

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 15, 2018**

**NEW ISSUE  
SERIAL BONDS**

**Rating: See “Rating” herein**

*In the opinion of Ruskin Moscou Faltischek, P.C., Bond Counsel, under existing law (i) assuming compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is exempt from New York State income taxes, and from the New York City “personal income tax on residents” and “earnings tax on nonresidents.” Interest on the Bonds may be subject to certain federal taxes imposed on certain corporations, including the corporate alternative minimum tax imposed on a portion of that interest.*

*The Village WILL designate the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code. (For a more complete discussion of tax aspects, see “Tax Exemption” herein).*

**VILLAGE OF VALLEY STREAM  
NASSAU COUNTY, NEW YORK**

**\$8,750,000**

**VARIOUS PURPOSES SERIAL BONDS – 2018  
(the “Bonds”)**

**Dated Date: Date of Delivery**

**Due: April 1, 2019 to 2038**

The Bonds are general obligations of the Village of Valley Stream, Nassau County, New York (the “Village”), and all of the taxable real property within the Village is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount.

The Bonds will be issued as registered Bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”) New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the Village to DTC, which will in turn remit such principal and interest to its Participants for subsequent disbursement to the Beneficial Owners of the Bonds as described herein. Please see “Book-Entry-Only System” under “THE BONDS”, herein.

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates specified by the purchaser, payable on April 1, 2019, October 1, 2019 and semiannually thereafter on each April 1 and October 1 in each year until maturity. The Bonds shall mature on April 1 in each of the years and amounts as described on the inside cover page herein. The Bonds will be subject to optional redemption prior to maturity. See “*Optional Redemption*” herein.

The Bonds are offered when, as and if issued and subject to the receipt of the respective unqualified legal opinion as to the validity of the Bonds of Ruskin Moscou Faltischek, P.C., Uniondale, New York, Bond Counsel to the Village. Capital Markets Advisors, LLC has served as Municipal Advisor to the Village in connection with the issuance of the Bonds. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about April 5, 2018.

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

Dated: March \_\_, 2018

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\*Preliminary, subject to change.

The Bonds will mature on April 1, subject to redemption prior to maturity, in the following years and principal amounts:

| <u>Year</u> | <u>Principal<br/>Amount*</u> | <u>Interest<br/>Rate</u> | <u>Yield</u> | <u>Year</u> | <u>Principal<br/>Amount**</u> | <u>Interest<br/>Rate</u> | <u>Yield</u> |
|-------------|------------------------------|--------------------------|--------------|-------------|-------------------------------|--------------------------|--------------|
| 2019        | 345,000                      |                          |              | 2029        | 430,000**                     |                          |              |
| 2020        | 340,000                      |                          |              | 2030        | 445,000**                     |                          |              |
| 2021        | 345,000                      |                          |              | 2031        | 460,000**                     |                          |              |
| 2022        | 355,000                      |                          |              | 2032        | 475,000**                     |                          |              |
| 2023        | 360,000                      |                          |              | 2033        | 490,000**                     |                          |              |
| 2024        | 370,000                      |                          |              | 2034        | 510,000**                     |                          |              |
| 2025        | 380,000                      |                          |              | 2035        | 530,000**                     |                          |              |
| 2026        | 390,000                      |                          |              | 2036        | 550,000**                     |                          |              |
| 2027        | 400,000**                    |                          |              | 2037        | 570,000**                     |                          |              |
| 2028        | 415,000**                    |                          |              | 2038        | 590,000**                     |                          |              |

\* The principal amounts of the Bonds are subject to adjustment following the sale of the Bonds, pursuant to the terms of the accompanying Notice of Sale to achieve substantially level or declining annual debt service.

\*\* The Bonds maturing in the years 2027 and thereafter will be subject to redemption prior to maturity, as described herein. (See “*Optional Redemption.*”)

**VILLAGE OF VALLEY STREAM  
NASSAU COUNTY, NEW YORK**

**MAYOR  
EDWIN A. FARE**

**BOARD OF TRUSTEES**

Vincent M. Grasso.....Deputy Mayor

Dermond Thomas ..... Trustee

John L. Tufarelli ..... Trustee

Sean Wright..... Trustee

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Robert Fumagalli..... Village Clerk

Michael J. Fox ..... Treasurer

Hopkins & Kopilow ..... Village Attorney

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**BOND COUNSEL**

**Ruskin Moscou Faltischek, P.C.  
Uniondale, New York**

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**MUNICIPAL ADVISOR**

Capital Markets Advisors, LLC  
*Hudson Valley \* Long Island \* Southern Tier \* Western New York*  
(516) 487-9818

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

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## **OFFICIAL STATEMENT**

### **VILLAGE OF VALLEY STREAM NASSAU COUNTY, NEW YORK**

**relating to**

**\$8,750,000\***

**VARIOUS PURPOSES SERIAL BONDS – 2018  
(the “Bonds”)**

**[Book-Entry-Only Bonds]**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the Village of Valley Stream, in the County of Nassau, in the State of New York (the “Village”, “County” and “State,” respectively) in connection with the sale of \$8,750,000\* Various Purposes Serial Bonds – 2018 (the “Bonds”).

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

### **THE BONDS**

#### ***Description***

The Bonds are dated their Date of Delivery and will bear interest payable on April 1, 2019, October 1, 2019 and semiannually thereafter on April 1 and October 1 in each year until maturity. The Bonds will mature on April 1, in the years and amounts as set forth on the inside cover page hereof and are subject to optional redemption prior to maturity as described herein.

The Bonds will be issued as fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds.

Principal of and interest on the Bonds will be made by the Village to DTC, which will in turn remit such principal and interest to its participants, for subsequent disbursement to the beneficial owners of the Bonds as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Village reoffered to therein.

The Record Date for the payment of principal and interest on the Bonds will be the 15<sup>th</sup> calendar day of the month preceding each interest payment date.

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\*Preliminary, subject to change.

### ***Authority for and Purpose of the Bonds***

The Bonds are issued pursuant to the Constitution and Laws of the State, including the Village Law, General Municipal Law, the Local Finance Law and various bond resolutions duly adopted by the Village Board of Trustees (the “Board”) for the projects listed below. Proceeds from the sale of the Bonds will be used to provide original financing for the purposes listed below:

| <u>Purpose</u>  | <u>Amount to<br/>Bonds</u> |
|---|----------------------------|
| Costs of Reconstruction of Various Streets in the Village   | \$1,500,000                |
| Construction of a New Waste Transfer Station                | 5,500,000                  |
| Costs of Various Vehicle Fleet Additions                    | 900,000                    |
| Acquisition and Installation of Flagpoles in Memorial Plaza | 50,000                     |
| Improvements to 195 Rockaway Ave.                           | <u>800,000</u>             |
| Total:  | <u>\$8,750,000</u>         |

### ***Optional Redemption***

The Bonds maturing on or before April 1, 2026 are not subject to redemption prior to maturity. The Bonds maturing on or after April 1, 2027 will be subject to redemption prior to maturity, at the option of the Village, on any date on or after April 1, 2026, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The Village may select the maturities of the Bonds to be redeemed prior to maturity and the amount to be redeemed of each maturity selected, as the Village shall determine to be in the best interest of the Village at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Village by lot in any customary manner of selection as determined by the Village. Notice of such call for redemption shall be given by mailing such notice to the registered owner not more than sixty (60) nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

### ***Nature of Obligation***

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

The Bonds will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the Village has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Village, subject to applicable statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. 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 Bonds, and the State is specifically precluded from restricting the power of the Village to levy taxes on real estate therefor. However, the Tax Levy Limit Law imposes a statutory limitation on the Village’s power to increase its annual tax levy. See “Tax Levy Limit Law” herein.

### ***Book-Entry-Only System***

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered

bond certificate will be issued for each maturity of each series of Bonds in the aggregate principal amount of such maturity 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

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

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

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village, on 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 principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE VILLAGE TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDDOWNERS.

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

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

The Village is dependent in part on financial assistance from the State. In some recent years, the Village's receipt of State aid has been delayed (See "State Aid," herein). If the State should experience difficulty in borrowing funds in anticipation of the receipt of the 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 until sufficient State taxes have been received by the State to make State aid payments to the Village.



Should the Village fail to receive moneys expected from the State in the amounts and at the times expected, the Village is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid, however the Village may not borrow as a result of a mid-year reduction in State aid.

## **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.

Certain property owners have filed certiorari petitions under Article 7 of the Real Property Tax Law. Such petitions allege that property values as presently determined are excessive and request assessment reductions for one or more years and, in most actions, a refund of property taxes previously paid. During the past five fiscal years the Village has paid tax certiorari refunds as follows: 2013-14 \$1,231,795; 2014-15 \$1,151,298; 2015-16 \$860,547; 2016-17 \$553,518 and 2017-18 \$460,731 (through March 5, 2018). It is difficult to predict at this time the outcome of current cases; however, pursuant to State law, the Village may issue debt to pay tax certiorari refunds should the amount of such refunds exceed the amount on hand therefore. Our report dated 10/4/17 is incorporated herein.

## **TAX EXEMPTION**

In the opinion of Ruskin Moscou Faltischek, P.C., Bond Counsel, under existing law (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations, and (ii) the interest on the Bonds is exempt from State income taxes and from New York City "personal income tax on residents" and "earnings tax on nonresidents." An opinion to those effects will be included in the legal opinion. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and compliance with certain covenants, of the Village to be contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the certifications and representations made by the Village.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and remain excluded from gross income for federal income tax purposes, some of which, including provisions for potential payments by the issuer to the federal government, require future or continued compliance after issuance in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with these requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes and thus to be subject to federal income tax retroactively to the date of their issuance. The Village has covenanted to take actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

Under Code provisions applicable only to certain corporations (as defined for federal income tax purposes) a portion of the excess of adjusted current earnings (which includes interest on all tax-exempt Bonds, including the Bonds) over other alternative minimum taxable income is included in alternative minimum taxable income which may be subject to a corporation alternative minimum tax. In addition, interest on the Bonds may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States and to a tax imposed on excess net passive income of certain S corporations.

Under the Code, the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income or deduction for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, and those

that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds or of book entry interests. Bond Counsel expresses no opinion regarding those consequences.

Bond Counsel is further of the opinion that the excess, if any, of the principal amount payable when a maturity of Bonds is scheduled to come due over the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Bonds of the same maturity (the "Discount Bonds") was sold, constitutes original issue discount which is not includable in gross income for Federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds; even though there will not be a corresponding cash payment. Owners of Discount Bonds are advised that they should consult with their own tax advisors with respect to the determination for Federal income tax purposes of original issue discount accrued upon the sale, redemption or other dispositions of such Discount Bonds, and with respect to the state and local tax consequences of owning such Discount Bonds.

From time to time there are legislative proposals in Congress which if enacted could alter or amend the federal tax matters referred to or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds, and book entry interests in them) issued prior to enactment.

The discussion of tax matters in this Official Statement applies only in the case of purchasers of the Bonds at their original issuance and at the respective prices indicated on the cover. It does not address any other tax consequences, such as, among others, the consequence of the existence of any market discount to subsequent purchasers of the Bonds.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE TAX CONSEQUENCES UNDER THE CODE.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Ruskin Moscou Faltischek, P.C., Bond Counsel. Certain legal matters will be passed on for the Village by its Village Attorney.

## **DISCLOSURE UNDERTAKING**

At the time of the delivery of the Bonds, the Village will provide an executed copy of its "Certificate of Village Treasurer Concerning Continuing Disclosure" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Village for the benefit of holders of and owners of beneficial interests in the Bonds, to provide, or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking,:

(1) (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced in this Official Statement under the heading "Litigation" and in Appendix A under the headings: "The Village", "Financial Factors", "Real Property Taxes", "Village Indebtedness" and "Economic and Demographic Data"; and in Appendix B, on or prior to the end of the six month following the end of each fiscal year, commencing with the fiscal year ending May 31, 2018 and (ii) the audited financial statement, if any, of the Village for each fiscal year commencing with the fiscal year ending May 31, 2018 unless such audited financial statement, if any, shall not then be available in which case the unaudited financial statement shall be provided and

an audited financial statement shall be provided within 30 days after it becomes available and in no event later than the last day of the following fiscal year;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(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 Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, 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.

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

(3) in a timely manner, notice of a failure to provide the annual financial information by the date specified.

The Village's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Village, and no person or entity, including a Holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Village to comply with the Undertaking will not constitute a default with respect to the Bonds.

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

### ***Compliance History***

The Village was late in filing its audited financial statements for the fiscal years ending May 31, 2013 through 2015, inclusive. For the fiscal years ending May 31, 2013, 2014 and 2015, the Village filed unaudited numbers within 180

days of the close of the fiscal year, but did not file audited financial statements within 30 days of the release of those statements.

Other than the foregoing, the Village is in compliance in all material respects with all previous undertakings made pursuant to the Rule 15c2-12.

### **RATING**

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

On March 31, 2017, Moody's downgraded the Village's underlying credit rating from "A1" to "Baa1" with a negative outlook.

Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of such bonds or the availability of a secondary market for those bonds.

### **MUNICIPAL ADVISOR**

Capital 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 County 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 County 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 County. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

### **ADDITIONAL INFORMATION**

Additional information regarding the Village may be obtained from Mr. Michael J. Fox, Village Treasurer, (516) 592-5109, [vstreas1@vsvny.org](mailto:vstreas1@vsvny.org), or from the Village's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 487-9818. The Village will act as Paying Agent with respect to the Bonds. 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 Bonds.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at [www.capmark.org](http://www.capmark.org). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or

other errors may have occurred in converting original source documents to digital format, and neither the Village nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the Village disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the Village also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Ruskin Moscou Faltischek, P.C. expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the Village for use in connection with the offer or sale of the Bonds, including this Official Statement. This Official Statement is submitted only in connection with the sale of the Bonds by the Village and may not be reproduced or used in whole or in part for any other purpose.

VILLAGE OF VALLEY STREAM  
NASSAU COUNTY, NEW YORK

By: \_\_\_\_\_  
Michael J. Fox  
Treasurer

DATED: March \_\_, 2018

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**APPENDIX A**

**THE VILLAGE**

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## **THE VILLAGE**

### ***General Information***

The Village is located in the southwestern portion of Nassau County (the “County”), approximately 18 miles east of New York City. The Village encompasses a land area of approximately 3.5 square miles, and is located within the Town of Hempstead (the “Town”) along the border with eastern Queens County, New York City. According to the U.S. Census Bureau’s 2016 American Community Survey, the Village has a population of 37,626.

The Village is primarily residential in nature, with many residents commuting to work in New York City and throughout the County. In addition, the Village has a well-established base of commercial and light industries, including manufacturing and research companies. Elementary, middle, and high school education is provided by the Valley Stream Union Free School Districts #13, #24 and #30, Hewlett-Woodmere Union Free School District and Valley Stream Central High School District.

### ***Transportation***

The Village is served by a network consisting of all major forms of transportation. Several primary State and U.S. highways provide access to the Village; the Southern State Parkway runs through Valley Stream. Passenger rail service is provided by the Long Island Railroad to terminals in New York City and Brooklyn. Weekday schedules provide numerous departures and arrivals in each direction daily. Weekend schedules offer reduced service. Travel time to either terminal averages about 35 minutes. Passenger bus service is provided by the Metropolitan Suburban Bus Authority with connections to Jamaica, Queens and the New York City subway. Air transportation is provided by Kennedy International Airport, located within 15 minutes from the Village, and La Guardia Airport, which is also located nearby.

### ***Form of Government***

The Village was incorporated as a municipal government by the State and vested with such powers and has the responsibilities inherent in the operation of 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 provisions of the State’s Local Finance Law. There are five independent public school districts situated all or in part in the Village that possess the same powers with respect to taxation and debt issuance. Village residents also pay real property taxes to the Town of Hempstead and the County to support programs conducted by these 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 and the Nassau County Administrative Code. The Village is responsible for the collection of Village taxes. Other taxes levied in the Village are collected and enforced by the County.

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

The Board of Trustees (the “Board”) is the legislative, appropriating, governing and policy determining body of the Village and consists of four trustees elected at large to serve a four-year term, plus the Mayor. Trustees may be elected to an unlimited number of terms. It is the responsibility of the Board of Trustees to enact, by resolution, all legislation including ordinances and local laws. Annual operating budgets for the Village must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Board. The original issuance of all Village indebtedness is subject to approval by the Board.

The Mayor is elected for a four-year term of office with the right to succeed himself. In addition, the Mayor is a full member of and the presiding officer of the Board.

The Village Clerk is appointed by the Mayor, subject to confirmation by the Board to serve a two-year term. The responsibilities of the Clerk are many and varied. The Clerk has custody of the corporate seal, books, records, and papers of the Village, and all the official reports and communications of the Board, and is clerk to the Board and each board of village officers and keeps the records of their proceedings. The Village Clerk is responsible for maintaining the Village code of laws and ordinances as it relates to the codes for building, plumbing, electric, zoning, vehicle and traffic regulations, and general ordinances.

The Village Treasurer is the chief fiscal officer of the Village. Duties and responsibilities of the position include: maintaining the Village's accounting systems and records, which includes the responsibility to prepare and file an annual financial report with the State Comptroller, custody and investment of Village funds, and debt management.

***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 these services provided by the Village are as follows: refuse collection and incineration; highway and public facilities maintenance; a local justice court that is responsible for enforcing provisions of the State's Vehicle and Traffic Law and local ordinances as well as having jurisdiction over certain civil and criminal matters; cultural and recreational activities; building code enforcement; and planning and zoning administration. The Henry Waldinger Memorial Public Library provides library services to Village residents through a facility which can house 250,000 volumes. Fire protection is furnished by a volunteer fire department with over 250 members. The Long Island Water Company, a privately owned firm, supplies water to the Village.

Pursuant to State law, the County is responsible for funding and providing various social service and health care programs such as Medicaid, aid to families with dependent children, home relief and mental health programs. Police protection is provided through the Nassau County Police District. The County is also responsible for certain sewer services for which purpose special districts have been established. In addition, the County operates a two-year community college which offers associate degrees in various fields of study.

***Employees***

The Village provides services through approximately 153 full-time and 300 to 350 part-time and seasonal (primarily for summer recreation programs) employees. The following table shows employee representation by collective bargaining agent and the date of expiration of the collective bargaining agreements.

| <u>Bargaining Agent</u>  | <u>Employees Represented</u> | <u>Contract Expiration Date</u> |
|--------------------------|------------------------------|---------------------------------|
| CSEA - Long Island #342: |                              |                                 |
| Unit I                   | 26                           | 5/31/2017 <sup>(1)</sup>        |
| Unit II                  | 103                          | 5/31/2017 <sup>(1)</sup>        |
| Unit III                 | 24                           | 5/31/2017 <sup>(1)</sup>        |

(1) Currently in negotiations.

***Employee Pension Benefits***

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System (the "Retirement System" or "ERS"). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such

amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. Except as noted below, all members hired on or after July 27, 1976 must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary.

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

On May 14, 2003, the Governor signed a pension reform bill into law as Chapter 49 of the Law of 2003 (“Chapter 49”). Chapter 49 changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Village was not provided with the required payment until after its budget was implemented. Under the reforms implemented by Chapter 49, 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. Chapter 49 also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible.

During its 2004 Session the New York State Legislature enacted further pension relief in the form of Chapter 260 of the Laws of 2004 (“Chapter 260”). Chapter 260 changed the pension payment date for all local governments from December 15 to February 1.

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

Due to significant capital market declines in the recent past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rate for the State's Retirement System in 2011 and subsequent years will be higher than the minimum contribution rate established by Chapter 49. To mitigate the expected increases in the employer contribution rate, legislation has been enacted that would permit local governments and schools districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5% percent. The new legislation also authorizes local governments and school districts to establish reserve accounts to fund future payment increases that are a result of fluctuations in pension plan performance.

For the fiscal years ended May 31, 2013, 2014, 2015, 2016, and 2017 the Village paid \$2,559,230; \$2,300,000; \$2,608,529; \$2,743,324 and 2,219,246 respectively to ERS. The payment for the fiscal year ending May 31, 2018 is expected to \$2,309,106 for ERS contributions. The budget for the fiscal year ending May 31, 2018 shows \$2,325,000 for ERS contributions. The Village did not amortize any portion of its ERS contribution for the fiscal year ended May 31, 2017. The Village does not plan on amortizing any portion of its future pension payments through the State.

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

Recently enacted accounting rule, 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. Actuarial valuation will be required every 2 years for the Village.

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 June 1, 2014 was approximately \$49,380,573. For financial reporting purposes, the Village has elected to amortize the AAL over 30 years. For the year ended May 31, 2016, the Village's ARC was \$4,291,316. 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.

## **FINANCIAL FACTORS**

### ***Independent Audit***

The financial statements of the Village are audited by the firm of Albrecht, Viggiano, Zureck & Company, P.C., 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.

### ***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, Water Fund, Recreation Fund, Village Club Fund and Trust and Agency Fund. The General Fund is the principal operating fund and includes all operations not required to be recorded in other funds. All property taxes and most non-tax revenues are paid into the General Fund and applicable revenues are paid into the Water Fund and Trust and Agency Fund. All current operating expenditures are made from the Funds pursuant to appropriations by the Board of Trustees.

### ***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.

## ***Budgetary Procedure***

The head of each administrative unit of the Village is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the Budget Officer on or before March 1st of each year. After reviewing these estimates, the Budget Officer prepares a tentative budget which includes his recommendations. The tentative budget is filed with the Village Clerk not later than March 20th. Subsequently, the Village Clerk presents the tentative budget to the Board of Trustees at a regular or special meeting. Review and preliminary alteration of the tentative budget by the Board of Trustees must be completed by March 31st. Following this review process, the tentative budget and such modifications, if any, as approved by the Board become the preliminary budget. A public hearing on the preliminary budget, notice of which must be given at least five (5) days prior to the hearing, must be held not later than April 15th. After the public hearing, the Village Board may further change and revise the preliminary budget. The Village Board must adopt the preliminary budget as submitted or amended by May 1st, at which time the preliminary budget becomes the annual budget of the Village for the ensuing fiscal year.

The budget summaries for the fiscal years ending May 31, 2016 and 2017 are presented in Appendix B hereto.

## ***Recent Financial Operations***

***2012 Audited Results.*** For the fiscal year ended May 31, 2012, based on audited results, General Fund revenues and other sources were approximately \$33.6 million and General Fund Expenditures and other uses were approximately \$35.8 million, which resulted in an operating deficit of \$2,169,566 and a cumulative General Fund balance of \$9,234,985.

***2013 Audited Results.*** For the fiscal year ended May 31, 2013, based on audited results, General Fund revenues and other sources were approximately \$34.3 million and General Fund Expenditures and other uses were approximately \$35.9 million, which resulted in an operating deficit of \$3,038,282 and a cumulative General Fund balance of \$6,196,703.

***2014 Audited Results.*** For the fiscal year ended May 31, 2014, based on audited results, General Fund revenues and other sources were approximately \$36.0 million and General Fund Expenditures and other uses were approximately \$38.3 million, which resulted in an operating deficit of \$2,324,109 and a cumulative General Fund balance of \$3,872,594.

***2015 Audited Results.*** For the fiscal year ended May 31, 2015, based on audited results, General Fund revenues and other sources were approximately \$36.3 million and General Fund Expenditures and other uses were approximately \$38.5 million, which resulted in an operating deficit of \$2,194,999 and a cumulative General Fund balance of \$1,677,595.

***2016 Audited Results.*** For the fiscal year ended May 31, 2016, based on audited results, General Fund revenues and other sources were approximately \$36.2 million and General Fund Expenditures and other uses were approximately \$39.2 million, which resulted in an operating deficit of \$2,945,742 and a cumulative General Fund deficit of \$1,268,147.

***2017 Unaudited Results.*** For the fiscal year ended May 31, 2017, *based on preliminary results, subject to change*, General Fund revenues and other sources were approximately \$39.1 million and General Fund Expenditures and other uses were approximately \$38.5 million, which resulted in an operating surplus of \$638,620 and a cumulative General Fund deficit of \$2,279,027.

***2018 Adopted Budget.*** For the fiscal year ending May 31, 2018, General Fund revenues are budgeted to be approximately \$38.8 million and General Fund Expenditures and other uses are approximately \$38.8 million. (See "Appendix B" herein.)

## 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 74.01% of total General Fund revenues for the fiscal year ended May 31, 2017, *based on preliminary results, subject to change*, and State aid accounted for 2.76%.

**Real Property Tax.** The following table sets forth the total General Fund and real property tax revenues for the last five fiscal years, one unaudited fiscal year and the amount budgeted for the current fiscal year.

| <u>Fiscal Year Ending May 31:</u> | <u>Property Taxes</u> |                            |  |
|-----------------------------------|-----------------------|----------------------------|--|
|                                   | <u>Total Revenues</u> | <u>Real Property Taxes</u> | <u>Real Property Taxes to Revenues</u> |
| 2012                              | \$33,508,466          | \$24,615,887               | 73.46%                                 |
| 2013                              | 34,333,295            | 25,096,352                 | 73.10                                  |
| 2014                              | 35,943,788            | 26,248,671                 | 73.03                                  |
| 2015                              | 36,278,222            | 26,361,994                 | 72.67                                  |
| 2016                              | 36,215,381            | 26,937,503                 | 74.38                                  |
| 2017 (Unaudited)                  | 39,129,774            | 28,958,143                 | 74.01                                  |
| 2018 (Adopted Budget)             | 38,809,739            | 29,320,143                 | 75.55                                  |

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

**State Aid.** The Village receives financial assistance from the State. Based on audited results, State aid accounted for approximately 2.91% of the total general fund revenues of the Village in the 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 affect 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.)

Due to the current fiscal crisis occurring in the State and nation, there may be reductions in State aid to local governments and school districts, including the Village, in future fiscal years. State aid accounts for a small portion of the Village's 2017-2018 budgeted revenues (2.91%) and as a result the Village does not believe that any future State aid reductions will have a material adverse effect on the Village.

The following table sets forth the total general fund and state aid revenues for the last five fiscal years, one unaudited fiscal year and the amount budgeted for the current fiscal year.

| <u>Fiscal Year Ending May 31:</u> | <u>State Aid</u>      |                  |                              |
|-----------------------------------|-----------------------|------------------|------------------------------|
|                                   | <u>Total Revenues</u> | <u>State Aid</u> | <u>State Aid to Revenues</u> |
| 2012                              | \$33,508,466          | \$1,069,920      | 3.19%                        |
| 2013                              | 34,333,295            | 973,444          | 2.84                         |
| 2014                              | 35,943,788            | 1,816,361        | 5.05                         |
| 2015                              | 36,278,222            | 1,088,288        | 3.00                         |
| 2016                              | 36,215,381            | 1,091,829        | 3.01                         |
| 2017 (Unaudited)                  | 39,129,774            | 1,079,236        | 2.76                         |
| 2018 (Adopted Budget)             | 38,808,739            | 1,128,363        | 2.91                         |

Source: Audited and Unaudited Financial Statements and Adopted Budget 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.

## ***Construction Activity***

The number of building permits issued within the Village and the estimated cost of construction based on permits issued for each of the last five years is set forth below.

| Calendar<br><u>Year</u> | New<br>No. of<br><u>Permits</u> | Residential<br>Construction<br>No. of<br><u>Permits</u> | Commercial<br>Construction<br>No. of<br><u>Permits</u> | Total<br>Est.<br><u>Value</u> |
|-------------------------|---------------------------------|---|--|-------------------------------|
| 2013                    | 9                               | 151   | 46   | \$ 9,039,263                  |
| 2014                    | 11                              | 197   | 47   | 22,814,348                    |
| 2015                    | 11                              | 299   | 57   | 11,028,040                    |
| 2016                    | 10                              | 354   | 65   | 13,340,315                    |
| 2017                    | 15                              | 696   | 116  | 30,194,515                    |

## **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.

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<br><u>Ending May 31:</u> | Gross<br><u>Tax Levy</u> | Total Taxes<br><u>Collected</u> | Percentage of<br><u>Taxes Collected</u> |
|--------------------------------------|--------------------------|---------------------------------|---|
| 2014                                 | \$26,238,735             | \$26,127,273                    | 99.58%                                  |
| 2015                                 | 26,667,467               | 26,515,996                      | 99.43                                   |
| 2016                                 | 27,104,460               | 26,966,417                      | 99.49                                   |
| 2017                                 | 28,958,939               | 28,712,008                      | 99.15                                   |
| 2018                                 | 29,320,143               | 28,828,000                      | 98.32                                   |

(1) Collections as of March 7, 2018.

### ***Real Estate Tax Levying Limitation***

The Village is responsible for preparing the tax assessment role and levying taxes for Village purposes. In addition to the limitations imposed by the Tax Levy Limit Law, 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**

| <u>Assessment<br/>Year</u>                                      | <u>Fiscal Year<br/>Ending May 31:</u> | <u>Assessed<br/>Valuation</u> | <u>State Equalization<br/>Ratio</u> | <u>Full Valuation</u>   |
|---|---------------------------------------|-------------------------------|-------------------------------------|-------------------------|
| 2013  | 2014                                  | \$65,698,671                  | 1.66                                | \$ 3,957,751,265        |
| 2014  | 2015                                  | 65,522,033                    | 1.71                                | 3,831,697,836           |
| 2015  | 2016                                  | 64,952,428                    | 1.64                                | 3,960,513,902           |
| 2016  | 2017                                  | 64,739,868                    | 1.54                                | 4,203,887,532           |
| 2017  | 2018                                  | 64,113,037                    | 1.49                                | <u>4,302,888,389</u>    |
|   |                                       |                               | Total:                              | <u>\$20,256,738,924</u> |
| Five-Year Average Valuation                                     |                                       |                               |                                     | <u>\$4,051,347,785</u>  |
| Tax Levying Limitation: 2% of Average Five-Year Full Valuation: |                                       |                               |                                     | \$81,026,956            |
| Real Estate Tax Levy for 2017-2018                              |                                       |                               |                                     | 29,320,143              |
| Less: Exclusions  |                                       |                               |                                     | 3,976,268               |
| Tax Levy Subject to Tax Limit                                   |                                       |                               |                                     | <u>25,343,875</u>       |
| Constitutional Net Tax Margin                                   |                                       |                               |                                     | <u>\$55,683,081</u>     |
| Percent of Tax Limitation Exhausted                             |                                       |                               |                                     | <u>31.28%</u>           |

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

***Tax Levy Limit Law***

On June 24, 2011, Chapter 97 of the Laws of 2011 (the “Tax Levy Limit Law”) was enacted. The Tax Levy Limit Law imposes a tax levy limitation of the Village for any fiscal each commencing after January 1, 2012 without providing an express exclusion for real property taxes levied for payment of principal of and interest on general obligations issued by the Village under the Local Finance Law. Accordingly, the power of the Village to levy real property taxes on all taxable real property within the Village without limitation as to rate or amount in furtherance of the pledge of its faith and credit as required in the New York Constitution is subject to statutory limitations pursuant to formulae set forth in the Tax Levy Limit Law.

The Tax Levy Limit Law restricts, among other things, the amount of real property taxes that may be levied by or on behalf of the Village in a particular year. Under the Legislation, the tax levy of the Village may not increase by more than the lesser of (i) two percent (2.0%) or (ii) the annual increase in the consumer price index, over the amount of the Village’s prior year’s tax levy (the “Tax Levy Increase Limit”). The exceptions for a tax levy above such amount are (i) funds needed to pay judgments arising out of tort actions that exceed five percent (5.0%) of the total tax levied by the Village in the prior fiscal year and (ii) required pension payments (but only that portion of such payments attributable to the average contribution rate exceeding two percentage points). Taxes necessary for these expenditures will not be included in the calculation of the Tax Levy Increase Limit. The Tax Levy Limit Law also provides for adjustments to be made to the Village’s Tax Levy Increase Limit based upon changes in the assessed value of the taxable real property in the Village. Additionally, the Village will be permitted to carry forward a certain portion of its unused tax levy capacity from the prior year. Inasmuch as the Tax Levy Limit Law has no exclusion for principal and interest on notes and bonds, levies required to pay principal and interest on notes and bonds will be included in the calculation of the Tax Levy Increase Limit. The Village may override the Tax Levy Increase Limit in a given fiscal year by the adoption by sixty percent (60%) of the Board of Trustees of a local law to override the Tax Levy Increase Limit for that particular fiscal year only.

Prospective investors in the Bonds are encouraged to consult with their own legal and tax advisors and review the provisions of the Tax Levy Limit Law in its entirety.

***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.

|                            | <b><u>Tax Rates, Levies and Assessments</u></b> |                  |                  |                  |                  |
|----------------------------|---|------------------|------------------|------------------|------------------|
|                            | <u>2013-2014</u>                                | <u>2014-2015</u> | <u>2015-2016</u> | <u>2016-2017</u> | <u>2017-2018</u> |
| Assessed Valuation         | \$65,698,671                                    | \$65,522,033     | \$64,952,428     | \$64,739,868     | \$64,113,037     |
| Equalization Rates         | 1.66%   | 1.71%            | 1.64%            | 1.54%            | 1.49%            |
| Full Valuation             | 3,957,751,265                                   | \$3,831,697,836  | \$3,960,513,902  | 4,203,887,532    | 4,302,888,389    |
| Village Tax Levy           | 26,238,735                                      | 26,667,467       | 27,104,460       | 28,958,393       | 29,320,143       |
| Tax Rates per \$1,000 A.V. | 399.38  | 407.00           | 417.30           | 447.30           | 457.30           |

Source: New York State Office of Real Property Services.

***Ten Largest Taxpayers***

The following table presents the total assessed valuations of the Village’s largest property owners for the 2017-18 fiscal year.

| <b><u>Assessed Valuations</u></b> |                           |                           |   |
|-----------------------------------|---------------------------|---------------------------|---|
| <u>Property Owner</u>             | <u>Nature of Business</u> | <u>Assessed Valuation</u> | <u>Percentage of Total Assessed Valuation<sup>(1)</sup></u> |
| Long Island Power Authority       | Utility                   | \$1,249,596               | 1.95%   |
| Long Island Water Co.             | Utility                   | 1,115,165                 | 1.74  |
| Keyspan Energy Corp.              | Utility                   | 969,532                   | 1.51  |
| Green Acres Mall LLC              | Store Complex             | 922,242                   | 1.44  |
| Target Corporation                | Store Complex             | 300,000                   | 0.47  |
| Serota Realty                     | Office Building           | 240,168                   | 0.37  |
| Elias Properties                  | Store Complex             | 208,627                   | 0.33  |
| Sun National Bank                 | Office Building           | 201,600                   | 0.31  |
| ESS PRISA 11 LLC                  | Office Building           | 164,000                   | 0.26  |
| Toys R US                         | Store Complex             | <u>148,553</u>            | <u>0.23</u>   |
|                                   | Total:                    | <u>\$5,519,483</u>        | <u>8.61%</u>  |

(1) The total assessed valuation of the Village used for the 2017-18 year is \$64,113,037.

**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 and the Bonds.

***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 three fiscal years periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose (as determined by statute) or, in the alternative, the weighted average period of probable usefulness of the several purposes for which it is contracted, unless the Village determines to issue debt 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. However, the Tax Levy Limit Law imposes a statutory limitation on the Village's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. See "Tax Levy Limit Law" herein.

### ***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 Bonds.

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

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not 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, including the Bonds, 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 per centum of the most recent five-year average full valuation of taxable real estate of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last five completed assessment rolls and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

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

***Constitutional Debt Limit***

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

| <b><u>Constitutional Debt Limit</u></b>                     |                        |                               |                              |                           |
|---|------------------------|-------------------------------|------------------------------|---------------------------|
| <u>Assessment<br/>Roll</u>                                  | <u>Fiscal<br/>Year</u> | <u>Assessed<br/>Valuation</u> | <u>Equalization<br/>Rate</u> | <u>Full<br/>Valuation</u> |
| 2013  | 2014                   | \$65,698,671                  | 1.66%                        | \$ 3,957,751,265          |
| 2014  | 2015                   | 65,522,033                    | 1.71                         | 3,831,697,836             |
| 2015  | 2016                   | 64,952,428                    | 1.64                         | 3,960,513,902             |
| 2016  | 2017                   | 64,739,868                    | 1.54                         | 4,203,887,532             |
| 2017  | 2018                   | 64,113,037                    | 1.49                         | <u>4,302,888,389</u>      |
| Total Five-Year Full Valuations                             |                        |                               |                              | <u>\$20,256,738,924</u>   |
| Average Full Valuation                                      |                        |                               |                              | <u>\$ 4,051,347,785</u>   |
| Debt Limit – Seven (7) per centum of Average Full Valuation |                        |                               |                              | <u>\$ 283,594,345</u>     |

Source: Office of the State Comptroller, Real Property Services

## ***Statement of Debt Contracting Power***

### **Statement of Debt-Contracting Power** **(as of March 15, 2018)**

|  |              |                      |
|--|--------------|----------------------|
| Debt-Contracting Limitation:                   |              | \$283,594,345        |
| Gross Direct Indebtedness:                     |              |                      |
| Bonds:   |              |                      |
| Serial Bonds                                   | \$29,115,000 |                      |
| Bond Anticipation Notes                        | 0            |                      |
| Total Gross Direct Indebtedness                |              | <u>29,115,000</u>    |
| Less Exclusions and Deductions:                |              |                      |
| Appropriations                                 |              |                      |
| During Current Fiscal Year                     | 1,900,000    |                      |
| Total Exclusions                               |              | <u>1,900,000</u>     |
| Total Net Direct Indebtedness                  |              | <u>\$27,215,000</u>  |
| Debt-Contracting Margin                        |              | <u>\$256,379,345</u> |
| Percentage of Debt-Contracting Power Exhausted |              | <u>9.60%</u>         |

Source: Village officials.

### ***Remedies Upon Default***

Under current law, provision is made for contract creditors (including the Bondholders) of the Village to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to 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, although judicial mandates have been issued to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy.

Remedies for enforcement of payment are not expressly included in the Village's contract with holders of its bonds and notes, although any permanent repeal by statute or constitutional amendment of a bondholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

The State has consented 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. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debts including judicial control over identifiable and unidentifiable creditors.

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events, including financial crises as they may occur in the State and in municipalities of the State, require the exercise by the State of its emergency and police powers to assure the continuation of essential public services.

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

***Direct and Overlapping Indebtedness***

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

**Statement of Direct and Overlapping Indebtedness**

| <u>Issuer</u>                   | <u>Net Debt<br/>Outstanding</u> | <u>As of:</u> | <u>Village<br/>Share</u> | <u>Amount Applicable<br/>To Village</u> |
|---------------------------------|---------------------------------|---------------|--------------------------|---|
| Nassau County                   | \$3,531,503,000                 | 10/31/17      | 1.78%                    | \$62,860,753                            |
| Town of Hempstead               | 231,220,386                     | 3/28/17       | 4.06                     | 9,387,548                               |
| Valley Stream UFSD #13          | 0                               | 6/30/16       | 34.00                    | 0                                       |
| Valley Stream UFSD #24          | 0                               | 6/30/16       | 81.00                    | 0                                       |
| Valley Stream UFSD #30          | 935,000                         | 6/30/17       | 58.00                    | 542,300                                 |
| Valley Stream CHSD              | 0                               | 6/30/16       | 53.00                    | 0                                       |
| Hewlett-Woodmere UFSD           | 29,425,000                      | 9/14/17       | 10.00                    | <u>2,942,500</u>                        |
| Total Net Overlapping Debt      |                                 |               |                          | <u>\$75,733,101</u>                     |
| Total Net Direct Debt           |                                 |               |                          | <u>27,215,000</u>                       |
| Net Direct and Overlapping Debt |                                 |               |                          | <u>\$102,948,101</u>                    |

***Debt Ratios***

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

**Debt Ratios**

|                                 | <u>Amount</u> | <u>Debt Per<br/>Capita <sup>(1)</sup></u> | <u>Debt to<br/>Full Value <sup>(2)</sup></u> |
|---------------------------------|---------------|---|--|
| Net Direct Debt                 | \$ 27,215,000 | \$ 723                                    | 0.63%  |
| Net Direct and Overlapping Debt | 102,948,101   | 2,736                                     | 2.39   |

(1) The population of the Village is 37,626 according to the 2016 U.S. Census.

(2) The Village's full value of taxable real property used to levy taxes in 2017-2018 is \$4,302,888,389.

***Bond Anticipation Notes***

The Village currently has no bond anticipation notes outstanding.

***Tax and Revenue Anticipation Notes***

The Village currently has no tax or revenue anticipation notes outstanding.

### ***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**

|                          | <u>2013</u>         | <u>2014</u>         | <u>2015</u>         | <u>2016</u>         | <u>2017</u> <sup>(1)</sup> |
|--------------------------|---------------------|---------------------|---------------------|---------------------|----------------------------|
| Bonds:                   | \$28,450,000        | \$25,465,000        | \$28,575,000        | \$29,335,000        | \$29,115,000               |
| Bond Anticipation Notes: | <u>0</u>            | <u>3,000,000</u>    | <u>0</u>            | <u>0</u>            | <u>0</u>                   |
| Total:                   | <u>\$28,450,000</u> | <u>\$28,465,000</u> | <u>\$28,575,000</u> | <u>\$29,335,000</u> | <u>\$29,115,000</u>        |

(1) Unaudited

Source: Audited and Unaudited 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 for the fiscal years ending as follows, exclusive of the Bonds and economically defeased obligations.

#### **Bond Principal and Interest Maturity**

| Fiscal Year<br><u>Ending May 31:</u> | <u>Principal</u>    | <u>Interest</u>    | <u>Total<br/>Debt Service</u> |
|--------------------------------------|---------------------|--------------------|-------------------------------|
| 2018 <sup>(1)</sup>                  | \$3,075,000         | \$901,268          | \$3,976,268                   |
| 2019                                 | 2,660,000           | 819,450            | 3,479,450                     |
| 2020                                 | 2,630,000           | 737,094            | 3,367,094                     |
| 2021                                 | 2,705,000           | 653,797            | 3,358,797                     |
| 2022                                 | 2,785,000           | 567,410            | 3,352,410                     |
| 2023                                 | 2,400,000           | 491,173            | 2,891,173                     |
| 2024                                 | 2,280,000           | 424,152            | 2,704,152                     |
| 2025                                 | 2,115,000           | 358,444            | 2,473,444                     |
| 2026                                 | 1,625,000           | 303,225            | 1,928,225                     |
| 2027                                 | 1,550,000           | 259,824            | 1,809,824                     |
| 2028                                 | 1,595,000           | 216,429            | 1,811,429                     |
| 2029                                 | 1,385,000           | 171,285            | 1,556,285                     |
| 2030                                 | 1,040,000           | 130,655            | 1,170,655                     |
| 2031                                 | 575,000             | 95,342             | 670,342                       |
| 2032                                 | 600,000             | 73,925             | 673,925                       |
| 2033                                 | 620,000             | 50,987             | 670,987                       |
| 2034                                 | <u>650,000</u>      | <u>26,500</u>      | <u>676,500</u>                |
| Total:                               | <u>\$30,290,000</u> | <u>\$6,280,960</u> | <u>\$36,570,960</u>           |

(1) For the entire fiscal year.

Source: Village Officials.

### ***Prospective Capital Financing***

Following the issuance of the Bonds, the Village will have no authorized but unissued debt.

## **ECONOMIC AND DEMOGRAPHIC DATA**

### ***Population***

The following table presents population trends based upon recent census data.

|         | <u><b>Population Trend</b></u> |             |             |
|---------|--------------------------------|-------------|-------------|
|         | <u>2000</u>                    | <u>2010</u> | <u>2016</u> |
| Village | 36,368                         | 37,511      | 37,626      |
| Town    | 755,924                        | 759,757     | 768,708     |
| County  | 1,334,554                      | 1,339,532   | 1,356,801   |
| State   | 18,976,457                     | 19,378,102  | 19,697,457  |

### ***Income***

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

|         | <u><b>Median Household Income</b></u> |             |             |
|---------|---------------------------------------|-------------|-------------|
|         | <u>2000</u>                           | <u>2010</u> | <u>2016</u> |
| Village | \$72,585                              | \$82,279    | \$94,681    |
| Town    | 77,147                                | 89,722      | 97,034      |
| County  | 81,246                                | 96,613      | 102,044     |
| State   | 51,691                                | 55,603      | 60,741      |

Source: Long Island Almanac.

### ***Employment and Unemployment***

The following tables provide information concerning employment in the Village, Town, the County and the State.

|         | <u><b>Civilian Labor Force</b></u><br>(Thousands) |             |             |             |             |
|---------|---|-------------|-------------|-------------|-------------|
|         | <u>2013</u>                                       | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Village | 19.6  | 19.4        | 19.7        | 19.6        | 19.7        |
| Town    | 397.1   | 393.5       | 398.9       | 398.5       | 399.7       |
| County  | 695.1   | 689.3       | 699.6       | 699.0       | 701.1       |
| State   | 9,623.1   | 9,570.7     | 9,591.2     | 9,584.5     | 9,653.9     |

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

|             | <u><b>Yearly Average Unemployment Rates</b></u> |             |               |              |
|-------------|---|-------------|---------------|--------------|
| <u>Year</u> | <u>Village</u>                                  | <u>Town</u> | <u>County</u> | <u>State</u> |
| 2013        | 6.4%  | 6.2%        | 5.9%          | 7.7%         |
| 2014        | 5.3   | 5.0         | 4.8           | 6.3          |
| 2015        | 4.7   | 4.5         | 4.3           | 5.3          |
| 2016        | 4.2   | 4.1         | 3.9           | 4.8          |
| 2017        | 4.4   | 4.2         | 4.0           | 4.6          |

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



### **Monthly Unemployment Rates**

| <u>Month</u> | <u>Village</u> | <u>Town</u> | <u>County</u> | <u>State</u> |
|--------------|----------------|-------------|---------------|--------------|
| January 2017 | 4.1            | 4.2         | 4.1%          | 4.9%         |
| February     | 4.4            | 4.5         | 4.3           | 5.0          |
| March        | 3.8            | 3.9         | 3.7           | 4.4          |
| April        | 3.9            | 3.9         | 3.7           | 4.2          |
| May          | 4.1            | 3.9         | 3.8           | 4.3          |
| June         | 4.5            | 4.3         | 4.1           | 4.5          |
| July         | 4.9            | 4.5         | 4.3           | 4.9          |
| August       | 4.9            | 4.5         | 4.2           | 4.9          |
| September    | 4.6            | 4.3         | 4.1           | 4.7          |
| October      | 4.6            | 4.2         | 4.0           | 4.6          |
| November     | 4.7            | 4.5         | 4.2           | 4.5          |
| December     | 4.1            | 4.2         | 4.0           | 4.4          |

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

### **Major Employers in the Village**

| <u>Name of Employer</u> | <u>Nature of Business</u> | <u>Approximate Number of Employees</u> |
|-------------------------|---------------------------|--|
| Franklin Medical Center | Hospital                  | 1,000+                                 |
| Washington Mutual Bank  | Bank                      | 501 - 1,000                            |
| JPMorgan Chase          | Bank                      | 101 - 250                              |
| Macy's                  | Retail                    | 101 - 250                              |
| Target Corporation      | Retail                    | 101 - 250                              |
| Toys R Us               | Retail                    | 51 - 100                               |
| CVS Pharmacy            | Pharmaceuticals           | 51 - 100                               |
| King Kullen             | Supermarket               | 51 - 100                               |
| Walbaums                | Supermarket               | 51 - 100                               |
| Staples                 | Office Supplies           | 51 - 100                               |

Source: County Planning Department and Village Officials.

### ***Financial Institutions***

Numerous banking facilities are available in and around the Village. Commercial banks located within the Village include branch offices of Citibank, N.A., Bank of America, JPMorgan Chase and Capital One and the only savings bank located within the Village is Astoria Savings.

### ***Communications***

The Village is served by the New York metropolitan newspapers, radio and television stations. In addition, various local newspapers and radio stations service Long Island including residents of the Village. Cable television is provided by a private cable company.

### ***Utilities***

The residents of Valley Stream receive electric and natural gas services from the Keyspan Energy Corp. Water is provided by the Long Island Water Corporation. Sewer service is provided by a Nassau County Sewer District and residents of the Village are charged for this service as part of the Town and County tax bill.

### ***Education and Cultural Institutions***

There are 21 colleges and universities located on Long Island which provide programs of higher education. Adelphi University and Hofstra University are situated within the Town of Hempstead, nearby the Village of Valley Stream. Both of these universities offer Bachelor's, Masters and Doctoral Degree programs. Nassau Community College, a two-year institution offering an Associate Degree program, is also located within the Town of Hempstead.

The Village has its own public library which houses numerous books and periodicals. The library also offers exhibits, lectures and other programs periodically. Located nearby, within the town of Hempstead, is Hofstra University's Emily Lowe Gallery, which is famous for its diversified exhibitions. The Cradle of Aviation Museum, also in Hempstead, depicts many historic aviation events. In addition, residents of Valley Stream are approximately one-half hour from New York City's Museums, theater and other cultural activities.

**End of Appendix A**

**APPENDIX B**

**SUMMARY FINANCIAL STATEMENTS**

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**VILLAGE OF VALLEY STREAM**  
 Adopted Budgets - General Fund  
 Fiscal Year Ending May 31:

|   | <u>2017</u>                    | <u>2018</u>                    |
|---|--------------------------------|--------------------------------|
| Revenues:                                     |                                |                                |
| Real Property Taxes                           | \$28,958,393                   | \$29,320,143                   |
| Other Tax Items                               | 675,000                        | 695,000                        |
| Non-Property Tax Items                        | 1,461,225                      | 1,480,225                      |
| Departmental Income                           | 55,350                         | 62,750                         |
| Transportation                                | 655,000                        | 695,000                        |
| Culture & Recreation                          | 625,000                        | 675,000                        |
| Home & Community Services                     | 61,000                         | 71,000                         |
| Intergovernmental Charges                     | 985,000                        | 1,000,786                      |
| Use Of Money And Property                     | 626,000                        | 543,250                        |
| Licenses And Permits                          | 908,900                        | 944,350                        |
| Fines And Forfeitures                         | 1,875,000                      | 2,000,000                      |
| Sale Of Property And<br>Compensation For Loss | 46,750                         | 33,000                         |
| Miscellaneous                                 | 156,797                        | 160,872                        |
| State Aid                                     | 1,118,211                      | 1,128,363                      |
| Appropriated Fund Balance                     | <u>0</u>                       | <u>0</u>                       |
| <br>Total Revenues                            | <br><u><u>\$38,207,626</u></u> | <br><u><u>\$38,809,739</u></u> |
| Expenditures:                                 |                                |                                |
| General Government Support                    | \$7,024,545                    | \$6,481,295                    |
| Public Safety                                 | 3,003,293                      | 3,058,777                      |
| Health  | 136,211                        | 146,011                        |
| Transportation                                | 4,166,095                      | 4,484,197                      |
| Economic Opportunity<br>And Development       | 35,000                         | 38,700                         |
| Culture And Recreation                        | 4,541,243                      | 4,759,305                      |
| Home And Community                            | 4,618,235                      | 4,852,961                      |
| Employee Benefits                             | 8,423,050                      | 8,989,223                      |
| Debt Service                                  | 4,610,345                      | 4,329,000                      |
| Transfers                                     | <u>1,649,609</u>               | <u>1,670,270</u>               |
| <br>Total Expenditures                        | <br><u><u>\$38,207,626</u></u> | <br><u><u>\$38,809,739</u></u> |

Source: Adopted Budgets of the Village.

**VILLAGE OF VALLEY STREAM**  
Balance Sheet  
General Fund  
Fiscal Year Ended May 31:

|  | <u>2015</u>               | <u>2016</u>               | <u>2017</u> <sup>(1)</sup> |
|--|---------------------------|---------------------------|----------------------------|
| <b>Assets:</b>                           |                           |                           |                            |
| Cash                                     | \$6,613,199               | \$4,592,002               | \$5,388,826                |
| Restricted Assets                        | 445                       | 1,279                     | 49,375                     |
| Tax Liens Receivable                     | 473,296                   | 573,240                   | 710,700                    |
| Accounts Receivable                      | 51,123                    | 5,347                     | 161,965                    |
| Due From Other Funds                     | 501,807                   | 7,587                     | 843,409                    |
| State and Federal Aid Receivable         | 708,585                   | 245,631                   | 157,162                    |
| Due From Other Governments               | 24,728                    | 511,759                   | 152,005                    |
| Inventory                                | 20,962                    | 17,891                    | 10,729                     |
| Prepaid Expenses                         | <u>337,568</u>            | <u>381,676</u>            | <u>433,631</u>             |
| <br>                                     |                           |                           |                            |
| Total Assets                             | <u><u>\$8,731,713</u></u> | <u><u>\$6,336,412</u></u> | <u><u>\$7,907,802</u></u>  |
| <br>                                     |                           |                           |                            |
| <b>Liabilities and Fund Balance:</b>     |                           |                           |                            |
| <b>Liabilities</b>                       |                           |                           |                            |
| Accounts Payable and Accrued Liabilities | \$1,696,946               | \$1,527,482               | \$1,220,619                |
| Due to Other Funds                       | 0                         | 9,813                     | 79,306                     |
| Due To Other Governments                 | 109,314                   | 9,621                     | 358,270                    |
| Other Liabilities                        | 65,468                    | 0                         | 1,876,336                  |
| Unearned Revenues                        | 32,000                    | 38,000                    | 0                          |
| Deferred Inflows of Revenues             | <u>0</u>                  | <u>6,019,643</u>          | <u>6,652,298</u>           |
| <br>                                     |                           |                           |                            |
| Total Liabilities                        | <u><u>\$1,903,728</u></u> | <u><u>\$7,604,559</u></u> | <u><u>\$10,186,829</u></u> |
| <br>                                     |                           |                           |                            |
| <b>Fund Balance:</b>                     |                           |                           |                            |
| Nonspendable                             | \$358,530                 | \$449,073                 | \$194,377                  |
| Restricted                               | 401,345                   | 442,407                   | 46,861                     |
| Assigned                                 | 917,720                   | 0                         | 0                          |
| Unassigned                               | <u>0</u>                  | <u>(2,159,627)</u>        | <u>(2,520,265)</u>         |
| <br>                                     |                           |                           |                            |
| Total Fund Balance                       | <u><u>1,677,595</u></u>   | <u><u>(1,268,147)</u></u> | <u><u>(2,279,027)</u></u>  |
| <br>                                     |                           |                           |                            |
| Total Liabilities and Fund Balance       | <u><u>\$3,581,323</u></u> | <u><u>\$6,336,412</u></u> | <u><u>\$7,907,802</u></u>  |

(1) Unaudited - subject to change

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

**VILLAGE OF VALLEY STREAM**  
 Combined Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 General Fund  
 Fiscal Year Ended May 31:

|  | <u>2012</u>                | <u>2013</u>                | <u>2014</u>                | <u>2015</u>                | <u>2016</u>                 | <u>2017 <sup>(1)</sup></u>  |
|--|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| <b>Revenues:</b>   |                            |                            |                            |                            |                             |                             |
| Real Property Taxes  | \$24,615,887               | \$25,096,352               | \$26,248,671               | \$26,361,994               | \$26,937,503                | \$28,958,143                |
| Other Tax Items  | 426,862                    | 440,478                    | 613,896                    | 649,536                    | 578,471                     | 742,302                     |
| Non-Property Tax   | 1,215,061                  | 1,211,026                  | 1,387,524                  | 1,368,448                  | 1,313,230                   | 1,355,691                   |
| Departmental Income  | 1,085,527                  | 1,141,586                  | 1,235,638                  | 1,302,927                  | 1,482,145                   | 1,605,794                   |
| Intergovernmental Charges  | 1,060,856                  | 1,064,276                  | 1,067,765                  | 1,071,324                  | 1,140,837                   | 1,099,938                   |
| Use Of Money And Property  | 593,180                    | 578,819                    | 608,420                    | 610,673                    | 576,030                     | 580,736                     |
| Licenses and Permits   | 737,061                    | 678,146                    | 691,739                    | 1,104,042                  | 966,136                     | 1,047,563                   |
| Fines and Forfeitures  | 1,424,598                  | 1,498,598                  | 1,842,092                  | 1,966,061                  | 1,878,766                   | 2,070,936                   |
| Sale of Property and<br>Compensation for Loss  | 555,791                    | 230,471                    | 38,478                     | 56,483                     | 88,121                      | 384,133                     |
| Miscellaneous  | 89,900                     | 35,527                     | 190,853                    | 37,736                     | 90,526                      | 141,231                     |
| State Aid  | 1,069,920                  | 973,444                    | 1,816,361                  | 1,088,288                  | 1,091,829                   | 1,079,236                   |
| Federal Aid  | 633,823                    | 1,384,572                  | 202,351                    | 660,710                    | 71,787                      | 64,071                      |
| <b>Total Revenue</b>   | <b><u>\$33,508,466</u></b> | <b><u>\$34,333,295</u></b> | <b><u>\$35,943,788</u></b> | <b><u>\$36,278,222</u></b> | <b><u>\$36,215,381</u></b>  | <b><u>\$39,129,774</u></b>  |
| <b>Expenditures:</b>   |                            |                            |                            |                            |                             |                             |
| General Government Support   | \$6,527,101                | \$6,959,697                | \$7,358,685                | \$7,320,959                | \$7,368,990                 | \$6,753,887                 |
| Public Safety  | 3,048,512                  | 2,991,027                  | 2,949,550                  | 2,898,889                  | 2,902,430                   | 2,660,976                   |
| Health   | 131,867                    | 131,130                    | 123,584                    | 123,353                    | 128,872                     | 138,639                     |
| Transportation   | 3,477,657                  | 3,706,567                  | 3,927,062                  | 4,249,923                  | 4,184,528                   | 4,641,557                   |
| Economic Assistance And Opportunity  | 531,158                    | 74,266                     | 1,120,036                  | 699,479                    | 298,397                     | 105,760                     |
| Culture And Recreation   | 4,362,283                  | 4,456,409                  | 4,216,617                  | 4,154,816                  | 4,354,228                   | 4,042,936                   |
| Home And Community Services  | 4,795,250                  | 4,926,378                  | 4,560,697                  | 4,517,682                  | 4,605,243                   | 5,191,898                   |
| Employee Benefits  | 7,491,829                  | 8,522,425                  | 8,657,271                  | 9,024,657                  | 9,296,923                   | 9,940,877                   |
| Debt Service   | 4,129,321                  | 4,178,372                  | 3,976,404                  | 4,002,067                  | 7,762,550                   | 5,014,624                   |
| <b>Total Expenditures</b>  | <b><u>\$34,494,978</u></b> | <b><u>\$35,946,271</u></b> | <b><u>\$36,889,906</u></b> | <b><u>\$36,991,825</u></b> | <b><u>\$40,902,161</u></b>  | <b><u>\$38,491,154</u></b>  |
| <b>Excess (Def) of Revenues<br/>Over Expenditures</b>  | <b>(986,512)</b>           | <b>(1,612,976)</b>         | <b>(946,118)</b>           | <b>(713,603)</b>           | <b>(4,686,780)</b>          | <b>638,620</b>              |
| <b>Other Financing Sources (Uses):</b>   |                            |                            |                            |                            |                             |                             |
| Premiums on Obligations  | 33,177                     | 43,521                     | 0                          | 2,466                      | 476,075                     | 0                           |
| Refunding Bonds Issued   | 0                          | 0                          | 0                          | 0                          | 3,735,000                   | 0                           |
| Payments to Refunded Bond Escrow   | 0                          | 0                          | 0                          | 0                          | (990,000)                   | 0                           |
| Proceeds From Obligations  | 0                          | 0                          | 0                          | 0                          | 0                           | 0                           |
| Operating Transfers In   | 134,189                    | 13,057                     | 21,421                     | 15,868                     | 41,062                      | 0                           |
| Operating Transfers Out  | (1,350,420)                | (1,481,884)                | (1,399,412)                | (1,499,730)                | (1,521,099)                 | (1,649,500)                 |
| <b>Total Other Sources (Uses)</b>  | <b><u>(1,183,054)</u></b>  | <b><u>(1,425,306)</u></b>  | <b><u>(1,377,991)</u></b>  | <b><u>(1,481,396)</u></b>  | <b><u>1,741,038</u></b>     | <b><u>(1,649,500)</u></b>   |
| <b>Excess (Def) of Revenues<br/>&amp; Other Sources Over<br/>Expenditures &amp; Other Uses</b> | <b>(2,169,566)</b>         | <b>(3,038,282)</b>         | <b>(2,324,109)</b>         | <b>(2,194,999)</b>         | <b>(2,945,742)</b>          | <b>(1,010,880)</b>          |
| <b>Fund Balance - Beg. of Year</b>   | <b>11,404,551</b>          | <b>9,234,985</b>           | <b>6,196,703</b>           | <b>3,872,594</b>           | <b>1,677,595</b>            | <b>(1,268,147)</b>          |
| <b>Change in Accounting Principle</b>  | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                    | <b>0</b>                    |
| <b>Prior Period Adjustments</b>  | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                    | <b>0</b>                    |
| <b>Fund Balance - End of Year</b>  | <b><u>\$9,234,985</u></b>  | <b><u>\$6,196,703</u></b>  | <b><u>\$3,872,594</u></b>  | <b><u>\$1,677,595</u></b>  | <b><u>(\$1,268,147)</u></b> | <b><u>(\$2,279,027)</u></b> |

(1) Unaudited - subject to change

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

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**APPENDIX C**

**AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED  
MAY 31, 2016**

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website  
of the Municipal Securities Rulemaking Board (“MSRB”)  
at the following link:**

**<http://emma.msrb.org/EP1165917.pdf>**

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

**\* Such Financial Statements and opinion are intended to be representative only as of the date thereof. Albrecht, Viggiano, Zureck & Company, P.C., Certified Public Accountants 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.**