PRELIMINARY OFFICIAL STATEMENT DATED JUNE 28, 2018

RENEWAL ISSUE
BOND ANTICIPATION NOTES **Rating: See "Rating" herein**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed for taxable years beginning prior to January 1, 2018. In addition, in the opinion of Bond Counsel to the Village, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.

The Village WILL designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK

$2,628,000*
BOND ANTICIPATION NOTES – 2018
(the "Notes")

Date of Issue: July 19, 2018 **Maturity Date: February 21, 2019**

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

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

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

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

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interests in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof, except for one necessary odd denomination. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Village to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Village will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See *"Book-Entry-Only System"* herein).

The Notes are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. Capital Markets Advisors, LLC has served as Municipal Advisor to the Village in connection with the issuance of the Notes. It is expected that delivery of the Notes will be made on the Date of Issue listed above.

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

Dated: July __, 2018

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* Preliminary, subject to change.

VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK

MAYOR
DON RYAN

BOARD OF TRUSTEES

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC
Great Neck and New York, New York
(516) 487-9817

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

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APPENDIX A

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OFFICIAL STATEMENT
of the
VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK

relating to

$2,628,000*
BOND ANTICIPATION NOTES – 2018
(the "Notes")

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the Village of Hempstead, in the County of Nassau, in the State of New York (the "Village", "County" and "State," respectively) in connection with the sale of $2,628,000* Bond Anticipation Notes – 2018 (the "Notes").

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

THE NOTES

Description of the Notes

The Notes will be dated and will mature, without option of prior redemption, as reflected on the cover page hereof.

The Village Clerk will act as Paying Agent for the Notes. Paying agent fees, if any, for non-book-entry notes will be paid by the purchaser(s). The Village's contact information is Mr. Raymond Calame, Village Treasurer, telephone number (516) 487-6224, rcalame@villageofhempsteadny.gov.

Authority for and Purpose of the Notes

The Notes shall be issued pursuant to the Constitution and the Laws of the State and bond resolutions duly adopted by the Board of Trustees of the Village on May 17, 2016 to finance various purposes. The proceeds from the sale of the Notes, together with $247,000 in available funds, will be used to redeem the notes at maturity on July 21, 2017, issued to provide financing for the following projects:

Purpose	Amount Authorized	Amount Outstanding	Principal Paydown	Amount to Notes
Fire Dept. Vehicle Acquisition and Fire Fighting Gear	$ 140,000	$ 140,000	$ 32,000	$ 108,000
Reconstruction of Village Fuel Station	500,000	500,000	116,000	384,000
Renovation of Village Hall Bathroom	80,000	80,000	7,000	73,000
Embellishments to Parks, Playgrounds & Rec. Areas	675,000	550,000	28,000	522,000
Acquisition of Maintenance Vehicles and Equipment	1,205,000	1,205,000	61,000	1,144,000
Reconstruction of Stormwater Collection Structures	400,000	400,000	3,000	397,000
Totals	$3,000,000	$2,875,000	$247,000	$2,628,000

Optional Redemption

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

Nature of Obligation

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

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

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

REMEDIES UPON DEFAULT

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

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

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

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

Pursuant to Article VIII, Section 2 of the State Constitution, the Village is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk* v. *Municipal Assistance Corp*., 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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

No Past Due Debt

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

MUNICIPAL BANKRUPTCY

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

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

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

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

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

The above references to the Bankruptcy Act are not to be construed as an indication that the Village is currently considering or expects to resort to the provisions of the Bankruptcy Act.

Financial Control Boards

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

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

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

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

Several municipalities in the State are presently working with the FRB. The Village has not applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

BOOK-ENTRY-ONLY SYSTEM

In the event the Notes are issued in book-entry form, the Depository Trust Company ("DTC"), Jersey City, New Jersey, will act as securities depository for the Notes. Such Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each Note which bears the same rate of interest and CUSIP number, in the aggregate principal amount of such issue, and will be deposited with DTC.

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

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the

Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

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

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

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

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

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

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

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

Source: The Depository Trust Company

MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE

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

The Village's credit rating could be affected by circumstances beyond the Village's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of Village property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Village's credit rating could adversely affect the market value of the Notes.

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

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

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The Village's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the Village fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Village is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Village will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the Village requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also "*State Aid*" herein.)

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

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

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

Cybersecurity

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

LITIGATION

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

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

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed for taxable years beginning prior to January 1, 2018. The Tax Certificate of the Village (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Village in connection with the Notes, and Bond Counsel has assumed compliance by the Village with certain provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of Note (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a note with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a "Discount Note"), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

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

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

Note Premium

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

Information Reporting and Backup Withholding

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

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

Miscellaneous

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. The opinion of Bond Counsel will be in substantially the form attached hereto in Appendix D to this Preliminary Official Statement.

DISCLOSURE UNDERTAKING

In order to assist the purchaser(s) in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") with respect to the Notes, the Village will execute an Undertaking to Provide Notices of Events, in substantially the form attached hereto as Appendix E to this Preliminary Official Statement.

Compliance History

For the fiscal year ended May 31, 2012, the Village made a late filing of its annual financial information and operating data.

For the fiscal year ended May 31, 2014, the Village made a late filing of its audited financial statements.

Since 2007, there have been in excess of 50 rating actions reported by Moody's Investors Service, Standard & Poor's Rating Corporation and Fitch Ratings affecting the credit ratings assigned to municipal bond insurance companies, some of which had insured bonds previously issued by the Village. Due to widespread knowledge of these rating actions, material event notices were not filed by the Village in each instance.

The Village has reviewed and modified its continuing disclosure practices to ensure that all material event notices are filed in a timely manner. The Village has also corrected any past failures to file as required.

RATING

The Village has not applied to S&P Global Ratings ("S&P") for a rating on the Notes.

On August 7, 2017, S&P affirmed the Village's long-term underlying credit rating of "AA-" with a stable outlook.

With respect to the S&P's rating applicable to uninsured debt, such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Standard & Poor's Corporation, 25 Broadway, New York, New York 10004. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of S&P circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of such bonds or the availability of a secondary market for those bonds.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Great Neck and New York, New York, (the "Municipal Advisor") is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the Village in connection with this transaction.

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

ADDITIONAL INFORMATION

Additional information may be obtained from Mr. Raymond J. Calame, Village Treasurer, (516) 478-6224, rcalame@villageofhempsteadny.gov or from the Village's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, (516) 487-9817. The Village Clerk will act as Paying Agent with respect to the Notes. The Village Treasurer noted above is the Paying Agent contact.

So far as any statements made in this Official Statement involve matters or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any other statement which may have been made orally or in writing is to be construed as a contract with the holders of the Notes.

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

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

VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK

By:_____________________________
Raymond J. Calame
Village Treasurer

DATED: July __, 2018

APPENDIX A

THE VILLAGE

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THE VILLAGE

General Information

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

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

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

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

Its estimated 2015 population of 55,547 (according to the U.S. Census Bureau) makes it the largest village in the State, encompassing an area of approximately 3.8 square miles.

Downtown Redevelopment

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

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

Downtown Revitalization and Redevelopment

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

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

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

The Village has initiated the nomination process to have the DOZ designated as a New York State Brownfield Opportunity Area ("BOA"). The Village has identified a 180 acre area with approximately 40 potential Brownfield sites within the DOZ. Upon completion of the nomination process, the Village will identify those strategic sites that will serve as catalysts for revitalization. Furthermore, a BOA designation will prompt further investment and development within the downtown area. The nomination process for BOA designation for the Village is slated to be completed in January 2019.

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

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

Transportation

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

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

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

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

Education and Culture

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

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

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

Form of Government

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

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

Elected and Appointed Officials

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

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

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

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

Village Administration

Don Ryan is the current mayor of the Incorporated Village of Hempstead. He previously served as a trustee, a position he held since 2001. Mayor Ryan's vision is for the Village to be a thriving suburban village where residents can live safely, afford to raise a family and find meaningful employment with career job training. As Mayor, he is committing to expanding transparency in local government and encourages the expansion of commercial and light industrial tax base to help ease the overall tax base.

Mayor Ryan is dedicated to the improvement of the Village's financial operations. The Mayor and his staff continue to examine every facet of the Village's operations in an effort to streamline costs, enhance revenues, and develop innovative approaches to solve the Village's financial difficulties.

Village Services

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

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

Employees

The Village provides services through approximately 358 full-time employees, which are represented by two labor organizations. Membership in each is as follows:

Employees Represented	Union Representation	Contract Expiration Date
220	CSEA	05/31/20
123	Police Benevolent Association	05/31/20

Employee Pension Benefits

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

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

The billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Village. Under the previous method, the Village was not provided with the required payment until after its budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Village is notified of and can include the actual cost of the employer contribution in its budget. The Village is also required to make a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. For the 2017 bill, the Village's required contribution was $2,762,059 to ERS and $4,532,162 to PFRS for a total of $7,294,221, which was paid in December 2016. For the 2018 bill, the Village's required contribution was $2,267,192 to ERS and $4,299,181 to PFRS for a total of $7,066,373, which was paid in December 2017.

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

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State's Retirement System continues to be higher than the minimum contribution rate established by Chapter 49. Contribution rates are expected to remain higher than the minimum contribution rates set by Chapter 49 in the near-term. To mitigate the expected increases in the employer contribution rate in 2010, legislation was enacted that authorizes local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. This legislation also requires those local governments and school districts, who decide to amortize their pension obligations pursuant to this law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Village did not participate in the 2010 pension amortization plan.

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

Other Post Employment Benefits

GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 45 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 45 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

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

GASB 45 does not require that the unfunded liabilities actually be funded, only that the Village account for its unfunded accrued liability and compliance in meeting its ARC.

The Village is in compliance with the requirements of GASB 45. The Village has determined that its actuarial accrued liability ("AAL") for OPEB as of May 1, 2017 was $227,806,800. For financial reporting purposes, the Village has elected to amortize the AAL over 30 years. For the year ended May 31, 2017, the Village's ARC was

$16,241,600. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Village has decided to continue funding the expenditure on a pay-as-you-go basis.

Should the Village be required to fund their unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the Village's finances and could force the Village to reduce services, raise taxes or both.

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

FINANCIAL FACTORS

Independent Audit

The financial statements of the Village are audited by the firm of Nawrocki Smith LLP, independent certified public accountants. Appendix B to this Official Statement presents a summary of the audited financial statements for each of the last five fiscal years ended May 31. The Village's audited financial statements for the fiscal year ended May 31, 2017 may be accessed by following the link appearing in Appendix C.

Fund Structure and Accounts

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

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

Basis of Accounting

The Village maintains its records and reports on the modified accrual basis of accounting for recording transactions in all governmental and fiduciary funds. Under this method, (1) revenues are recorded when received in cash except that for revenues which are material and susceptible to accrual (measurable and available to finance the current year's operations) which are recorded when earned, and (2) expenditures, other than retirement plan contributions, vacation and sick pay, and accrued interest are recorded at the time liabilities are incurred. The Proprietary Fund types are accounted for on the accrual basis of accounting as commercial self-sustaining operations that render services to the public on a user-charge basis.

Recent Financial Operations

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

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

2013 Audited Results. For the fiscal year ended May 31, 2013, based on audited results, General Fund revenues and other sources were approximately $75.9 million and General Fund Expenditures and other uses were $74.5 million, which resulted in an operating surplus of $1,433,777 and a cumulative General Fund balance of $15,269,472.

2014 Audited Results. For the fiscal year ended May 31, 2014, based on audited results, General Fund revenues and other sources were approximately $71.7 million and General Fund Expenditures and other uses were $73.0 million, which resulted in an operating deficit of $1,230,361 and a cumulative General Fund balance of $14,039,111.

2015 Audited Results. For the fiscal year ending May 31, 2015, based on audited results, General Fund revenues and other sources were approximately $80.1 million and General Fund Expenditures and other uses were $78.2 million, which resulted in an operating surplus of $1,878,637 and a cumulative General Fund balance of $15,917,748.

2016 Audited Results. For the fiscal year ending May 31, 2016, based on audited results, General Fund revenues and other sources were approximately $79.0 million and General Fund Expenditures and other uses were $75.2 million, which resulted in an operating surplus of $3,773,623 and a cumulative General Fund balance of $20,404,479.

2017 Audited Results. For the fiscal year ended May 31, 2017, based on audited results, General Fund revenues and other sources were approximately $78.8 million and General Fund Expenditures and other uses were $74.1 million, which resulted in an operating surplus of $4,655,291 and a cumulative General Fund balance of $27,394,621.

2018 Adopted Budget. For the fiscal year ending May 31, 2018, budgeted General Fund Revenues are $81.1 million and General Fund Expenditures and other uses are $81.1 million. (See "Appendix B" herein for a summary of the 2018 Adopted Budget.)

2019 Adopted Budget. For the fiscal year ending May 31, 2019, budgeted General Fund Revenues are $82.8 million and General Fund Expenditures and other uses are $82.8 million. (See "Appendix B" herein for a summary of the 2019 Adopted Budget.)

Revenues

The Village derives a major portion of its General Fund revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein). Real property taxes accounted for 85.8% of total General Fund revenues for the fiscal year ended May 31, 2017 and State aid accounted for 2.0%.

Real Property Tax. The following table sets forth the total General Fund and real property tax revenues for the last five audited fiscal years and the budgeted amounts for the two most recent fiscal years.

Property Taxes

Fiscal Year Ending May 31:	Total Revenues	Real Property Taxes[1]	Real Property Taxes to Revenues
2013	$69,236,096	$57,970,220	83.7%
2014	71,728,123	59,930,242	83.6
2015	74,080,863	62,578,328	84.5
2016	79,013,092	66,709,609	84.4
2017	78,624,700	67,424,569	85.8
2018 (Adopted Budget)	81,133,962	67,289,514	82.9
2019 (Adopted Budget)	82,806,136	67,618,476	81.7

(1) Inclusive of other property tax items.

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

State Aid. The Village receives financial assistance from the State. State Aid is expected to account for approximately 1.4% of the total general fund revenues of the Village in the 2017-2018 fiscal year. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in this year or future years, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have an adverse effect upon the Village, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE" herein).

The amount of State aid to municipalities and school districts is dependent in part upon the financial condition of the State. In addition, the availability of State aid and the timeliness of payment of State aid to municipalities and school districts could be affected by a delay in the adoption of the State budget. Although the State's 2018-2019 Budget was adopted on March 30, 2018, in advance of the April 1 deadline, the State's 2017-2018 Budget was adopted on April 9, 2017, a delay of approximately 8 days. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to municipalities and school districts in the State.

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

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2018-2019 Budget continues authorization for a process by which the State would manage significant reductions in federal aid during fiscal year 2018-2019 and fiscal year 2019-2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by $850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by $850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017 (H.R. 1, P.L. 115-97), making major changes to the Federal Internal Revenue Code, most of which are effective in the 2018 tax year. The new federal tax law makes extensive changes to federal personal income taxes, corporate income taxes, and estate taxes, and the deductibility of various taxes and interest costs. The State's income tax system interacts with the federal system in numerous ways. The federal changes are expected to have significant flow-through effects on State tax burdens and revenues. The State's 2018-2019 Enacted Budget includes legislation decoupling certain linkages between federal and local income tax and corporate taxes, increasing the opportunities for charitable contributions, and providing an option to employers to shift to an employer compensation tax and reduce State personal income taxes. In addition, the State's 2018-2019 Enacted Budget includes legislation that grants localities the option to establish local charitable funds that would provide taxpayers with a credit against their property taxes.

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

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State.

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

The following table sets forth the total general fund and state aid revenues for the last five audited fiscal years and the amounts budgeted for the two most recent fiscal years.

State Aid

Fiscal Year Ending May 31:	Total Revenues	State Aid	State Aid to Revenues
2013	$69,236,096	$1,416,299	2.1%
2014	71,728,123	1,495,915	2.1
2015	74,080,863	1,958,186	2.6
2016	79,013,092	1,552,960	2.0
2017	78,624,700	1,596,808	2.0
2018 (Adopted Budget)	81,133,962	1,125,042	1.4
2019 (Adopted Budget)	82,806,136	1,226,908	1.5

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

Investment Policy Permitted Investments

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

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

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

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

REAL PROPERTY TAXES

Real Property Tax Collection Procedures

The Village levies and collects its own taxes. Property taxes become a lien on the first day of the levy year and may be paid in two equal installments. The first installment is due on June 1 each year and is payable without penalty during the month of June. The second installment is due on December 1 and is payable without penalty during the month of December. Penalties for tax delinquencies are imposed at the rate of 5% for the first month and an additional percentage (which is set by the State each year and in recent years has approximated 1%) for each month or fraction thereof thereafter. The Village enforces liens for unpaid real estate taxes in the manner set forth in the Real Property Tax Law. Tax lien sales are held annually. (See “TAX LEVY LIMIT LAW” and “Tax Lien Sales” herein.)

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

Real Property Tax Levies and Collections

Fiscal Year Ending May 31:	Gross Tax Levy[1]	Total Taxes Collected	Percentage of Taxes Collected
2014	$62,338,346	$60,567,703	97.2%
2015	64,993,333	63,762,185	98.1
2016	68,407,309	67,256,998	98.3
2017	68,563,382	67,726,592	98.8
2018	68,115,363	62,275,488	98.8

(1) The Gross Tax Levy includes real property taxes, user fees for refuse and garbage collection and disposal, and direct assessments unpaid from the previous year and transferred to the tax rolls.

Tax Lien Sales

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

Annual Property Tax Lien Sale Revenue

Fiscal Year Ending May 31:	Revenue from Tax Lien Sales
2014	$2,157,280
2015	2,425,328
2016	2,617,647
2017	2,429,668
2018	2,209,678

Real Property Tax Rates, Levies and Assessments

The following table shows the trend during the last five years for taxable assessed valuations, State equalization ratios, full valuations, real property taxes, and real property tax rates per $1,000 assessed valuation.

Tax Rates, Levies and Assessments

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Assessed Valuation	$76,632,637	$75,874,619	$75,120,042	$74,489,298	$74,215,394
Equalization Rates	2.90%	2.73%	2.55%	2.44%	2.35%
Full Valuation	$2,642,504,724	$2,779,290,073	$2,945,884,000	$3,052,840,082	$3,169,757,362
Village Tax Levy	59,372,974	62,710,071	62,710,071	62,710,071	62,710,071
Tax Rates per $1,000 A.V.	774.77	826.50	834.80	841.87	844.97

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

Tax Limit

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

The following table sets forth the computation of the Village's real estate tax levying limitation and the determination of its tax margin for the fiscal year ending May 31, 2018.

Real Property Tax Assessment and Rates

Assessment Year	Fiscal Year Ending May 31:	Assessed Valuation	State Equalization Ratio	Full Valuation
2013	2014	$76,266,472	2.87%	$ 2,657,368,362
2014	2015	76,632,637	2.90	2,642,504,724
2015	2016	75,874,619	2.73	2,779,290,073
2016	2017	75,120,042	2.55	2,945,884,000
2017	2018	74,489,298	2.44	3,052,840,082
			Total:	$14,077,887,241

Five-Year Average Valuation	$ 2,815,577,448
Tax Levying Limitation: 2% of Average Five-Year Full Valuation:	56,311,548
Real Estate Tax Levy for 2017-2018	62,710,071
Less: Exclusions	9,194,244
Tax Levy Subject to Tax Limit	53,515,827
Constitutional Net Tax Margin	$ 2,795,722
Percent of Tax Limitation Exhausted	95.04%

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

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011, as amended (the "Tax Levy Limit Law"), all the taxable real property within the Village had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Village and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Village for any fiscal year commencing after January 1, 2012 continuing through June 15, 2020 or later as provided in the Tax Levy Limit Law, without providing an exclusion for debt service on obligations issued by the Village. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village is subject to statutory limitations set forth in Tax Levy Limit Law.

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Village, subject to certain exceptions. The Tax Levy Limit Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New

York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board of Trustees first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the Village, a local law to override such limit for such coming fiscal year.

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

Ten Largest Taxpayers

The following table presents the total 2018-2019 assessed valuations of the Village's largest property owners.

Assessed Valuations

Property Owner	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation(1)
Long Island Power Authority	Public Utility	$ 1,612,169	2.17%
BRE DDR IVA HUB	Shopping Plaza	905,597	1.22
Keyspan	Public Utility	857,712	1.16
Hempstead Plaza LLC	Office Building	671,085	0.91
Clinton Washington LLC	Apartments	637,700	0.86
Greenwich Nursing Home	Apartments	565,000	0.76
New Greenwich Gardens	Apartments	470,000	0.63
Verizon	Public Utility	468,167	0.63
Heritage Place LLC	Apartments	425,000	0.57
Wendell Terrace Owners	Apartments	417,000	0.56
	Total:	$ 7,029,430	9.46%

(1) The total assessed valuation of the Village used for the 2018-2019 year is $74,215,394.

VILLAGE INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose (as determined by statute) or, in the alternative, the weighted average period of probable usefulness of the several purposes for which such indebtedness is to be contracted, unless the Village determines to issue debt amortizing on the basis of substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General. The Village is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers; however, as has been noted under "Nature of Obligation", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Statutory Procedure

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

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

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

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

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

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

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

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

There is no constitutional limitation on the amount that may be raised by the Village by tax on real estate in any fiscal year to pay principal and interest on all indebtedness.

Constitutional Debt Limit

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

Constitutional Debt Limit

Assessment Roll	Fiscal Year	Assessed Valuation	Equalization Rate	Full Valuation
2014	2015	$76,632,637	2.90%	$ 2,642,504,724
2015	2016	75,874,619	2.73	2,779,290,073
2016	2017	75,120,042	2.55	2,945,884,000
2017	2018	74,489,298	2.44	3,052,840,082
2018	2019	74,215,394	2.35	3,169,757,362
Total Five-Year Full Valuations				$14,590,276,241
Average Full Valuation				$ 2,918,055,248
Debt Limit – Seven (7) per centum of Average Full Valuation				$ 204,263,867

Source: Office of the State Comptroller, Real Property Services

Statement of Debt Contracting Power

Statutory Debt Limit and Net Indebtedness
(As of June 28, 2018)

Debt-Contracting Limitation:		$204,263,867
Gross Direct Indebtedness:		
Bonds:		
General Purpose	$ 37,197,600	
Water Purpose	5,027,400	
Short Term Obligations:		
Bond Anticipation Notes	2,875,000	
Total Gross Direct Indebtedness		$ 45,100,000
Less Exclusions and Deductions:		
Water Debt	$ 5,027,400	
Appropriations for Non-Exempt Indebtedness During 2018/2019 Fiscal Year	3,608,600	
Total Exclusions:		$ 8,636,000
Total Net Direct Indebtedness		$ 36,464,000
Debt-Contracting Margin		$167,799,867
Percentage of Debt-Contracting Power Exhausted		17.85%

Source: Village Officials.

Bond Anticipation Notes

On July 20, 2017, the Village issued $2,875,000 Bond Anticipation Notes – 2016, which mature on July 20, 2018. The proceeds from the sale of the Notes, together with $247,000 in available funds, will be used to redeem the outstanding bond anticipation notes in full at maturity.

Tax and Revenue Anticipation Notes

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

Direct and Overlapping Indebtedness

The real property taxpayers of the Village are responsible for a proportionate share of outstanding debt obligations of the County and other governmental units. Such taxpayers' share of this overlapping debt is based upon the amount of the Village's equalized property values taken as a percentage of each separate units' total values. The table below sets forth both the total outstanding principal amount of debt issued by the Village and the approximate magnitude of the burden on taxable property in the Village of the debt instruments issued and outstanding by such other political units. Authorized but unissued debt has not been included.

Statement of Direct and Overlapping Indebtedness

Issuer	Net Debt Outstanding	As of:	Village Share	Amount Applicable To Village
Nassau County	$3,253,964,000	03/31/18	1.40%	$ 45,555,496
Town of Hempstead	231,220,386	03/28/17	3.11	7,190,954
Hempstead UFSD	26,840,000	06/30/17	100.00	26,840,000
Uniondale UFSD	1,290,000	06/30/16	18.70	241,230
Rockville Centre UFSD	48,670,000	08/15/17	0.40	194,680
West Hempstead UFSD	23,085,000	05/29/18	0.75	173,138
Total Net Overlapping Debt				$ 80,195,498
Total Net Direct Debt				36,464,000
Net Direct and Overlapping Debt				$116,659,498

Debt Ratios

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

Debt Ratios

	Amount	Debt Per Capita (1)	Debt to Full Value (2)
Net Direct Debt	$ 36,464,000	$ 656	1.15%
Net Direct and Overlapping Debt	116,659,498	2,100	3.68

(1) The estimated population of the Village is 55,547 according to the U.S. Census Bureau.
(2) The Village's full value of taxable real property used to levy taxes in 2018-2019 is $3,169,757,362.

Trend of Outstanding Indebtedness

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

Outstanding Indebtedness

	2014	2015	2016	2017	2018(1)
Bonds:	$52,970,000	$54,165,000	$50,435,000	$46,290,000	$42,225,000
Bond Anticipation Notes:	0	0	0	2,875,000	2,875,000
Total:	$52,970,000	$54,165,000	$50,435,000	$49,165,000	$45,100,000

(1) Unaudited.
Source: Audited Financial Statements of the Village. Table itself is not audited.

Debt Service Schedule

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

Bond Principal and Interest Maturity

Fiscal Year Ending May 31:	Principal	Interest	Total Debt Service
2019[1]	$ 3,880,000	$1,248,945	$ 5,128,945
2020	3,970,000	1,121,996	5,091,996
2021	4,055,000	990,195	5,045,195
2022	4,215,000	848,970	5,063,970
2023	4,360,000	708,436	5,068,436
2024	4,240,000	578,679	4,818,679
2025	4,370,000	451,519	4,821,519
2026	2,650,000	343,925	2,993,925
2027	2,315,000	272,757	2,587,757
2028	2,315,000	213,723	2,528,723
2029	1,585,000	151,588	1,736,588
2030	1,625,000	103,725	1,728,725
2031	1,680,000	54,150	1,734,150
2032	475,000	21,825	496,825
2033	490,000	7,350	497,350
Total:	$42,225,000	$7,117,783	$49,342,783

(1) For the entire fiscal year.
Source: Village Officials.

Prospective Capital Financing

The Village expects to continue the practice of issuing serial bonds to address its capital needs. The Village has additional debt of $3,840,920 authorized but unissued for water plant improvements pursuant to a resolution adopted on May 15, 2012. The Village expects to authorize and issue approximately $6 million in bonds or notes for water plant improvements over the next one to three years.

The Village has $1,625,000 in authorized but unissued debt pursuant to bond resolutions adopted on May 17, 2016 authorizing road reconstruction and certain embellishments to parks, playgrounds and recreational areas.

The Village Board of Trustees will consider two bond resolutions totaling $4,403,808 at its July 3, 2018 meeting for water system improvements.

The Village maintains a five-year capital improvement plan that totals $67.4 million. The plan is expected to be funded largely by general obligation bonds or notes. Every effort will be made by the Village to secure Federal funds to supplement the issuance of bonds or notes. The Village assesses its capital needs on an annual basis and adjusts the capital improvement plan as circumstances and needs change.

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table presents population trends based upon 2010 U.S. census data.

Population Trend

	2000	2010	% Change 2000/2010
Village	56,554	53,891	-4.71%
Town	755,924	769,040	1.74
County	1,334,544	1,339,532	0.37
State	18,976,457	19,379,102	2.12

Income

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

Median Household Income

	2000	2010	% Change 2000/2010
Town	$77,533	$87,382	12.7%
County	79,926	91,104	14.0
State	52,280	54,148	3.6

Source: U.S. Census Bureau.

Employment and Unemployment

Civilian Labor Force

	2013	2014	2015	2016	2017
Village	27,700	27,300	27,600	27,700	27,900
Town	398,300	393,200	400,100	401,300	403,300
County	697,100	688,800	701,600	704,600	708,000
State	9,659,200	9,591,300	9,644,600	9,668,700	9,704,700

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

Yearly Average Unemployment Rates

Year	Village	Town	County	State
2013	7.7%	6.2%	5.9%	7.7%
2014	6.4	5.0	4.8	6.3
2015	5.6	4.4	4.2	5.3
2016	5.2	4.1	3.9	4.8
2017	5.5	4.3	4.1	4.7

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

Monthly Unemployment Rates

Month	Village	Town	County	State
May 2017	4.8%	4.1%	3.9%	4.4%
June	5.3	4.4	4.2	4.6
July	5.5	4.6	4.4	4.9
August	5.5	4.6	4.4	4.9
September	5.0	4.4	4.2	4.6
October	4.8	4.3	4.1	4.4
November	5.1	4.3	4.1	4.4
December	5.1	4.2	4.0	4.4
January 2018	7.3	4.8	4.5	5.1
February	7.2	4.9	4.7	5.1
March	6.7	4.4	4.2	4.8
April	4.8	4.0	3.8	4.3

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

End of Appendix A

APPENDIX B

SUMMARY FINANCIAL STATEMENTS

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INCORPORATED VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK
Adopted Budgets - General Fund
Fiscal Year ending May 31:

	2018	2019
Revenues:		
Real Property Tax	$62,710,071	$62,710,071
Other Property Tax Items	3,114,443	3,323,405
Non-Property Taxes	1,465,000	1,585,000
Departmental Income	5,695,998	5,841,970
Use of Money and Property	424,237	488,384
Licenses and Permits	625,100	734,400
Fines and Forfeitures	2,100,000	2,267,000
Sale of Property and Comp. for Loss	222,750	121,250
Miscellaneous	500,600	0
State and Local Aid	1,125,042	1,226,908
Use of Fund Equity	3,150,721	4,507,748
Total Revenues	$81,133,962	$82,806,136
Expenditures:		
General Government Support	$10,457,480	$10,615,400
Public Safety	28,592,007	29,914,876
Transportation	2,001,614	2,000,787
Culture and Recreation	3,148,544	3,406,098
Home & Community Services	4,070,284	4,025,135
Employee Benefits	20,627,023	21,292,489
Interfund Transfers (1)	12,237,010	11,551,351
Total Expenditures	$81,133,962	$82,806,136

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

Source: Adopted Budgets of the Village.

INCORPORATED VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK
Balance Sheet
General Fund
Fiscal Year Ended May 31:

Assets and Other Debits	2016	2017
Assets:		
Unrestricted Cash	$17,616,864	$20,753,340
Restricted Cash	3,337,521	6,207,561
Service award program asset investments	0	2,689,591
Taxes Receivable	7,389,758	6,421,899
Accounts Receivable	1,118,537	1,378,696
State and Federal Aid Receivable	908	908
Other Receivables	79,035	79,710
Due From Other Funds	46,191	85,257
Due From Fiduciary Funds	713,225	212
Due From Component Units	1,447,930	1,463,919
Prepaid Expenses	759,775	0
Inventory	89,055	90,905
Total Assets	$32,598,799	$39,171,998
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable and Accrued Expenses	$2,776,647	$2,641,364
Other Accrued Liabilities	1,362,043	1,525,043
Due To Other Funds	0	151,790
Due To Proprietary Funds	192,717	607,457
Due To Fiduciary Funds	0	724
Due To Component Unit	0	409
Total Liabilites	$4,331,407	$4,926,787
Deferred Inflows of Resources:		
Miscellaneous Revenue Received in Advance	$474,430	$437,279
Property Tax Liens	7,388,483	6,413,311
Total Deferred Inflows of Resources:	7,862,913	6,850,590
Total Liabilities and Deferred Inflows of Resources:	12,194,320	11,777,377
Fund Equity and Other Credits:		
Nonspendable	$848,830	$90,905
Restricted	3,337,521	6,207,561
Assigned	1,885,273	6,949,177
Unassigned	14,332,855	14,146,978
Total Fund Balance	20,404,479	27,394,621
Total Liabilities, Deferred Inflows and Fund Balance:	$32,598,799	$39,171,998

Source: Audited Financial Statements of the Village.

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

REVENUES	2013	2014	2015	2016	2017
Taxes	$57,970,220	$59,930,242	$62,578,328	$66,709,609	$67,424,569
Licenses and Permits	548,736	527,882	930,234	767,127	735,957
Intergovernmental Charges	11,000	5,550	5,000	0	0
Departmental Income	6,076,668	5,302,279	5,718,971	5,737,496	5,490,849
Fines and Forfeitures	1,968,505	1,794,715	1,898,808	2,368,523	2,243,880
Use of Money and Property	555,292	526,383	496,721	458,765	435,008
Sale of Property and Compensation for loss	372,815	402,883	396,332	177,043	141,194
Miscellaneous Revenues	550	9,309	39,095	1,000,970	502,285
State and Local Aid	1,416,299	1,495,915	1,958,186	1,552,960	1,596,808
Federal Aid	316,011	1,732,965	59,188	240,599	54,150
Total Revenues	$69,236,096	$71,728,123	$74,080,863	$79,013,092	$78,624,700
EXPENDITURES					
General Government Support	$8,532,555	$8,235,491	$6,850,313	$8,007,765	$8,279,100
Public Safety	24,152,547	25,847,445	25,639,868	27,616,333	26,681,874
Transportation	1,733,775	1,975,519	1,879,119	1,576,072	1,793,804
Culture and Recreation	2,667,488	2,912,502	2,607,443	2,825,754	2,766,818
Home and Community Services	3,814,778	3,780,875	3,470,867	3,494,397	3,425,101
Employee Benefits	15,919,373	18,957,480	19,713,502	18,640,816	19,057,856
Total Expenditures	$56,820,516	$61,709,312	$60,161,112	$62,161,137	$62,004,553
Excess of Revenues over (under) Expenditures	$12,415,580	$10,018,811	$13,919,751	$16,851,955	$16,620,147
Other Financing Sources (Uses):					
Proceeds of Obligations	$6,647,988	$0	$5,990,000	$0	$135,000
Payment to Bond Refunding Escrow Agent	0	0	0	0	0
Premium on Serial Bond			18,643	0	0
Issuance Cost for Refunding Bonds	0	0	0	0	0
Operating Transfers In (Out)	(4,853,679)	(5,900,814)	(12,018,062)	(5,965,650)	(5,680,253)
Transfers to Proprietary Fund	(10,158,238)	(2,511,369)	(3,245,391)	(4,411,691)	(3,761,083)
Transfers to/from Component Unit	(2,617,874)	(2,836,989)	(2,786,304)	(2,700,991)	(2,658,520)
Total Other Financing Sources (Uses)	($10,981,803)	($11,249,172)	($12,041,114)	($13,078,332)	($11,964,856)
Excess (Def) of Revenues and Other Sources Over Expenditures and Other Uses	1,433,777	(1,230,361)	1,878,637	3,773,623	4,655,291
Fund Balance Beginning of Year	$13,835,695	$15,269,472	$14,039,111	$15,917,748	$20,404,479
Prior Period Adjustment	0	0	0	713,108	2,334,851
Fund Balance End of Year	$15,269,472	$14,039,111	$15,917,748	$20,404,479	$27,394,621

Source: Audited Financial Statements of the Village.

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APPENDIX C

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
MAY 31, 2017

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

https://emma.msrb.org/ES1101051-ES860329-ES1261467.pdf

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

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

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APPENDIX D

FORM OF APPROVING LEGAL OPINION FOR THE NOTES

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July 19, 2018

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Hempstead (the "Village"), in the County of Nassau, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the $2,628,000 Bond Anticipation Note-2018 (the "Note") of the Village, dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

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

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

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

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

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

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

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

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

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

Very truly yours,

APPENDIX E

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS

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UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

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

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

"Issuer" shall mean the Village of Hempstead, in the County of Nassau, a municipal corporation of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Purchaser" shall mean the financial institution referred to in the Certificate of Determination, executed by the Village Treasurer as of July 20, 2017.

"Rule 15c2-12" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

"Securities" shall mean the Issuer's $2,628,000 Bond Anticipation Notes-2018, dated July 19, 2018, maturing on February 21, 2019, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021 to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;

(vii) modifications to rights of Securities holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Issuer;

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

(xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

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

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

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of July 19, 2018.

VILLAGE OF HEMPSTEAD, NEW YORK

By____

VILLAGE TREASURER