable statutory limitations, upon all property within the County's boundaries subject to taxation by the County for the payment of the Bonds and the interest thereon.
4. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

APPENDIX D
OUTSTANDING OBLIGATIONS

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County of Nassau, New York

General Obligation Bonds of the County and Nassau County Interim Finance Authority Bonds

as of February 28, 2021

County General Improvement Bonds

Dated Date	Series	Original Issue Size	Original Interest Rates	Maturity	Principal Outstanding as of 2/28/21
12/5/2019	General Improvement Series 2019B	\$105,135,000	5.00%	2020-2049	\$102,685,000
5/8/2019	General Improvement Series 2019A	64,375,000	5.00	2020-2049	63,585,000
12/19/2018	General Improvement Series 2018B	162,625,000	5.00	2020-2049	162,625,000
5/9/2018	General Improvement Series 2018A	90,840,000	5.00	2020-2043	85,830,000
12/21/2017	General Improvement Refunding Series 2017C	338,205,000	2.00-5.00	2018-2039	300,705,000
6/13/2017	General Improvement Series 2017B	90,080,000	3.00-5.00	2018-2037	78,850,000
1/26/2017	General Improvement Series 2017A	45,110,000	3.00-5.00	2018-2031	32,995,000
6/14/2016	General Improvement Series 2016C	140,195,000	5.00	2018-2043	126,055,000
2/9/2016	General Improvement Refunding Series 2016A	272,810,000	2.50-5.00	2017-2039	107,860,000
2/9/2016	General Improvement Series 2016B	120,140,000	5.00	2017-2030	84,865,000
6/2/2015	General Improvement Series 2015B	168,895,000	5.00	2017-2035	15,630,000
1/29/2015	General Improvement Series 2015A	29,640,000	2.00-5.00	2015-2033	2,930,000
12/10/2014	General Improvement Series 2014A	237,755,000	5.00	2016-2030	35,380,000
12/11/2013	General Improvement Series 2013C	90,710,000	5.00	2015-2043	42,675,000
8/15/2013	General Improvement Series 2013B	127,920,000	4.00-5.00	2014-2043	56,830,000
2/28/2013	General Improvement Series 2013A	152,430,000	3.00-5.00	2014-2043	64,440,000
5/2/2012	General Improvement Series 2012A	196,630,000	4.00-5.00	2012-2034	440,000
6/2/2011	General Improvement Series 2011A	82,045,000	2.00-5.00	2012-2036	960,000
6/24/2010	General Improvement Series 2010B	82,060,000	5.05-6.70	2019-2037	13,925,000
9/9/2009	General Improvement Series 2009G	26,400,000	5.25-5.375	2023-2025	26,400,000
Total					\$1,405,665,000

County Bonds Issued to New York State Environmental Facilities Corporation (“EFC”)

Dated Date	Series	Original Issue Size	Original Interest Rates	Maturity	Principal Outstanding as of 2/28/21
6/13/2019	EFC Series 2019 Installment ⁽¹⁾	\$18,986,375	0%	2019-2048	\$ 18,096,375
5/29/2019	EFC Series 2019A ⁽¹⁾	13,543,892	1.287-3.799	2019-2048	12,900,000
5/15/2015	EFC Series 2015D ⁽¹⁾	1,168,949	3.808-4.596	2016-2034	883,000
5/15/2014	EFC Series 2014B ⁽¹⁾	2,210,000	4.061-4.595	2017-2028	1,555,000
7/15/2013	EFC Series 2013B ⁽¹⁾	3,185,419	0.263-4.756	2014-2043	2,550,000
7/15/2013	EFC Series 2013B ⁽¹⁾	5,218,233	3.363-4.612	2014-2029	3,192,971
11/15/2012	EFC Series 2012F ⁽¹⁾	56,518,000	4.49-6.182	2013-2024	15,730,000
6/15/2012	EFC Series 2012C ⁽¹⁾	26,070,000	4.70-6.181	2013-2029	12,945,000
6/1/2011	EFC Series 2011C ⁽¹⁾	5,395,000	0.836-4.80	2012-2028	2,930,000
Total					\$70,782,346

⁽¹⁾ Such bond series and year designation is that of associated EFC refunding bonds for which the original County mirror bonds are outstanding.

Nassau County Interim Finance Authority (“NIFA”) Bonds

Dated Date	Series	Original Issue Size	Original Interest Rates	Maturity	Principal Outstanding as of 2/28/21
2/17/2021	NIFA Series 2021B	\$557,045,000	0.26–1.64%	2023-2030	\$557,045,000
2/17/2021	NIFA Series 2021A	553,065,000	4.00-5.00	2029-2035	553,065,000
10/22/2015	NIFA Series 2015A	116,310,000	4.00-5.00	2016-2025	28,250,000
10/4/2012	NIFA Series 2012A	141,580,000	3.00-5.00	2015-2025	9,374,000
10/4/2012	NIFA Series 2012B	176,133,000	1.00-5.00	2014-2023	900,000
Total					\$1,148,634,000

**Total
County
and NIFA
Bonds**

\$2,625,081,346

Variable Rate Demand Bonds - Letters of Credit and Liquidity Facilities
(as of February 28, 2021)

<u>Series</u>	<u>Outstanding Principal Amount</u>	<u>Provider</u>	<u>Facility Type</u>	<u>Expiration or Optional Termination by Provider</u>
NHCC				
2009A	\$6,705,000	Bank of America, N.A.	LOC ⁽¹⁾	September 24, 2021
2009B-1	28,475,000	Bank of America, N.A.	LOC	September 24, 2021
2009B-2	28,415,000	Bank of America, N.A.	LOC	September 24, 2021
2009C-1	25,430,000	Bank of America, N.A.	LOC	September 24, 2021
2009C-2	23,715,000	Bank of America, N.A.	LOC	September 24, 2021
2009D-1	22,690,000	Bank of America, N.A.	LOC	September 24, 2021
2009D-2	20,960,000	Bank of America, N.A.	LOC	September 24, 2021
Total NHCC	\$156,390,000			

⁽¹⁾ Letter of Credit

**Interest Rate Exchange Agreements
(as of February 28, 2021)**

<u>Current Notional Amount</u>	<u>Counterparty</u>	<u>Pays</u>	<u>Receives</u>	<u>Maturity Date</u>	<u>Associated Bonds</u>
NHCC					
\$51,098,334	JPMorgan Chase Bank, N.A.	3.457%	62.6% of USD-LIBOR + 0.23%	8/1/2029	NHCC 2009B,C,D
50,998,333	Merrill Lynch Capital Services, Inc.	3.457%	62.6% of USD-LIBOR + 0.23%	8/1/2029	NHCC 2009B,C,D
50,998,333	UBS AG	3.457%	62.6% of USD-LIBOR + 0.23%	8/1/2029	NHCC 2009B,C,D
Total NHCC	\$153,095,000				

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APPENDIX E

UNDERLYING INDEBTEDNESS OF POLITICAL SUBDIVISIONS WITHIN THE COUNTY

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UNDERLYING INDEBTEDNESS OF POLITICAL SUBDIVISIONS WITHIN THE COUNTY

The estimated gross outstanding bonded indebtedness of the towns and cities located within the County, based on public information, is described below. These figures do not include the indebtedness of the school districts and certain other taxing districts within the County.

FIGURE 1
TOWNS AND CITIES
COMPUTATION OF OVERLAPPING NET DEBT
FOR THE FISCAL PERIODS AS SHOWN*
(Dollars in Thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
OVERLAPPING DEBT, TOWNS AND CITIES					
Town of Hempstead					
Bonds	\$423,692	\$423,456	\$333,080	\$298,450	\$335,243
Other Debt Obligations	10,775	0	0	24,803	57,034
Total	<u>\$434,467</u>	<u>\$423,456</u>	<u>\$333,080</u>	<u>\$323,253</u>	<u>\$392,277</u>
Town of North Hempstead:					
Bonds	\$366,348	\$357,650	\$354,162	\$288,722	\$232,990
Other Debt Obligations	15,523	11,321	12,084	45,798	101,486
Total	<u>\$381,871</u>	<u>\$368,971</u>	<u>\$366,246</u>	<u>\$334,520</u>	<u>\$334,476</u>
Town of Oyster Bay:					
Bonds	\$601,290	\$672,340	\$578,430	\$609,060	\$662,465
Other Debt Obligations	101,035	48,540	192,980	231,610	190,965
Total	<u>\$702,325</u>	<u>\$720,880</u>	<u>\$771,410</u>	<u>\$840,670</u>	<u>\$853,430</u>
City of Glen Cove:					
Bonds	\$48,115	\$53,759	\$39,404	\$35,689	\$36,770
Other Debt Obligations	860	861	12,381	21,788	23,056
Total	<u>\$48,975</u>	<u>\$54,620</u>	<u>\$51,785</u>	<u>\$57,477</u>	<u>\$59,826</u>
City of Long Beach:					
Bonds	\$80,153	\$89,735	\$71,197	\$71,482	\$61,525
Other Debt Obligations	31,396	26,750	47,955	41,210	47,427
Total	<u>\$111,549</u>	<u>\$116,485</u>	<u>\$119,152</u>	<u>\$112,692</u>	<u>\$108,952</u>
Total Overlapping Debt, Towns and Cities:					
Bonds	\$1,519,598	\$1,596,940	\$1,376,273	\$1,303,403	\$1,328,993
Other Debt Obligations	159,589	87,472	265,400	365,209	419,968
Total	<u>\$1,679,187</u>	<u>\$1,684,412</u>	<u>\$1,641,673</u>	<u>\$1,668,612</u>	<u>\$1,748,961</u>

(*) SOURCE: Most recent official statement for each town and city.

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APPENDIX F
COUNTY WORKFORCE

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COUNTY WORKFORCE

See “APPENDIX A – INFORMATION ABOUT THE COUNTY – MONITORING AND OVERSIGHT – External – *NIFA*” herein for information regarding NIFA’s declaration of a control period and “APPENDIX A – INFORMATION ABOUT THE COUNTY – LITIGATION – Other Litigation” herein for a description of litigation challenging NIFA’s imposition of a wage freeze during the control period. See “APPENDIX A – INFORMATION ABOUT THE COUNTY – LITIGATION – Other Litigation” herein for a description of an action brought by the County in 2018 against its major employee unions related to the meaning of longevity pay in certain purported memoranda of understanding.

County Employees

As of February 28, 2021, the full-time County workforce totaled 7,135 in the Major Operating Funds.

County employees are represented by six labor organizations. These are the Nassau County Civil Service Employees Association (“CSEA”), the Nassau County Police Benevolent Association (“PBA”), the Detectives Association, Inc. (“DAI”), the Superior Officers Association (“SOA”), the Nassau County Sheriff’s Correction Officers Benevolent Association (“COBA”), and the Investigators Police Benevolent Association (“IPBA”). The following table summarizes labor organization enrollment:

**Full-Time County Workforce as of February 28, 2021
(Major Operating Funds)**

Labor Organization	Full-Time Employees
CSEA	3,343
PBA	1,737
COBA	747
SOA	340
DAI	318
IPBA	40
Non-union	610
Total	7,135

The provisions of the County’s agreements with its labor organizations are summarized below. The agreements with CSEA, PBA and COBA expired on December 31, 2017, while the agreement with IPBA expired on December 31, 2012. Pursuant to State law, all the terms of an expired agreement generally continue until a new agreement is negotiated.

Civil Service Employees Association (CSEA)

The CSEA represents all County titles other than those represented by the other unions and those titles classified as management or confidential. The Memorandum of Agreement and Stipulation of Settlement dated as of March 18, 2014 includes cost of living adjustments (“COLAs”) of 12.75% from April 1, 2014 through December 31, 2017, scheduled as follows: 3.50% in April 2014, 3.75% in July 2015, 3.50% in July 2016 and 2% in July 2017. Other key provisions include:

- All CSEA members are subject to a 0.75% wage deferral of COLAs beginning April 1, 2014 through March 31, 2016. Such wage deferral will be paid at a prevailing rate at separation.
- New salary schedule applies for CSEA members hired on or after April 1, 2014.

- All new members hired on or after April 1, 2014 contribute 15% to health insurance premium costs, unless such employees are enrolled in alternative health insurance plans, whereby the County pays up to 85% of the monetary equivalent of the cost of the Empire Plan.
- Compensatory time is no longer granted to any member for blood donation.
- Restricted approval for vacation leave usage.
- The County no longer provides CSEA members with short-term disability insurance.
- CSEA member's compensatory time bank is increased to a maximum of 400 hours.

Nassau County Police Benevolent Association (PBA)

The PBA represents all of the County's full-time police officers. The Memorandum of Agreement and Stipulation of Settlement dated as of March 15, 2014 includes COLAs of 12.75% from April 1, 2014 through December 31, 2017, scheduled as follows: 3.50% in April 2014, 3.75% in September 2015, 3.50% in September 2016 and 2% in January 2017. Other key provisions include:

- New salary schedule applies for PBA members hired on or after April 1, 2014.
- All PBA members receive annual increments on their anniversary date rather than January 1st of each year.
- All new PBA members hired on or after April 1, 2014 contribute 15% to health insurance premium costs, unless such employees are enrolled in alternative health insurance plans, whereby the County pays up to 85% of the monetary equivalent of the cost of the Empire Plan.
- All new PBA members hired on or after April 1, 2014 are enrolled in the PFRS Tier 6 contributory plan.
- Restricted approval for vacation, personal and compensatory leave usage.
- PBA member's compensatory time bank is increased to a maximum of 400 hours.
- Reduced level of minimum staffing in the second precinct.

Detectives Association, Inc. (DAI)

The DAI represents all of the County's full-time detective officers. The Memorandum of Agreement and Stipulation of Settlement dated as of December 3, 2019 includes scheduled payments and COLAs as follows: lump sum payments of \$2,000 for 2019, 2.00% in July 2020, 2% in July 2021, 2.5% in July 2022, 2.5% in July 2023, 3% in July 2024 and 3% in July 2025. Other key provisions include:

- The new contract creates a new system of progressive grades (3rd, 2nd, 1st) within the division. The salary differentials above police officer have been increased and the progression through the general salary schedule has been accelerated.
- All incumbent DAI members will work five additional tours a year. Beyond that, newly designated DAI members will work an additional five to ten tours per year.
- Effective in 2021, all DAI members not currently contributing towards their health insurance will contribute 2% of base earnings, increasing to 2.5% by 2023. For members enrolled in the Aetna Open Access Managed Choice ("Aetna OAMC") plan, the contributions commence in 2022 at the rate of 2.25%.
- The termination pay cap, currently at 200% of base earnings, will be reduced to 175% and 150% over time for future DAI members. The annual sick leave accrual for future DAI members not yet employed with the Police Department will be reduced from 24 to 18 days.

Superior Officers Association (SOA)

The SOA represents all of the County's police personnel in the ranks of sergeants through assistant chief. The Memorandum of Agreement and Stipulation of Settlement dated as of September 8, 2020 includes scheduled payments and COLAs as follows: lump sum payments of \$1,500 for 2019, 2% in July 2020, 2% in July 2021, 2.5% in July 2022, 2.5% in July 2023, 3% in July 2024 and 3% in July 2025. Other key provisions include:

- The creation of additional pay stipends for the senior members who have attained six and ten years as a supervisor.
- All incumbent SOA members through the rank of captain will work five additional tours a year.
- Reduction in the salary progression for newly promoted sergeants who have not yet reached top pay as a police officer.
- Effective in 2021, all SOA members not currently contributing towards their health insurance will contribute 2% of base earnings, increasing to 2.5% by 2023. For members enrolled in the Aetna OAMC plan, the contributions commence in 2022 at the rate of 2.25%.
- The termination pay cap, currently at 200% of base earnings, will be reduced to 175% and 150% over time for future SOA members. The annual sick leave accrual for future SOA members not yet employed with the Police Department will be reduced from 24 to 18 days.

Nassau County Sheriff's Correction Officers Benevolent Association (COBA)

COBA represents all of the County's full-time officers in the Sheriff's Department. The Memorandum of Agreement and Stipulation of Settlement dated as of June 18, 2014 includes COLAs of 12.75% from June 1, 2014 through December 31, 2017, scheduled as follows: 3.50% in June 2014, 3.75% in September 2015, 3.50% in September 2016 and 2% in July 2017. Other key provisions include:

- New salary schedule applies for COBA members hired on or after June 1, 2014.
- All new members hired on or after the implementation of the agreement contribute 15% to health insurance premium costs, unless such employees are enrolled in alternative health insurance plans, whereby the County pays up to 85% of the monetary equivalent of the cost of the Empire Plan.
- Restricted approval for vacation leave usage.
- No COBA member may earn additional compensatory time for the donation of blood.
- Reduced allowance from four hours to two hours of leave permitted for employees receiving New York General Municipal Law Section 207-c benefits and for doctor appointments, therapies, etc.
- Uniform maintenance and education allowance previously deferred will now be paid upon termination.

Investigators Police Benevolent Association (IPBA)

The IPBA represents investigators employed by the Nassau County District Attorney. On November 26, 2019, the panel for the IPBA interest arbitration issued an award covering the period January 1, 2013 through December 31, 2017. The award includes COLAs of 12.75% from March 15, 2016 through December 31, 2017, scheduled as follows: 3.50% and 3.75% in March 2016, 3.50% in November 2016 and 2% in March 2017. Other key provisions include:

- New salary schedule applies for IPBA members hired on or after December 26, 2019.

- All new members hired on or after December 26, 2019 contribute 15% to health insurance premium costs, unless such employees are enrolled in alternative health insurance plans, whereby the County pays up to 85% of the monetary equivalent of the cost of the Empire Plan.
- Through 2022, the first 25 hours of non-FLSA overtime is paid at straight time.
- The Police Department, through 2022, has the right to schedule one appearance for training annually in addition to the current work obligation.
- The compensatory time bank limit has been increased to 400 hours.

APPENDIX G

ECONOMIC AND DEMOGRAPHIC PROFILE

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ECONOMIC AND DEMOGRAPHIC PROFILE

The information included in this Appendix G includes historical economic and demographic information regarding the County, most of which describes periods of time prior to the outbreak of the COVID-19 pandemic. Much of this information does not reflect the impact of the pandemic on the County's economic and demographic conditions. As such, historical data points and trends included in this Appendix G should be viewed in such context. See "COUNTY FINANCIAL CONDITION – COVID-19 Pandemic" in "APPENDIX A – INFORMATION ABOUT THE COUNTY."

Overview

Established in 1899, Nassau County (the "County") is the site of some of New York State's (the "State") earliest colonial settlements, many of which date to the 1640s. With a total land area of 287 square miles and a population of over 1.3 million, the County borders the New York City borough of Queens to the west, Suffolk County to the east, Long Island Sound to the north, and the Atlantic Ocean to the south. Together, the northern and southern boundaries of the County comprise nearly 188 miles of scenic coastline. The County includes three towns, two cities, 64 incorporated villages, 56 school districts, and various special districts that provide fire protection, water supply, and other services. Land uses within the County are predominantly single-family residential, commercial, and industrial.

Population

Table 1 shows the County's population from 1970 to 2010. The County's population reached a peak of 1,428,080 residents in 1970. Between 1970 and 1990, the County's population decreased 9.9% to 1,287,348 residents. By 2010, the U.S. Census Bureau estimated the County's population had increased by 4.1% (from 1990) to 1,339,532 residents.

TABLE 1
COUNTY POPULATION

2010	1,339,532
2000	1,336,073
1990	1,287,348
1980	1,321,582
1970	1,428,080

SOURCE: U.S. Census Decennial

Economic Indicators

Median Household Income

As shown in Table 2, the County's estimated median household income for 2019 was \$118,453, up from \$116,304 in 2018, and significantly higher than that of the State (\$72,108) and the United States (\$65,712). Moreover, the County continues to have a smaller percentage of families below the poverty level (3.5%) than the State (9.3%) and the United States (8.6%).

The U.S. Census Bureau 2012-2016 American Community Survey ranked the County as the 12th wealthiest county level tax base in the nation by median household income. It is the wealthiest county in the State based on median household income, with a poverty rate of approximately half of the national average.

TABLE 2**MEDIAN HOUSEHOLD INCOME IN THE COUNTY
IN COMPARISON TO THE STATE AND THE U.S., 2019 AND 2018**

Area	2019		2018	
	Median Household Income	Families Below Poverty (%)	Median Household Income	Families Below Poverty (%)
County	\$118,453	3.5	\$116,304	4.1
State	72,108	9.3	67,844	10.0
United States	65,712	8.6	61,937	9.3

U.S. Census, 2018 and 2019 American Community Survey, 1-Year Estimates

Consumer Price Index

The Consumer Price Index (“CPI”) represents changes in prices of a typical market basket of goods and services that households purchase over time, which analysts use to gauge the level of inflation. The CPI includes user fees such as for water and sewer services and sales and excise taxes paid by consumers, but does not include income taxes and investments such as stocks, bonds, and life insurance. Table 3 shows annual totals and increases in the CPI for both the New York-Northern New Jersey-Long Island, NY-NJ-CT-PA Consolidated Metropolitan Statistical Area (“CMSA”) and U.S. cities between the years 2011 and 2020.

In 2020, the CPI in the CMSA rose by 1.69%, which was greater than the 2020 U.S. city average CPI increase of 1.21%.

TABLE 3**CONSUMER PRICE INDEX**

Year	U.S. City Average (1,000s)	Percentage Change	NY-NJ-CT-PA CMSA (1,000s)	Percentage Change
2020	258.8	1.21%	282.9	1.69%
2019	255.7	1.83	278.2	1.68
2018	251.1	1.87	273.6	1.52
2017	246.5	2.11	269.5	1.54
2016	241.4	1.86	265.4	1.84
2015	237.0	0.13	260.6	0.15
2014	236.7	1.60	260.2	1.30
2013	233.0	1.50	256.8	1.70
2012	229.6	2.09	252.6	1.98
2011	224.9	3.12	247.7	2.82

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics (<https://www.bls.gov/cpi/data.htm>)

Retail Sales and Business Activity

Six major regional shopping centers serve the County: the Gallery at Westbury Plaza, the Broadway Mall in Hicksville, Roosevelt Field in Garden City, Green Acres Mall in Valley Stream, Americana

Manhasset in Manhasset and Sunrise Mall in Massapequa. According to the International Council of Shopping Centers, a global trade association of the shopping center industry, these regional malls have approximately 7 million square feet of gross leasable area. China-based Lesso Mall Development is renovating the 521,486-square-foot Source Mall and the connected 208,000-square-foot former Fortunoff department store into a sprawling “multifaceted destination” focused on home furnishings and related offerings.

A wide range of nationally recognized retailers that provide goods and services are located in the County, including home furnishing stores, supermarkets, gourmet food markets, electronic stores, and bookstores, and other major retailers and commercial outlet stores. In addition, there are designer boutique shops and specialty department stores and jewelers.

Based on a report released by the New York State Department of Taxation and Finance, the County ranked third in the State with taxable sales and purchases (see Table 4) totaling approximately \$29.8 billion for the most recent reporting period (2019/2020), an increase of 5.7% from the prior reporting period (2018/2019).

TABLE 4

RETAIL SALES ACTIVITY RANKED BY COUNTY IN THE STATE

<u>County</u>	<u>Rank</u> <u>(2018/2019)</u>	<u>Taxable Sales</u> <u>(2018/2019)</u>	<u>Rank</u> <u>(2019/2020)</u>	<u>Taxable Sales</u> <u>(2019/2020)</u>	<u>Change</u>
New York City*	1	\$171,973,107,393	1	\$181,756,330,933	5.6%
Suffolk	2	34,931,729,231	2	36,541,804,613	4.6
Nassau	3	28,152,434,356	3	29,774,158,767	5.7
Westchester	4	21,741,016,119	4	22,791,810,604	4.8
Erie	5	16,652,620,235	5	17,702,204,553	6.3
Monroe	6	12,682,492,370	6	13,330,134,994	5.1
Onondaga	7	9,055,562,442	7	9,418,276,517	4.0
Orange	8	7,692,893,289	8	8,093,028,685	5.2
Albany	9	6,836,841,369	9	7,144,272,511	4.4
Rockland	10	5,390,346,978	10	5,773,529,965	7.1

SOURCE: New York State website <https://data.ny.gov>. Represents taxable sales reported from March through February.

* Includes the five counties of the Bronx, Kings (Brooklyn), New York (Manhattan), Queens, and Richmond (Staten Island).

Employment

Table 5 compares employment totals and unemployment rates in the County to adjoining municipalities, the State, and the United States. The County had an employed labor force of approximately 683,700 in 2019. The unemployment rate in the County decreased from a recent high of 7.1% in 2012 to 3.4% in 2019. As of 2019, Nassau County’s unemployment rate continued to be less than that of Suffolk County, New York City, the State, and the United States. See “COUNTY FINANCIAL CONDITION – COVID-19 Pandemic” herein.

TABLE 5
ANNUAL AVERAGE
EMPLOYMENT (in thousands)
AND UNEMPLOYMENT RATE (%)

Year	Nassau County		Suffolk County		New York City		New York State		United States	
	<u>Employment</u>	<u>Unemployment Rate</u>								
2019	683.7	3.4%	749.3	3.7%	3,908	3.9%	9,137	4.0%	157,538	3.7%
2018	682.8	3.5	747.8	3.9	3,949	4.1	9,181	4.1	155,761	3.9
2017	678.6	4.1	747.1	4.5	4,032	4.5	9,249	4.7	153,337	4.4
2016	671.8	3.9	743.9	4.3	3,924	5.2	9,121	4.8	151,436	4.9
2015	665.8	4.3	739.1	4.8	3,960	5.7	9,166	5.3	148,834	5.3
2014	652.2	4.8	725.9	5.3	3,826	7.2	8,964	6.3	146,305	6.2
2013	655.2	5.9	792.8	6.4	3,702	8.7	8,898	7.7	143,929	7.4
2012	642.5	7.1	728.8	7.6	3,632	9.2	8,773	8.5	142,469	8.1
2011	635.9	6.7	721.3	7.4	3,592	9.0	8,683	8.2	139,869	8.9
2010	638.4	7.1	726.7	7.6	3,625	9.3	8,553	8.6	148,250	9.6

SOURCES: Compiled by the County from: New York State Department of Labor and U.S. Department of Labor, Bureau of Labor Statistics. These sources may revise the employment data later. The table above reflects the figures as of the date of original publication.

Key Employment Trends

Table 6 shows the annual average employment in non-farm jobs by industry for the years 2010 to 2019 in the Nassau-Suffolk Primary Metropolitan Statistical Area (“PMSA”).

TABLE 6
ANNUAL AVERAGE
NASSAU-SUFFOLK EMPLOYMENT,
NON-FARM, BY BUSINESS SECTOR
(in thousands)

Business Sector/ Industry	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Goods Producing										
Natural Resources, Construction & Mining	60.8	60.3	61.4	67.0	70.5	73.5	76.7	80.2	82.7	83.6
Manufacturing	73.0	72.8	74.0	73.8	71.9	71.7	71.6	71.7	71.0	71.2
Total – Goods Producing	133.8	133.1	135.4	140.8	142.3	145.2	148.4	151.9	153.7	154.8
Service Providing										
Trade, Transportation & Utilities	256.2	258.7	264.0	267.0	272.4	273.6	276.0	276.1	273.2	269.9
Financial Activities	69.8	70.5	72.4	72.6	72.6	73.5	72.2	72.4	70.3	69.5
Information	25.4	24.3	24.0	23.9	22.0	20.4	19.3	18.5	17.5	15.6
Educational & Health Services	225.8	230.8	237.1	238.4	241.7	248.5	260.2	265.0	272.1	281.9
Leisure & Hospitality	100.9	102.9	110.6	115.3	118.5	121.0	122.3	126.6	128.4	128.6
Other Services	52.9	54.4	54.9	56.0	57.6	57.9	58.8	60.1	61.1	60.3
Professional & Business Services	152.8	159.3	163.3	167.4	169.0	171.9	175.7	175.2	172.3	171.6
Government	208.9	205.3	199.9	195.1	193.7	194.5	195.7	195.3	197.4	197.8
Total - Service Providing	1,092.6	1,106.2	1,126.1	1,135.7	1,147.4	1,161.2	1,180.2	1,189.2	1,192.3	1,195.2
Total Non-Farm	1,226.5	1,239.3	1,261.5	1,276.5	1,289.8	1,306.4	1,328.5	1,341.1	1,346.0	1,350.0

SOURCE: New York State Department of Labor

Note: Totals may not equal the sum of the entries due to rounding.

Table 7 compares the employment shares by business sector and industry in the PMSA to the United States. The percentage of jobs within each category is consistent with national figures.

TABLE 7
PERCENTAGE OF NON-FARM EMPLOYMENT
BY BUSINESS SECTOR, 2019

BUSINESS SECTOR	Nassau- Suffolk PMSA (%)	United States (%)
GOODS PRODUCING		
Natural Resources, Construction & Mining	6	5
Manufacturing	5	8
Total Goods Producing	11	13
SERVICE PROVIDING⁽¹⁾ OR SERVICE PRODUCING⁽²⁾		
Trade, Transportation & Utilities	20	18
Financial Activities ⁽¹⁾ or Finance, Insurance & Real Estate ⁽²⁾	5	6
Assorted Services	48	45
Government	15	15
Total Service Providing / Producing	88	84

Note: Totals may not equal 100% due to rounding.

SOURCES: Compiled by the County from: New York State Department of Labor (Nassau-Suffolk PMSA) and the U.S. Department of Labor, Bureau of Labor Statistics (United States).

⁽¹⁾ PMSA

⁽²⁾ United States

Major County Employers

Table 8 shows a sampling of the major commercial and industrial employers headquartered in the County.

TABLE 8
MAJOR COUNTY COMMERCIAL AND INDUSTRIAL EMPLOYERS⁽¹⁾

Company	Type of Business	Approx. Employees
Northwell Health	Health care	68,000 ⁽²⁾
Catholic Health Services	Health care	17,000
Altice Corp.	Cable and pay television	13,000
NYU Winthrop Hospital	Health care	7,700
United Parcel Service	Package delivery	3,100
South Nassau Hospital	Health care	3,000

SOURCES: Newsday “Long Island’s Largest Employers”, corporate websites and human resource departments.

⁽¹⁾ As of most recent available date.

⁽²⁾ Number of employees in all of Northwell Health’s facilities (located within and outside of Nassau County), from Northwell Health 2018 Annual Report.

Residential Construction Activity and Existing Home Sales

Table 9 is a list of construction activity in the County for residential buildings for the years 2016 through 2020 by building permits. During 2020, permits for Single Family Dwellings decreased by approximately 23% from 2019 to 2020, and building permits for Other Housing Units decreased by approximately 47%.

TABLE 9
COUNTY RESIDENTIAL CONSTRUCTION ACTIVITY

Year	Single Family Dwellings	Other Housing Units*	Total
2020	569	429	998
2019	736	811	1,547
2018	816	168	984
2017	943	544	1,487
2016	609	132	741

SOURCE: Census Bureau Building Permits Survey, accessed via U.S. Department of Housing and Urban Development (<https://socds.huduser.gov/permits/index.html>).

*Other Housing Units includes two-family dwelling units, multi-family dwelling units, and conversions.

Table 10 shows the breakdown of new housing units by size category from 2016 through 2020.

TABLE 10
**NUMBER OF COUNTY NEW HOUSING UNITS
AUTHORIZED BY BUILDING PERMIT BY SIZE CATEGORY**

Year	1 Family	2 Family	3-4 Family	5 or more Family	Total
2020	569	16	3	410	998
2019	736	32	0	779	1,547
2018	816	16	0	152	984
2017	943	8	8	528	1,487
2016	609	6	8	118	741

SOURCE: Census Bureau Building Permits Survey, accessed via U.S. Department of Housing and Urban Development (<https://socds.huduser.gov/permits/index.html>).

Table 11 shows County existing home sales. In 2019, the median sales price rose approximately 2% from 2018, and the number of homes sold decreased by approximately 21%.

TABLE 11
COUNTY EXISTING HOME SALES

Year	Median Sales Price	No. of Homes Sold
2019	\$542,500	9,938
2018	530,000	12,539
2017	500,000	13,550
2016	472,500	13,139
2015	450,000	11,817
2014	435,000	10,898
2013	422,500	11,196
2012	415,000	8,906
2011	430,000	7,597
2010	445,000	7,636

SOURCE: New York State Department of Taxation and Finance

Commercial Construction Activity

Table 12 shows the number of building permits with an estimated value equal to or greater than \$1,000,000 that were issued for class four properties in the County for the years 2010 through 2019. Class four property includes commercial, industrial and institutional buildings, and vacant land. Table 12 indicates that, in 2019, municipalities issued 44 building permits for class four properties with an aggregate value of \$414,745,788.

TABLE 12
HIGH-VALUE BUILDING PERMITS* FOR COUNTY CLASS 4 PROPERTIES

Year	Number of Permits	Value of Permits
2019	44	\$414,745,788
2018	84	401,306,362
2017	36	317,611,184
2016	72	322,599,530
2015	70	431,153,868
2014	39	246,233,991
2013	19	119,347,464
2012	56	154,210,056
2011	88	262,515,969
2010	57	211,534,203

SOURCE: Nassau County Department of Assessment

*Includes only those permits for work with an estimated value equal to or greater than \$1 million.

Transportation

Transit-oriented development growth continues in the County. The Nassau Inter-County Express (“NICE”) Bus provides bus service in the County as the operator of the County-owned bus system. NICE, a subsidiary of Transdev Services, Inc., represents the County’s first transit public-private partnership. NICE is the third largest suburban bus system in the United States. Operating a network of 49 routes as well as para-transit service, NICE provides surface transit service for most of the County as well as parts of eastern Queens and western Suffolk County. This includes service across the Queens-Nassau border to subway and bus stations in Flushing, Far Rockaway, and Jamaica. The density of the NICE route network conforms to the development pattern of the County. It operates and maintains a fleet of fixed route buses and para-transit vehicles. NICE serves many communities, Long Island Rail Road (“LIRR”) stations, most area colleges and universities, as well as employment centers, shopping malls, and County government offices, including the Department of Social Services.

The LIRR carried approximately 91.1 million passengers in 2019. The LIRR provides train service for the entire County on 11 branch lines. These branches provide service through the County to eastern destinations in Suffolk County and western destinations of Penn Station in Manhattan, Atlantic Terminal in Brooklyn, as well as Jamaica and Hunters Point/Long Island City in Queens. Completion of the East Side Access project, which began tunneling work in 2007, will add a new hub in Grand Central Terminal, bringing LIRR customers directly to Manhattan’s East Side. On weekdays, about 80% of the system’s passenger trips occur during peak morning and evening travel periods. The LIRR is undertaking a \$2 billion project to add a third track to the Mainline Branch between Floral Park LIRR Station and Hicksville LIRR Station. The project will increase service reliability and reverse-commuting accessibility along the busy 9.8-mile corridor. Along with the addition of a third track, other improvements include the grade separation of five major north-south roadways to improve safety and reduce vehicular delays stemming from down railroad crossing gates. The project will also renovate stations along the entire project corridor incorporating context-sensitive design, modern technology and customer conveniences. The project is expected to be completed in 2021.

The Jamaica LIRR station (Queens) provides access to the subway and the AirTrain, a light-rail system, to John F. Kennedy International Airport (“JFK”).

The Mineola Intermodal Center provides easy access to parking and transfers to seven NICE bus lines. It has more than 700 parking spaces in a four-level garage, two elevators that connect to the Mineola LIRR station platforms and a pedestrian overpass that connects the north and south sides of the station.

The LIRR maintains tracks, ties, and switches and renovates its facilities as needed on an ongoing basis. Traditionally serving a Manhattan-bound market, the LIRR has undertaken extensive efforts to augment its reverse-commute and off-peak service to meet the needs of businesses in Nassau and Suffolk Counties. In 2018, the State Comptroller issued a report indicating that, in 2017, the LIRR had its worst on-time performance in eighteen years. The report stated that an estimated 9.2 million riders in the region were inconvenienced by trains that were late, canceled at the terminal before departing, or terminated before reaching their destinations and that such delays and cancellations had an estimated cost in the region of nearly \$75 million in lost productivity. The MTA reported in January 2020 that 2019 annual on-time performance rose by 2% to 92.4%, its best performance in three years.

The County highway system consists of over 4,000 miles of paved roads that include parkways, highways, major arteries, collector streets, and local streets. Different levels of government operate and maintain these routes. The eight major east-west roadways that provide direct through-service to New York City and Suffolk County are Northern Boulevard, the Long Island Expressway, Northern State Parkway, Jericho Turnpike, Hempstead Turnpike, Southern State Parkway, Sunrise Highway, and Merrick Road.

The County is located within close proximity to JFK and LaGuardia Airport (“LaGuardia”), both located in Queens County, and to Islip Long Island MacArthur Airport (“Islip MacArthur”), located in Suffolk County. JFK and LaGuardia are easily accessible to County residents by all major east-west roadways as well as airport shuttle service. Islip MacArthur is accessible by the Long Island Expressway and Sunrise Highway, as well as the LIRR.

To help eliminate delays, congestion and trouble spots on its highway network, the County receives federal and State funding through the federal Transportation Improvement Program (“TIP”), and is a voting member of the Nassau-Suffolk Transportation Coordinating Committee. The TIP is a compilation of transportation improvement projects, such as preserving and upgrading bridges and highways and making system-wide capacity and safety improvements scheduled to take place during a five-year period. The current TIP, adopted in 2019, covers the federal fiscal years 2020-2024.

Utility Services

The Long Island Power Authority (“LIPA”) is the primary electric delivery service provider in the County. PSEG Long Island, a wholly-owned subsidiary of Public Service Enterprise Group, manages LIPA’s electric transmission and distribution system, which serves 1.1 million customers in the service area. National Grid, which is the largest distributor of natural gas in the northeast United States, provides gas distribution in the County. The villages of Freeport and Rockville Centre manage and operate their own electric generation plants and transmission and distribution systems. Numerous private companies in the County provide telephone service.

Health and Hospital Facilities

Rated among the best health and hospital facilities in the country, twelve hospitals are located in the County. Northwell Health is the County’s largest health care and overall employer. The North Shore University Hospital is the recipient of the Joint Commission on Accreditation of Healthcare Organizations Codman Award, the first health system to attain this distinction. The Codman Award recognizes excellence in performance measurement.

Other hospitals of note in the County include the Nassau University Medical Center in East Meadow, which is a public hospital, St. Francis Hospital in Roslyn, NYU Winthrop Hospital in Mineola, Mercy Medical Center in Rockville Centre, and South Nassau Communities Hospital in Oceanside.

Media

The daily newspaper Newsday circulates in Nassau, Suffolk, and Queens counties. Dozens of weekly newspapers cover news and events in the County. Some focus on events in specific towns, villages, and communities, and others focus on niche industries, such as Long Island Business News, a publication that covers both Nassau and Suffolk counties.

Film, television and commercial production continues to be a major part of the County’s economic development, driven in part by its close proximity to New York City. The County benefits from being the home to Gold Coast Studios and Grumman Studios. Numerous other outdoor and indoor filming locations have also been used, including the Nassau County Correctional Center, Belmont Racetrack, the Garden City Hotel, and Old Bethpage Village Restoration (described below).

Educational Facilities

There are 56 public school districts in the County, with a total 2019-2020 enrollment (PK-Grade 12) of 200,326 students according to the State Education Department. Individual school boards and the Board of Cooperative Educational Services are the primary managers of these school districts and provide services such as career training for high-school students and adults, special education, alternative schools, technology education, and teacher training. Various public and private organizations manage the County's other educational facilities. The County's non-public schools, which are located in a number of municipalities, provide education in the State Regents program, as well as in special and technical programs. Many County public schools have received national recognition.

The County is home to many colleges and universities, some of which are highly specialized and have garnered nationwide attention for their programs. These institutions include Long Island University/LIU Post College, Adelphi University, Hofstra University, New York Institute of Technology, the U.S. Merchant Marine Academy, Nassau Community College, Webb Institute, Molloy College, and the State University of New York/Old Westbury. In 2014, Money Magazine ranked the Webb Institute as the second-best four-year college or university "for your money" in the United States.

Colleges and universities in the County promote cross-disciplinary research, technology development, and integrated curricula to prepare students for the growing bioscience industry. Undergraduate and graduate level programs available throughout the County's institutions of higher learning are in fields such as law, biology, chemistry, biochemistry, engineering, and physical sciences in courses such as bioengineering, biotechnology, and pharmacology. Hofstra, in partnership with Northwell Health, operates the Donald and Barbara Zucker School of Medicine at Hofstra/Northwell.

Recreational and Cultural Facilities

The County has numerous recreational and cultural facilities. One of the most popular destinations among the parks and beaches in the County is the 2,413-acre Jones Beach State Park in Wantagh. With approximately three million visitors annually, Jones Beach State Park features a six-mile ocean beachfront, a two-mile boardwalk, and the 11,200-seat Jones Beach Theater performing arts center, which attracts world-class musical acts. There are dozens of other public beaches located along both the Atlantic Ocean and the Long Island Sound shorelines. In addition, the County is home to the County-owned 930-acre Eisenhower Park in the Town of Hempstead, Bethpage State Park in Farmingdale, and numerous County and other municipal small local parks and campgrounds that offer a broad spectrum of recreational opportunities. Eisenhower Park's 80,000 square foot Aquatic Center is one of the largest pools in the Northern Hemisphere.

On a national level, the County is home to many high-profile professional sporting events. The Bethpage Black Golf Course, located in Bethpage State Park, hosted the U.S. Open in 2002 and 2009, the Barclays Tournament in 2012 and 2016, and the PGA Championship in 2019. The course will host the 2024 Ryder Cup. Belmont Park, located in Elmont, is home to the Belmont Stakes, part of horse racing's prestigious Triple Crown. Belmont Park is also the site where New York Arena Partners is presently constructing a new, \$1.3 billion, 18,000-seat arena to serve as the permanent home for the New York Islanders of the National Hockey League. Arena construction is on track for opening in November 2021. Under an agreement signed in 2019, the acreage surrounding the NYCB Live: Nassau Veterans Memorial Coliseum, a County-owned venue in Uniondale, is to be transformed with \$1.5 billion in private sector investment into a vibrant, live-work-play district, anchored by a new Northwell Health Innovation Center, creating a medical industry cluster near the Memorial Sloan Kettering Cancer Center, a state-of-the-art outpatient cancer treatment facility which opened in 2019.

The County boasts numerous museums, some of which are County-owned or operated, including the Cradle of Aviation Museum and the Long Island Children's Museum, both in Garden City. Historical sites include two County-owned facilities, Old Bethpage Village Restoration, a re-created mid-19th-century American village, and Cedarmere, home of 19th-century poet, newspaper editor, abolitionist, and civic leader William Cullen Bryant, and a designated part of the New York State Underground Railroad Heritage Trail. The County is also the home of Theodore Roosevelt's estate in Cove Neck, Sagamore Hill, which is a National Historic Site operated by the National Park Service.

With a focus on preserving open space and natural and scenic resources for current and future generations of County residents, voters overwhelmingly approved two Environmental Bond Acts (collectively known as the "EBA") in 2004 and 2006. The EBA committed \$150 million for the preservation of open space, the improvement of existing parkland and water quality, and the provision of matching funding for brownfield property remediation projects. In addition to the EBA, 5% of the proceeds from County-owned land sales is set aside for open space purposes and other environmental quality improvement projects.

Sewer Service and Water Service

The County's Department of Public Works oversees the operation of the County's sewerage and storm water resources facilities.

Most sewage collected in the County's sewer system is treated at either the Bay Park Sewage Treatment Plant ("Bay Park") in East Rockaway or the Cedar Creek Water Pollution Control Plant ("Cedar Creek") in Wantagh. The City of Long Beach's sewage treatment plant processes sewage collected within the area corresponding to the former County sewage collection district of Lido Beach. Bay Park and the City of Long Beach's sewage treatment plants each sustained substantial damage from Superstorm Sandy on October 29, 2012. For more information about Superstorm Sandy, see "APPENDIX A—INFORMATION ABOUT THE COUNTY – COUNTY FINANCIAL CONDITION – Superstorm Sandy" herein.

SUEZ Water Long Island Inc. operates and manages the County's sewer system, including the sewage collection system and three treatment plants: Bay Park, which serves 532,000 residents; Cedar Creek, which serves 600,000 residents; and Glen Cove, which serves 27,000 residents. The County maintains ownership of the facilities.

Six villages in the County (Freeport, Garden City, Hempstead, Mineola, Rockville Centre, and Roslyn) own and operate their own sewage collection systems, which discharge sewage to either Bay Park or Cedar Creek. The City of Long Beach owns and operates its own sewage collection system and treatment plant. The County has entered into an agreement to decommission the City of Long Beach's treatment plant and consolidate its sewage system into the County's sewer system. In addition, there are several other sewage collection systems and treatment plants within the County, operated by other governmental agencies or special districts.

The County, in partnership with the State Department of Environmental Conservation ("DEC"), has undertaken the Bay Park Conveyance Project to improve water quality and storm resiliency in Long Island's Western Bays by upgrading its existing wastewater management infrastructure. When completed, this project is expected to convey treated water from Bay Park, which currently discharges an average of 50 million gallons per day (mgd) of treated water into Reynolds Channel, to the Cedar Creek ocean outfall. The project includes construction of a 2-mile long force main from the Bay Park facility to an existing aqueduct under the Sunrise Highway to convey treated water, rehabilitation of an 7.3-mile stretch of the aqueduct, and construction of a 1.6-mile long force main to connect the rehabilitated aqueduct to the

existing Cedar Creek outfall, which discharges and diffuses treated water three miles offshore in the Atlantic Ocean.

Forty-eight public water suppliers in the County provide water service to nearly 100% of the County's residents. Commercial and municipal water supply wells pump all water from the County's groundwater system. A small number of residents in the less-densely populated northern sections of the County obtain their water from private wells.

The groundwater system comprises three major aquifers that overlay bedrock: the Upper Glacial, Magothy, and Lloyd aquifers. Precipitation continuously recharges these aquifers, which are part of the County's subsurface geology.

The County's population increased by approximately 4% from 1990 to 2010. This increase in population has had a negligible effect on water demand in the County. However, annual water demand has shown an upward trend over these years and has exhibited sizable seasonal fluctuations, both of which can be attributed to increased water use during the peak demand months (April through October) that generally are subject to hot and dry weather patterns.

Between 2013 and 2019, the average daily pumpage for the County has been approximately 186 mgd. During peak demand months, pumping can increase considerably (to well over 250 mgd) and is quite variable in response to weather conditions.

Recharge to the groundwater system normally amounts to approximately half of the precipitation falling upon the County's land surface. This equates to 332 mgd of recharge to the groundwater system. The amount has increased slightly to 341 mgd because of the effectiveness of the County's recharge basins in capturing additional storm water runoff for aquifer recharge.

Since the amount of recharge to the groundwater system exceeds the amount of water withdrawn from the system, the quantity of groundwater available for public water supply is expected to be more than adequate, both presently and into the future. Furthermore, any new developments within the jurisdiction of the County Department of Public Works are required to retain all storm water on site. This requirement ensures that storm water runoff emanating from such developments will go into the groundwater system as recharge.

The County has been in contact with the New York City (the "City") Department of Environmental Protection ("DEP") regarding its pending 2017 application to DEC to renew a permit to pump groundwater beneath the Borough of Queens. The County has been coordinating with the DEP and the DEC to ensure that there are no adverse impacts to the Long Island aquifer system. The DEC has authorized a Long Island Groundwater Sustainability Study with the United States Geological Survey (USGS) to address the adequacy of the groundwater system. USGS has installed groundwater monitoring wells in the southwest area of the County and southeast Queens as part of the study. Preliminary results indicate that the salt water front in various aquifer layers is closer to the mainland of the County and Queens than previously anticipated. This study includes a detailed groundwater modeling effort to provide guidance to water providers and managers. In addition, DEC has initiated an engineering study to evaluate the potential of transferring drinking water from the City's upstate reservoir systems using connections to the existing piping system in Queens near the County border. The County has not been involved in the formulation of the scope of work nor the analysis.

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APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)



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