NEW ISSUE—FULL BOOK ENTRY

RATINGS: S&P: SP-1+
Fitch: F1
(See "RATINGS" herein)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the County, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS."

COUNTY OF NASSAU, NEW YORK
GENERAL OBLIGATIONS
$98,895,000 BOND ANTICIPATION NOTES,
2016 SERIES D (FEDERALLY TAXABLE)

Coupon: 1.400% **Price: 100%** **CUSIP*: 63165TXF7** **Due: December 15, 2017**

Dated: Date of Delivery

The Bond Anticipation Notes, 2016 Series D (Federally Taxable) (the "Notes") are general obligations of the County of Nassau, New York (the "County"), for the payment of which the County has pledged its faith and credit. All of the taxable real property within the County is subject to the levy of ad valorem taxes, subject to applicable statutory limitations, to pay both the principal of and interest on the Notes. See "THE NOTES — Tax Levy Limitation Law" herein.

Interest on the Notes is payable at maturity. The Notes are payable from amounts provided by the County. See "THE NOTES" herein.

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

The Notes are offered when, as and if issued and received by the Underwriters. The issuance of the Notes is subject to the approval of the legality thereof by Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the County. Certain legal matters with respect to the Notes will be passed upon for the Underwriters by their counsel, Barclay Damon LLP, Albany, New York. It is anticipated that the Bond Anticipation Notes will be available for delivery on or about December 14, 2016, through the facilities of DTC in Jersey City, New Jersey.

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

Morgan Stanley

Citigroup **Ramirez & Co., Inc.**

December 6, 2016

* See CUSIP footnote on inside cover page.

COUNTY OF NASSAU, NEW YORK

COUNTY EXECUTIVE
Edward P. Mangano

COUNTY LEGISLATURE
Presiding Officer
Norma L. Gonsalves

Kevan Abrahams
Ellen W. Birnbaum
Siela A. Bynoe
Laura Curran
Delia DeRiggi-Whitton
Dennis Dunne, Sr.
Arnold W. Drucker
Denise Ford
C. William Gaylor III
James Kennedy
Howard J. Kopel
Donald N. MacKenzie
Vincent T. Muscarella
Richard J. Nicolello
Steven D. Rhoads
Laura Schaefer
Carrié Solages
Rose Marie Walker

COUNTY COMPTROLLER
George Maragos

DEPUTY COUNTY EXECUTIVE FOR FINANCE
Eric C. Naughton

COUNTY TREASURER
Beaumont A. Jefferson

BUDGET DIRECTOR
Roseann D'Alleva

COUNTY ATTORNEY
Carnell T. Foskey, Esq.

FINANCIAL ADVISOR
Public Financial Management, Inc.

BOND COUNSEL
Orrick, Herrington & Sutcliffe LLP

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

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

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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

The report of RSM US LLP, the County's independent auditor, relating to the County's financial statements for the fiscal year ended December 31, 2015, which is a matter of public record, is included by reference in this Official Statement in APPENDIX B. RSM US LLP, the County's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. RSM US LLP also has not performed any procedures relating to this Official Statement.

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

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OFFICIAL STATEMENT

of the

COUNTY OF NASSAU, NEW YORK

Relating to

GENERAL OBLIGATIONS

$98,895,000 BOND ANTICIPATION NOTES, 2016 SERIES D (FEDERALLY TAXABLE)

INTRODUCTION

This Official Statement, which includes the cover page and appendices, has been prepared by the County of Nassau (the "County"), in the State of New York (the "State"), and provides certain information in connection with the sale by the County of $98,895,000 principal amount of Bond Anticipation Notes, 2016 Series D (Federally Taxable) (the "Notes"). The Notes are dated the date of delivery. The interest rate, maturity and price of the Notes are set forth on the cover page of this Official Statement. The Notes are not subject to redemption prior to maturity.

Because the County is a large and complex entity, information about it changes on an ongoing basis. This Official Statement has been updated to include certain information not included in the Preliminary Official Statement dated December 1, 2016. "APPENDIX A: THE COUNTY—County Financial Condition—2017 Budget and 2017-2020 Multi-Year Financial Plan" has been updated to reflect the submission of a modified financial plan by the County Executive to NIFA (as defined herein).

The County expects, subject to approval of its 2017-2020 Multi-Year Financial Plan (as defined herein) by NIFA (as defined herein), to offer approximately $260,000,000 aggregate principal amount of its tax anticipation notes in December 2016. Such notes, if offered, will be offered by a separate official statement and are not offered hereby. For further information, see "APPENDIX A – INFORMATION ABOUT THE COUNTY – COUNTY FINANCIAL CONDITION – 2017 Budget and 2017-2020 Multi-Year Financial Plan" herein.

THE NOTES

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

The Notes are being issued to refinance in part, the County's Bond Anticipation Notes, 2015 Series C (Federally Taxable), dated June 2, 2015, 2016 Series A (Federally Taxable), dated February 9, 2016, and 2016 Series C (Federally Taxable), dated June 14, 2016, each maturing December 15, 2016, issued to refinance notes that originally financed various sewer system improvements, and to pay costs of issuance. See "APPENDIX A – INFORMATION ABOUT THE COUNTY."

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

Sources and Uses of Proceeds of the Notes

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

Sources	**Notes**
Note Proceeds*	$98,760,287
Total Sources	$98,760,287
Uses	
Deposit to Note Proceeds Account	$98,760,287
Total Uses	$98,760,287

*Net of underwriters' discount.

No Optional Redemption

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

Nature of Notes

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

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

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

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

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

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

> "A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean. So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded."

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

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

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

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

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

Tax Levy Limitation Law

As mentioned previously, the Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City). It also applies to independent special districts and to town and county improvement districts as part of the tax levies of their parent municipalities.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It expires on June 16, 2020 unless further extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases or changes due to physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

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

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. Article 8 Section 12 of the State Constitution specifically provides as follows:

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

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

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59"), includes provisions which provide a refundable personal income tax credit to qualifying real property taxpayers in school districts and certain municipal units of government. Qualifying real property owners in school districts were eligible for this credit in the 2014 and 2015 taxable years of those such property owners. Qualifying real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of qualifying real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts' budgets had to comply for the 2014-2015 and 2015-2016 fiscal years. Other municipal units of government had to have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets had to be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Additionally, Chapter 59 sets forth certain restrictions on the type of real property taxpayer eligible to receive the tax credit. The refundable personal income tax credit amount was increased in the second year if compliance occurred in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for qualifying real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a State-approved "government efficiency plan" which demonstrated "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies."

Municipalities and school districts were required to provide certification of compliance with the requirements of the new provisions to certain State officials in order to render their qualifying real property taxpayers eligible for the personal income tax credit.

County May Not File For Bankruptcy Protection

Under the NIFA Act, the County is prohibited from filing any petition with any United States district court or bankruptcy court for the composition or adjustment of municipal indebtedness without the approval of NIFA and the State Comptroller and no such petition may be filed while NIFA bonds or notes remain outstanding. NIFA currently has long term bonds outstanding through November 15, 2025.

Contract Remedies

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

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

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

Book-Entry-Only System

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

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

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

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

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

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

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

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

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

Source: DTC.

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

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE NOTES; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF THE NOTES; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE NOTES.

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

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the book-entry-only system of transfers through DTC (or a successor securities depository) at any time. In the event that such book-entry-only system is discontinued, the Notes will be issued in bearer or registered form in denominations of $5,000 or integral multiples thereof.

THE COUNTY

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

LITIGATION

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

OTHER INFORMATION

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

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

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

COVENANT TO MAKE CONTINUING DISCLOSURE

At the time of the issuance and delivery of the Notes, the County will covenant for the benefit of the Beneficial Owners (as hereinabove defined) of the Notes, in accordance with the requirements of Rule 15c2-12 (as the same may be amended or officially interpreted from time to time) (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), to provide to the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board ("MSRB") or other entity authorized or designated by the Commission, in a timely manner not later than ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Notes:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material. It should be noted that none of the Notes, the proceedings of the County authorizing the Notes, the Local Finance Law, nor any other law, makes any provision for non-payment related defaults on the Notes, or other general obligations of the County;

3. Unscheduled draws on debt service reserves reflecting financial difficulties. It should be noted that the County is not legally authorized to establish, nor has it established a debt service reserve securing the Notes;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB)

or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;

7. Modifications to rights of Beneficial Owners or holders of the Notes, if material;

8. Note calls, if material, and tender offers;

9. Defeasances. It should be noted that none of the Notes, the proceedings authorizing the Notes, the Local Finance Law, nor any other law makes any provision for the legal defeasance of the Notes;

10. Release, substitution, or sale of property securing repayment of the Notes, if material. It should be noted that the Notes are general obligations of the County and are not secured by any collateral, but rather are entitled to the pledge of the faith and credit of the County;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the County;*

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

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material. It should be noted that there is no trustee for the Notes.

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

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

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

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

RISK FACTORS

The following description summarizes some of the risk factors associated with the Notes and does not purport to be complete. This Official Statement should be read in its entirety.

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

The County is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the County, in any year, the County may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the County. See "STATEMENT OF REVENUES AND EXPENDITURES – Revenues - *State and Federal Aid*" in "APPENDIX A – INFORMATION ABOUT THE COUNTY" herein. For a description of the County's current multi-year financial plan and the budget gap closing measures contained therein, see "COUNTY FINANCIAL CONDITION – 2017 Budget and 2017-2020 Multi-Year Financial Plan" in "APPENDIX A – INFORMATION ABOUT THE COUNTY" herein.

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

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

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

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

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

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the final approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. The proposed form of such opinion is set forth in APPENDIX C hereto. Certain legal matters with respect to the Notes will be passed upon for the Underwriters by their counsel, Barclay Damon LLP, Albany, New York.

TAX MATTERS

General

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is not excluded from gross income under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including the City of New York). Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. The proposed form of opinion of Bond Counsel is contained in APPENDIX C hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the Notes that acquire their Notes in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Notes as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Notes under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Notes pursuant to this offering for the issue price that is applicable to such Notes (i.e., the price at which a substantial amount of the Notes are sold to the public) and who will hold their Notes as "capital assets" within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Notes other than investors that are U.S. Holders.

As used herein, "U.S. Holder" means a beneficial owner of a Note that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S.

Treasury Regulations to be treated as a domestic trust). If a partnership holds Notes, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Notes, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Notes (including their status as U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Notes in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Notes generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference may constitute original issue discount ("OID"). U.S. Holders of Notes will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Notes purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Note issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Note.

Sale or Other Taxable Disposition of the Notes. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the County) or other disposition of a Note will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Note will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Note, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Note (generally, the purchase price paid by the U.S. Holder for the Note, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Note). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Notes, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Notes exceeds one year. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding. Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Notes may be subject to backup withholding at the current rate of 28% with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S.

Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Foreign Account Tax Compliance Act ("FATCA")

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on and principal of the Notes and sales proceeds of Notes held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2016 and (iii) certain "pass-thru" payments no earlier than January 1, 2017. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Notes in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Notes, including the application and effect of state, local, non-U.S., and other tax laws.

RATINGS

S&P Global Ratings and Fitch Ratings have assigned ratings of "SP-1+" and "F1" respectively, to the Notes.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: S&P Global Ratings, 55 Water Street, New York, New York 10041; and Fitch Ratings, 33 Whitehall Street, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any of such ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of, or the availability of a secondary market for, the Notes. A securities rating is not a recommendation to buy, sell or hold securities.

FINANCIAL ADVISOR

The County has retained Public Financial Management, Inc. of New York, New York, as Financial Advisor in connection with the issuance and sale of the Notes. Although Public Financial Management, Inc. has assisted in the preparation of the Official Statement, Public Financial Management, Inc. is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official

Statement. Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

UNDERWRITING

The Notes are being purchased, subject to certain conditions, by the underwriters for whom Morgan Stanley & Co. LLC is acting as the representative (the "Underwriters"), for reoffering to the public. The purchase contract for the Notes provides that the Underwriters will purchase all of the Notes, if any are purchased, at a purchase price equal to $98,760,286.74, reflecting an underwriters' discount of $134,713.26, and reoffer such Notes at the public offering prices or yields set forth on the cover page hereof. The Notes may be offered and sold to dealers (including dealers depositing the Notes into investment trusts) at prices lower and yields higher than such public offering prices and yields. Prices and yields may be changed, from time to time, by the Underwriters.

Morgan Stanley & Co. LLC, an underwriter of the Notes, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Notes.

Citigroup Global Markets Inc., an underwriter of the Notes, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Notes.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the County and its affiliates in connection with such activities. In the course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the County (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the County. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MISCELLANEOUS

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

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

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

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

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

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

Various departments of the County, including the Office of Management and Budget, the County Comptroller and the Office of Legislative Budget Review, prepare periodic public reports relating to the financial condition of the County, its operations and the balances, receipts and disbursements of the various funds of the County. The County's financial statements are audited by independent certified public accountants. In addition, the County regularly receives reports from consultants, commissions, and special task forces relating to various aspects of the County's financial affairs, including capital projects, County services, taxation, revenue estimates, pensions, and other matters.

Information pertaining to the Official Statement may be obtained upon request from the Office of the County Treasurer, 1 West Street, Mineola, New York 11501, telephone (516) 571-2090.

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

The execution and delivery of this Official Statement have been duly authorized by the County Treasurer on behalf of the County.

COUNTY OF NASSAU, NEW YORK

By: /s/ Beaumont A. Jefferson
County Treasurer

December 6, 2016

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APPENDIX A

INFORMATION ABOUT THE COUNTY

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INFORMATION ABOUT THE COUNTY

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

THE COUNTY

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

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

The County Executive and the County Comptroller are each elected for four-year terms and the members of the County Legislature are elected for two-year terms. The County Treasurer is appointed by the County Executive and confirmed by the County Legislature.

County Officials

County Executive – Edward P. Mangano

Edward P. Mangano was elected as County Executive on November 3, 2009 and sworn into office on January 1, 2010. He was re-elected on November 5, 2013 and sworn into office in January, 2014. Prior to becoming County Executive, Mr. Mangano gained extensive experience as a County Legislator, where he served the 17th Legislative District for seven terms until leaving the position in 2009. Notable among Mr. Mangano's many accomplishments as County Legislator were helping revitalize the former Grumman property, attracting more than 15,000 jobs to the site, establishing a Senior Citizen and Community Center, and preserving and protecting open space in the County.

A graduate of Hofstra University and Hofstra Law School, Mr. Mangano was admitted to the New York State Bar in 1988. He went on to have a successful career in printing and publishing newspapers, as well as serving as counsel to the law firm of Rivkin Radler LLP.

Mr. Mangano also has been active in many charitable and fraternal organizations.

County Legislators

Kevan Abrahams	James Kennedy
Ellen W. Birnbaum	Howard J. Kopel
Siela A. Bynoe	Donald N. MacKenzie
Laura Curran	Vincent T. Muscarella
Delia DeRiggi-Whitton	Richard J. Nicolello
Dennis Dunne, Sr.	Steven D. Rhoads
Arnold W. Drucker	Laura Schaefer
Denise Ford	Carrié Solages
C. William Gaylor III	Rose Marie Walker

Presiding Officer, County Legislature – Norma L. Gonsalves

Norma L. Gonsalves was first elected to the County Legislature in 1997. She has been re-elected in nine successive elections to represent her constituents in the communities of East Meadow, North Bellmore, North Merrick, North Wantagh and Seaford. Mrs. Gonsalves serves as the Presiding Officer of the County Legislature, having previously served as Deputy Presiding Officer.

Mrs. Gonsalves is active in various civic and charitable organizations and has received numerous awards and honors in recognition of her public service, including the 1999 Woman of the Year Award from the East Meadow Chamber of Commerce, the 1998 Woman of Distinction Award from the New York State Senate, the Newsday 1992 Volunteer Award; she was named 1976 Woman of the Year as Bicentennial Chairperson by the East Meadow Chamber of Commerce.

Mrs. Gonsalves received her Bachelor of Arts degree in History from St. Joseph's College for Women and received her Master of Arts degree from Hunter College and Brooklyn College. Mrs. Gonsalves was an educator for 25 years in the New York City School System.

County Comptroller – George Maragos

George Maragos was elected as County Comptroller on November 3, 2009 and sworn into office on January 1, 2010. He was re-elected on November 5, 2013 and sworn into office in January, 2014. Mr. Maragos has over 35 years of senior management positions and accomplishments with leading organizations in banking, consulting and information systems. Mr. Maragos is the founder of SDS Financial Technologies, an organization providing financial information and online trading services to the financial industry. As president of SDS Technologies, he guided the firm's growth for 20 years.

Prior to SDS Technologies, Mr. Maragos was a Vice President of Citicorp and the Director of Telecommunications for Treasury Systems. Prior to Citicorp, Mr. Maragos was a Vice President at the Chase Manhattan Bank. Earlier positions held by Mr. Maragos were with Booz Allen and Hamilton, as an Associate, and with Bell-Northern Research, as Manager of Communications Planning.

Mr. Maragos holds an M.B.A. from Pace University, and a Bachelor of Electrical Engineering Degree from McGill University.

Deputy County Executive for Finance – Eric C. Naughton

Eric C. Naughton was appointed Deputy County Executive for Finance in November 2014, and brings more than 25 years of progressive financial analysis experience with large municipalities. Some of his prior positions have been Budget Director for Pinellas County, Florida, Budget Director for the County and Deputy County Executive for Finance for Suffolk County, New York. Previously, he also worked for the County

Legislature's Office of Legislative Budget Review, serving as Deputy Director from 1996 to 2001, and subsequently as Director from 2001 to 2009. Prior to joining the County Legislature, Mr. Naughton was Director of Financial Planning for the Atlanta Housing Authority and the Budget/Accounting Manager for the City of Marietta, Ga., where he was responsible for the city receiving its first Government Finance Officers Association of the United States and Canada's ("GFOA") Distinguished Budget Presentation Award.

Mr. Naughton received his bachelor's degree in Finance from the Wharton School of the University of Pennsylvania.

County Treasurer – Beaumont A. Jefferson

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

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

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

County Budget Director – Roseann D'Alleva

Ms. D'Alleva became Acting County Budget Director in November 2012 and became Budget Director in December 2014. Ms. D'Alleva joined the Office of Management and Budget in June 2003 as a Senior Operations Analyst where she was responsible for special projects. In March of 2006, she became Director of Finance for the Legislative Majority. Ms. D'Alleva re-joined the Office of Management and Budget in January 2010 as a Deputy Director responsible for Project and Performance Management which included Risk Management.

Prior to her employment by the County, she worked for New York City's Department of Education, Division of Budget and Operations as a Supervisor for all Queens School Districts from 2001 to 2003. She began her career in New York City's Office of Management and Budget in 1990 and held numerous positions, the last as Unit Head for the Departments of Housing Preservation, Buildings and Planning.

She received a bachelor's degree in Finance from Pace University in 1990.

County Attorney – Carnell T. Foskey

The Honorable Carnell T. Foskey was appointed Acting County Attorney on November 13, 2013 and was confirmed as County Attorney on December 19, 2013. Judge Foskey served as the County's Commissioner of Parks, Recreation and Museums from March 2010 through November 2013. Judge Foskey was the Deputy County Clerk from January 2009 through March 2010.

In 2005, Judge Foskey was appointed Supervising Judge of the Nassau County Family Court, the first African-American so named, and served as a Family Court Judge from 1999 through 2008. Judge Foskey was elected as District Court Judge in 1991 and served from 1992 through 1998. Judge Foskey has served as a Deputy County Attorney for the County.

A graduate of the State University of New York, Stony Brook and California Western School of Law, Judge Foskey was admitted to the New York State Bar in 1981 and earned an LL.M. in Taxation in 1982. Judge Foskey is active in many charitable and community organizations.

County Government

County Executive

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

County Legislature

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

County Financial Management

The Deputy County Executive for Finance is responsible for all budget and finance matters in the County - overseeing OMB, the Office of the County Treasurer, the Office of Purchasing, the Department of Assessment and the Department of Information Technology - and is the County Executive's principal liaison with the County Comptroller and the Assessment Review Commission ("ARC").

Key Departments

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

<u>County Treasurer</u>. The Office of the County Treasurer is responsible for managing the County's cash receipts and disbursements, maintaining the County's bank accounts and investing County funds on a daily basis. The office also coordinates with the County Comptroller's Office to ensure that all transactions are recorded in a timely fashion and the County's books and records are accurate and complete. The County Treasurer is responsible for the issuance of all County debt obligations. The Office of the County Treasurer also tracks the use of bond and note proceeds and the investment of unexpended funds.

<u>Office of Purchasing</u>. The Office of Purchasing purchases all materials, supplies, and equipment for the County, except for the Board of Elections, pursuant to applicable procurement procedures, and is responsible for price and vendor selections, placement of purchase orders and contract administration.

Financial Policies

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

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

Fund Balance Policy. The County's fund balance and reserve policy draws upon the recommendations of the GFOA. The policy outlines an approach for the accumulation and use of unreserved fund balance and reserve funds that takes into consideration issues that are particular to the County. It identifies an array of reserve funds that help the County stabilize its budget and finance important policy objectives. The policy sets recommended levels of unreserved budgetary fund balance of no less than 4% and no more than 5% of normal prior-year expenditures made from the General Fund, the County-wide special revenue funds (the Fire Prevention and Police Headquarters Funds), the Police District Fund, and the reserve funds. The policy outlines the conditions under which the County's unreserved fund balance ought to be replenished, and identifies the appropriate uses for unreserved fund balance, reserve funds, and any projected operating surpluses. As of December 31, 2015, the County's unreserved budgetary fund balance totaled approximately $192.7 million, which includes all special revenue funds and the Retirement Contribution Reserve Fund pursuant to the State General Municipal Law; this reserve totaled approximately $8.0 million as of December 31, 2015. See "COUNTY FINANCIAL CONDITION – 2017 Budget and 2017-2020 Multi-Year Financial Plan" herein.

Investment Policy. Under the law of the State, the County is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State, or certificates of deposits arranged by such entities in one or more banking institutions under certain conditions; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State (or public authorities of the State as may be provided by law); (5) with the approval of the State Comptroller, tax anticipation notes and revenue anticipation notes issued by any municipality (other than the County), school district or district corporation in the State; (6) certain certificates of participation issued on behalf of political subdivisions of the State; and (7) in the case of County monies held in certain reserve funds established pursuant to law, obligations issued by the County. The law further requires that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities (or a pro rata portion of a pool of eligible securities), an eligible surety bond or an eligible letter of credit, as those terms are defined in the law. From time to time, the County Legislature adopts a resolution setting forth the County's investment policy in accordance with the above statutory limitations, which policy currently substantially mirrors (1) through (7) above. The primary objectives of the County's investment activities are, in priority order: (i) to conform with all applicable federal, State and other legal requirements (legality); (ii) to adequately safeguard principal (safety); (iii) to provide sufficient liquidity to meet all operating requirements (liquidity) and (iv) to obtain a reasonable rate of return (yield). The investment policy authorizes the County Treasurer to purchase obligations subject to a repurchase agreement in accordance with guidance promulgated by the State Comptroller.

Swap Policy. State law does not empower the County to enter into interest rate exchange agreements (i.e., swaps). NIFA and the Nassau Health Care Corporation ("NHCC") are each statutorily empowered, under certain circumstances, to enter into swaps. NIFA and NHCC have each executed several LIBOR-based swaps to hedge their respective variable rate debt exposures and to enhance the savings generated by refundings of outstanding debt, which conform to the County's swap policy described below. For a description of existing interest rate exchange agreements, see "APPENDIX D - OUTSTANDING OBLIGATIONS – Interest Rate Exchange Agreements."

To the extent that the swaps into which NIFA has entered do not perform as expected, the County's financial position will be positively or negatively affected. Pursuant to the Stabilization Agreement and the Successor Agreement (each as described under "NASSAU HEALTH CARE CORPORATION" herein), the interest and net swap payments are made by the County on behalf of NHCC, and are secured by offsets of service payments and other amounts owed to NHCC and liens on certain of NHCC's assets.

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

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

LIBOR-based interest rate swaps carry certain risks, notably basis risk, counterparty risk, rollover risk, tax risk, and termination risk. Working with NIFA and NHCC, respectively, the County has made efforts to mitigate these risks. As recommended by the swap policy, the County regularly monitors these risks.

Risk Management

The County is exposed to various risks of loss related to torts, property loss, employee injuries, motor vehicle accidents and errors and omissions of its employees. The County self-insures for most risk exposures. The County has transferred some of its risk by means of both property and liability insurance coverage for all police helicopters and some leased properties. The County also maintains a blanket fidelity bond covering all County employees and certain accident and liability coverage for its summer recreation program. The County has established minimum insurance requirements for all contractors and vendors providing services to the County.

Budget Process and Controls

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

The County Legislature holds budget hearings after the County Executive submits the proposed budget. After the conclusion of the public hearings, the County Legislature may reduce, increase or strike out any item of appropriation in the proposed budget. Prior to any increase, however, another public hearing is necessary. The County Executive has the power to veto any item that constitutes an addition or increase in the proposed budget. The County Legislature has the power to override such a veto by affirmative vote of at least thirteen out of its nineteen members and then approve by ordinance the final budget. Within ten days of the final approval of the budget by the County Legislature, the County Executive may veto any item that constitutes a change from the proposed budget, while at the same time approving the remainder of the budget. The County Legislature may override any such vetoed item within seven days by an affirmative vote of at least thirteen members. Upon final adoption of the budget, the County Legislature must pass an appropriation ordinance for such budget, and must levy taxes for the ensuing year not later than October 30th. See "COUNTY FINANCIAL CONDITION – 2017 Budget and 2017-2020 Multi-Year Financial Plan" herein for a description of the actions of the County Executive and County Legislature with respect to adoption of the 2017 Budget and 2017-2020 Multi-Year Financial Plan, and for a description of NIFA's actions with respect to the 2017-2020 Multi-Year Financial Plan.

During the year, the County Executive may recommend changes to the adopted budget. Transfers of spending authority between departments and certain transfers within departments require approval by majority vote of the County Legislature. The County Executive may also recommend appropriating revenues not recognized in the adopted budget. Such supplemental appropriations require approval by at least thirteen affirmative votes of the County Legislature.

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

The County received the GFOA Distinguished Budget Presentation Award for its 2016 Budget.

Multi-Year Financial Plan Process under the County Charter

Each year, the County Executive is required to prepare and file with the Clerk of the County Legislature a four-year financial plan (the "multi-year financial plan") covering the Major Operating Funds not later than September 15, in accordance with the provisions of the County Charter. Upon the adoption of a budget, the County Executive must, if necessary, revise the multi-year financial plan to reflect the adopted budget. The County Executive must then submit such revised multi-year financial plan to the County Legislature within thirty days following adoption of the budget. The County Legislature may modify the revised multi-year financial plan in accordance with the County Charter, subject to the veto in whole or in part of the County Executive, which may be overridden by at least thirteen affirmative votes by the County Legislature. The County Charter requires the County Legislature to adopt the final multi-year financial plan on or before December 31.

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

The County Charter does not address the effect of NIFA's powers during a control period under the NIFA Act on the provisions described above. See "MONITORING AND OVERSIGHT – External – NIFA" herein for information regarding NIFA's powers with respect to the multi-year financial plan during a control period. See "COUNTY FINANCIAL CONDITION – 2017 Budget and 2017-2020 Multi-Year Financial Plan" herein for a description of NIFA's actions with respect to the 2017-2020 Multi-Year Financial Plan.

COUNTY FINANCIAL CONDITION

Financial Results and Projections

The County's budgetary surplus for fiscal year 2015 was $57.1 million, including Superstorm Sandy expenditures. The County Comptroller has indicated that for comparison, based on standard governmental generally accepted accounting principles ("GAAP"), the County ended fiscal year 2015 with a surplus of $28.0 million. For purposes of the NIFA control period test under the NIFA Act, the County ended fiscal year 2015 with a negative $125.3 million result.

As of October 31, 2016, the projected surplus in the Major Operating Funds for fiscal year 2016 is approximately $20.7 million.

2017 Budget and 2017-2020 Multi-Year Financial Plan

On September 15, 2016 the County Executive submitted his proposed 2017 Budget and accompanying 2017-2020 Multi-Year Financial Plan to the County Legislature for approval. On October 31, 2016, the County Legislature adopted the 2017 Budget in substantially the form submitted by the County Executive (hereinafter, the "2017 Budget", which remains subject to modification to conform to the modifications expected to the 2017-2020 Multi-Year Financial Plan, as described in the following paragraphs). The 2017 Budget includes $2.98 billion in appropriations, excluding interdepartmental transfers, in the Major Operating Funds and is balanced according to the budgetary basis of accounting.

In response to a November 2, 2016 request from NIFA, on November 16, 2016, the Deputy County Executive for Finance delivered to NIFA a $100 million contingency plan to address NIFA-identified risks in the 2017 Budget. On November 16, 2016, NIFA informed the County's legislative leaders that NIFA would reject the 2017 Budget and return it to the County for modification if it included revenue from a proposed income and expense law amnesty program, which NIFA stated was unlikely to be realized in 2017. On November 21, 2016, the County Legislature approved a series of revenue initiatives in the amount of $77 million to support the 2017 Budget. This amount included $36 million in revenues from the income and expense law amnesty program. On November 29, 2016, NIFA (i) approved a resolution disapproving the County's 2017-2020 Multi-Year Financial Plan, and requiring that the County provide a modified plan by December 5, 2016, because the plan failed to (1) contain projections of revenues and expenditures that are based on reasonable and appropriate assumptions and methods of estimation, (2) provide that operations of the County will be conducted within the cash resources available according to NIFA's revenue estimates, and (3) comply with the requirements of the NIFA Act and (ii) approved a separate resolution containing an order requiring County officials to submit modifications to the 2017-2020 Multi-Year Financial Plan on or before December 5, 2016, including in particular that the modified plan shall (1) not include any revenues from the income and expense law amnesty program, (2) include at least $36 million in verified expense reductions and/or revenue increases for fiscal year 2017 in order to offset the reduction to revenues from the income and expense law amnesty program (at the same level of detail provided in the County's budgetary supporting schedules), (3) not reduce the $75 million appropriation for tax certiorari payments included in the plan, and (4) not eliminate or reduce sources of revenues in the adopted plan other than to conform to the public safety fee ordinance passed by the County Legislature on November 21, 2016, and shall not add or increase expenditures in the adopted plan.

As required by the November 29, 2016 resolutions of NIFA, on December 5, 2016, the County Executive submitted to NIFA a modified financial plan which consists of $15.3 million of new recurring revenue and $20.7 million of expenditure reductions for various programs and services. NIFA is expected to consider approval of the modified plan on or about December 14, 2016. The descriptions of the 2017 Budget and 2017-2020 Multi-Year Financial Plan that follow in this Appendix A do not reflect such modifications.

As described in the 2017-2020 Multi-Year Financial Plan, the County is projecting budgetary deficits of $78.9 million in 2018, $92.9 million in 2019 and $98.9 million in 2020. Figure 1 shows the gap projections and gap closing options contained in the 2017-2020 Multi-Year Financial Plan.

FIGURE 1 SUMMARY OF GAP PROJECTIONS 2017-2020 MULTI-YEAR FINANCIAL PLAN MAJOR OPERATING FUNDS (IN MILLIONS)	2018	2019	2020
Current Baseline Surplus / (Gap)	**$(78.9)**	**$(92.9)**	**$(98.9)**
Gap Closing Options			
Expense/Revenue Options			
Revenue Initiatives	$30.0	$32.0	$37.0
Workforce Management	10.0	12.0	15.0
Program/OTPS Reduction	6.0	6.0	7.0
Health Insurance Cost Reduction	5.0	5.5	7.0
SUEZ Water Long Island Inc. Synergy Savings	4.0	9.0	9.2
eGovernment Revenues	1.0	2.0	4.0
ERP Implementation	1.0	2.0	3.0
Public Private Partnership (P3)	20.0	20.0	20.0
County's District Energy Facility	-	10.0	10.0
Strategic Sourcing	-	3.0	4.0
Building Consolidation Efficiencies	-	1.0	4.0
NYS Options			
Mandate Reform	28.7	28.7	28.7
Other NYS Legislative Actions	5.0	5.0	5.0
E-911 Reimbursement	3.5	6.9	6.9
NYS Highway Traffic Offense Reimbursement	2.9	5.7	5.7
Hotel Motel Tax Rate Increase	2.4	4.8	4.8
Gap Closing Options	**$119.4**	**$153.6**	**$171.3**
Surplus/ (Deficit) After Gap Closing Options	**$40.5**	**$60.7**	**$72.4**

The County plans to implement some or all of the gap-closing options described above to produce savings and/or generate revenues in order to close the projected gaps. One or more of these items may require State legislation, actions by the County Legislature, approval from NIFA and/or other actions beyond the control of the administration of the County. No assurance can be made that any such actions will be taken and/or necessary agreement will be achieved.

The County has identified a number of potential risks to its future financial performance. Such risks include, but are not limited to, a decline in County sales tax revenues, a decline in the real estate market, the inability to achieve various gap closing measures, the County's exposure to potentially adverse legal judgments, the continued commitment to institutionalization of financial and managerial reforms, the stability of NHCC and the future of the New York Racing Association and Off-Track Betting Corporations in the State. See "2017 Budget and 2017-2020 Multi-Year Financial Plan" herein. See "LITIGATION - Property Tax Litigation - *Assessments*" herein for a discussion of the County's ability to finance the payment of property tax refunds through borrowing.

There are a number of contingencies the County could exercise in the event that risks emerge which threaten the County's financial performance. For example, the County may continue using surplus current-year resources, if any, to defray expenses in the out-years of the 2017-2020 Multi-Year Financial Plan.

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

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

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

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

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

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

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

Superstorm Sandy

On October 29, 2012, Superstorm Sandy hit the New York metropolitan region. The storm caused widespread damage to the region, including substantial damage in the County to private homes, schools and County and local government infrastructure. The County continues to work with the private sector, utility companies, and other governmental units, including federal, State and local governments, to ensure a full recovery. The County has secured substantial federal assistance, including reimbursement of certain storm-related costs and losses, from FEMA and other federal agencies. On January 29, 2013, President Obama signed legislation providing supplemental appropriations of approximately $50.5 billion to fund Superstorm Sandy recovery efforts. In accordance with President Obama's May 23, 2013 order, eligible Superstorm Sandy expenses qualify for 90% federal reimbursement from FEMA.

The County and its municipal governments are continuing to incur costs related to the damage sustained by the storm. Principally, these costs are related to ongoing permanent repairs. The County is working with FEMA and the State to tabulate the associated costs of these repairs as well as finalize the eligible costs of the storm preparation, evacuation and other emergency response and clean-up activities. To date, the County has received approvals from FEMA totaling over $1.0 billion for disaster related activities and projects. The federal commitment is expected to continue to grow as FEMA is reviewing claims related to the storm and obligating funds upon approval of those claims. The 10% non-federal share will be funded from the State's Community Development Block Grant Disaster Recovery ("CDBG-DR") Program allocation, as noted in the New York State Action Plan, dated April 2013, and reaffirmed by Governor Cuomo in July 2014. The County is participating in this Local Match program administered by the Governor's Office of Storm Recovery and, to date, has received $16.6 million from the program.

The County's largest disaster-related project (included in the amount noted above) is the permanent repair and mitigation of the Bay Park Sewer Treatment Plant and its related systems. Storm-related damages shut down the plant for several days. While the plant operations were quickly restored and waste treatment was within permitted levels in less than two months, the long-term repairs, which include building an earthen berm around the plant and other mitigation measures, will take several years to complete. On September 18, 2014, FEMA awarded $729.7 million (90%) toward the total cost of $810.7 million for the permanent repairs and mitigation measures. The remaining $81.1 million (10%) is being provided through the State's CDBG-DR Program allocation, along with an additional $20.0 million for needed electrical upgrades to the plant.

MONITORING AND OVERSIGHT

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

Internal

County Comptroller

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

<u>Certificate of Achievement for Excellence in Financial Reporting</u>

The GFOA has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. Such certificate is valid for a period of one year only.

Office of Legislative Budget Review

The non-partisan Office of Legislative Budget Review, established by the County Charter, analyzes financial data such as budgets, multi-year financial plans and capital plans on behalf of the County Legislature.

The Office of Legislative Budget Review publishes reports from time to time on budgets, multi-year financial plans and the operations of select County departments. Such reports are available at the Office of Legislative Budget Review, 1550 Franklin Avenue, Mineola, New York 11501.

External

NIFA

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

Pursuant to the NIFA Act, NIFA performs ongoing monitoring and review of the County's financial operations, including, but not limited to: recommending to the County and the Covered Organizations measures related to their operation, management, efficiency and productivity; consulting with the County in preparation of the County's budget; reviewing and commenting on proposed borrowings by the County (in the absence of a control period, as more fully described below); determining whether to make transitional State aid available; and performing audits and reviews of the County, any of its agencies and any Covered Organization.

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

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

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

During a control period, NIFA is required to withhold transitional State aid and is empowered, among other things, to approve or disapprove proposed contracts and borrowings by the County and Covered Organizations; approve, disapprove or modify the County's multi-year financial plan; issue binding orders to the appropriate local officials; impose a wage freeze; and terminate the control period upon finding that no condition exists which would permit imposition of a control period. See "COUNTY FINANCIAL CONDITION – 2017 Budget and 2017-2020 Multi-Year Financial Plan" herein for a description of NIFA's actions with respect to the 2017-2020 Multi-Year Financial Plan.

On March 24, 2011, by resolution NIFA adopted Contract Approval Guidelines establishing parameters for approval of certain County contracts, including a dollar threshold for certain contracts of $50,000 or more which must be approved by NIFA. Pursuant to the Contract Approval Guidelines, as amended, certain contracts are submitted to NIFA for approval following the County's internal approval process.

On March 24, 2011, NIFA (i) found that a wage freeze as authorized by the NIFA Act was essential to the County's adoption and maintenance of a fiscal year 2011 Budget that was in compliance with such legislation and (ii) declared a fiscal crisis; ordered that all increases in salary or wages of employees of the County, which were to take effect after the date of the order pursuant to collective bargaining agreements, other analogous contracts or interest arbitration awards, then in existence or thereafter entered into, requiring such salary increases as of any date thereafter were suspended; and ordered that all increased payments for holiday and vacation differentials, shift differentials, salary adjustments according to plan, and step-ups and increments for employees of the County which were to take effect after the date of the order pursuant to collective bargaining agreements, and other analogous contracts or interest arbitration awards requiring such increased payments as of any date thereafter were, in the same manner, suspended. On March 22, 2012, NIFA adopted (i) a similar wage freeze resolution with respect to the 2012 Budget and (ii) a similar resolution declaring a continuing fiscal crisis and ordering the suspension of increases in salary and wages and other payments as described above for a second year. On March 14, 2013, NIFA adopted (i) another similar wage freeze resolution with respect to the 2013 Budget and (ii) another similar resolution declaring a continuing fiscal crisis and ordering the suspension of increases in salary and wages and other payments as described above for a third year. On March 10, 2014, NIFA adopted (i) another similar wage freeze resolution with respect to the 2014 Budget and (ii) another similar resolution declaring a continuing fiscal crisis and ordering the suspension of increases in salary and wages and other payments as described above for a fourth year. On May 3, 2014, NIFA adopted resolutions approving respective memorandums of agreement between the County and four employee unions ending the wage freeze with respect to such unions. On September 10, 2014, NIFA adopted a resolution approving a memorandum of agreement between the County and a fifth employee union ending the wage freeze with respect to such union. The memorandums of agreement contain provisions to pay certain step increases and cost of living adjustments, among other things. See "APPENDIX F – COUNTY WORKFORCE" herein for information regarding such memorandums of agreement. Various collective bargaining units of the County have brought suits against the County and NIFA challenging the wage freeze actions described in this paragraph. The County and five of its unions respectively have agreed (among other things) to settle in part these cases, and such unions respectively have released the County and NIFA from liability for the parts of the lawsuit which were settled. The County intends to continue to defend itself vigorously against such action(s). See "LITIGATION – Other Litigation" herein for a description of such litigation.

NIFA has approved the issuance of the Notes, as required by the NIFA Act during the control period declared by NIFA on January 26, 2011. It is not, however, within NIFA's powers to restrict the County's obligation to pay debt service on the Notes or other County debt.

Under the NIFA Act, the County and the Covered Organizations are prohibited from filing any petition with any United States district court or court of bankruptcy for the composition or adjustment of municipal indebtedness without the approval of NIFA and the State Comptroller, and no such petition may be filed while NIFA bonds remain outstanding. NIFA bonds are outstanding through November 15, 2025. Under the NIFA Act, the term Covered Organizations includes NHCC and any other governmental agency, public authority or public benefit corporation which receives or may receive monies directly, indirectly or contingently from the County, with certain statutory exceptions. In addition, pursuant to Chapter No. 685 of the Laws of 2003, the Nassau County Sewer and Storm Water Finance Authority is a Covered Organization under the NIFA Act. See "NASSAU COUNTY SEWER AND STORM WATER FINANCE AUTHORITY" herein.

Independent Auditors

The County's audited financial statements for the fiscal year ended December 31, 2015 are included by reference in this Official Statement as APPENDIX B. The report of RSM US LLP, the County's independent auditor, relating to the County's financial statements for the fiscal year ended December 31, 2015, which is a matter of public record, is included by reference in this Official Statement in APPENDIX B. RSM US LLP, the County's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. RSM US LLP also has not performed any procedures relating to this Official Statement. The County's financial statements are prepared in accordance with GAAP.

State Comptroller

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

STATEMENT OF REVENUES AND EXPENDITURES

Major Operating Funds

The 2017 Budget contains five major operating funds (the "Major Operating Funds") - the General Fund, the Police Headquarters Fund, the Police District Fund, the Fire Prevention Fund and the Debt Service Fund - that support the primary operations of the County. The Police Headquarters Fund and the Fire Prevention Fund are special revenue funds with the same tax base as the General Fund. The Police District Fund does not have the same tax base as the General Fund.

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

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

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

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

The Debt Service Fund contains all interest and principal payments for the County's debt obligations, including administrative costs in connection with such borrowings, and accounts for NIFA sales tax set-asides.

Because the County charges debt service payments to specific projects in departments, the Debt Service Fund is entirely supported by revenues transferred from other funds.

Revenues

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

FIGURE 2
REVENUES
(MAJOR OPERATING FUNDS)

REVENUE CATEGORY	**2013**	**2014**	**2015**	**Projected 2016[3]**	**Budgeted 2017**
Sales Tax[1]	$1,139,677,483	$1,095,192,899	$1,105,800,932	$1,121,440,489	$1,142,491,476
Property Tax	803,111,020	803,356,948	832,121,705	816,576,435	816,994,240
State Aid	202,458,621	198,793,267	211,043,602	213,395,769	212,238,590
Federal Aid	124,813,119	131,876,700	140,203,328	136,126,288	137,083,311
Departmental Revenues	170,018,477	157,830,331	170,026,084	213,282,404	227,028,063
Other Revenues[2]	295,395,208	333,745,981	343,830,057	423,305,477	447,597,460
Sub-total	**$2,735,473,928**	**$2,720,796,126**	**$2,803,025,708**	**$2,924,126,862**	**$2,983,433,140**
Interdepartmental Transfers	408,241,480	401,091,978	383,188,714	398,536,022	430,834,907
Total	**$3,143,715,408**	**$3,121,888,104**	**$3,186,214,422**	**$3,322,662,884**	**$3,414,268,047**

(1) Sales tax totals reflect collections prior to NIFA set-asides.
(2) Consists primarily of fines and forfeitures, investment income, permits and licenses, and interest on unpaid property taxes, none of which individually exceeds the lowest amount from the other categories.
(3) Projected as of October 31, 2016.

Sales Tax

The largest source of revenues for the County in the Major Operating Funds is the sales and compensating use tax (referred to herein as the "sales tax"), which constitutes approximately 38.3% of the total revenues in the 2017 Budget (excluding interdepartmental transfers). Figure 3 shows budgeted and actual (if available) sales tax revenues compared to budgeted and actual total revenues for the Major Operating Funds. See "COUNTY FINANCIAL CONDITION" herein.

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

	Budgeted			Actual		
Fiscal Year	**Total Revenues**	**Sales Tax Revenues**	**Sales Tax as % of Total Revenues**	**Total Revenues**	**Sales Tax Collected**	**Sales Tax Collected as % of Total Revenues**
2017	$2,983,433,140	$1,142,491,476	38.3%	N/A	N/A	N/A
2016	2,916,125,215	1,113,587,688	38.2	N/A	N/A	N/A
2015	2,980,250,308	1,146,196,410	38.5	$2,803,025,708	$1,105,800,932	39.5%
2014	2,789,811,937	1,165,863,333	41.8	2,720,796,126	1,095,192,899	40.3
2013	2,791,377,225	1,121,245,613	40.2	2,735,473,928	1,139,677,483	41.7

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

The County's sales tax is collected by the State. The total current sales tax rate in the County is 8⅝%, of which (i) 4⅜% is the State's share (including a ⅜% component that is imposed within the Metropolitan Commuter Transportation District pursuant to Section 1109 of the State Tax Law) and (ii) 4¼% is the County's share, out of which the County (a) must allocate a ¼% component to towns and cities within the County under a local government assistance program established by the County and authorized pursuant to Section 1262-e of the State Tax Law and (b) is authorized to allocate up to a $^{1}/_{12}$% component to the villages within the County under a local government assistance program.

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

The State has authorized the County to continue to impose the 4¼% local sales tax until November 30, 2017, and the County Legislature has implemented this authorization. The State has, in the past, enacted amendments to the State Tax Law to exempt specified goods and services from the imposition of sales taxes, or to reduce the rate of such taxes on such goods and services. There can be no assurance that future proposals will not result in additional exemptions or reductions.

Real Property Tax

The County's second largest source of revenues in the Major Operating Funds is the real property tax, which constitutes approximately 27.4% of total revenues in the 2017 Budget (excluding interdepartmental transfers). The levy of the property tax is at the sole discretion of the County, subject to constitutional and statutory limitations. State law limits property tax levy increases by most municipalities in the State, including the County, to the lesser of 2% or the annual increase in CPI, over the prior year's levy, with certain exceptions.

See "THE NOTES – Tax Levy Limitation Law" in the Official Statement to which this Appendix is attached. The County is only at approximately 10.81% of its constitutional tax limit. See "REAL PROPERTY ASSESSMENT AND TAX COLLECTION – Real Property Tax Limit" herein. Figure 4 shows property tax levies in the Major Operating Funds. As indicated in Figure 4, beginning in 2016, LIPA PILOTs (defined below) are no longer included in the property tax levy but are being billed and collected separately.

FIGURE 4
PROPERTY TAX LEVY
(MAJOR OPERATING FUNDS)

Fund[1]	**2013 Budgeted Levy**	**2014 Budgeted Levy**	**2015 Budgeted Levy**	**2016 Budgeted Levy[2]**	**2016 Tax Warrants[3]**	**2017 Budgeted Levy**
Police District Fund	$358,716,376	$361,727,267	$367,974,960	$391,419,191	$374,661,129	$387,612,292
Police Headquarters Fund	313,707,086	348,867,518	342,069,082	366,170,221	357,232,338	323,766,689
General Fund	117,107,798	80,509,740	106,380,782	30,502,492	66,745,688	89,413,427
Fire Prevention Fund	15,257,655	15,944,884	15,852,193	16,473,621	16,068,930	16,201,832
Total	**$804,788,915**	**$807,049,409**	**$832,277,017**	**$804,565,525**	**$814,708,085**	**$816,994,240**

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

(2) Long Island Power Authority ("LIPA") payments-in-lieu-of-taxes ("PILOTs") paid pursuant to N.Y. Public Authorities Law ("PAL") §1020-q in the amount of approximately $37.8 million were not included in the budgeted 2016 tax levy in the Major Operating Funds. Such PILOTs were included in the tax levies in prior years, but are being billed and collected separately due to the implementation of amendments to PAL §1020-q.

(3) Subsequent to the adoption of the 2016 Budget, implementation of the amendments to PAL §1020-q required an adjustment to apply LIPA PILOTs budgeted in the General Fund to various other funds of the County, resulting in an increase in the 2016 tax levy in the Major Operating Funds of $10,142,560, as reflected in the warrants for the collection of taxes from the County Legislature to the receivers of taxes in the County.

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

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

	Budget			**Actual**		
Fiscal Year	**Total Revenues**	**Property Tax Revenues**	**Property Tax as % of Total Revenues**	**Total Revenues**	**Property Tax Collected[1]**	**Property Tax Collected as % of Total Revenues**
2017	$2,983,433,140	$816,994,240	27.4%	N/A	N/A	N/A
2016	2,916,125,215	814,708,085[2]	27.9	N/A	N/A	N/A
2015	2,980,250,308	832,277,017	27.9	$2,803,025,708	$832,121,705	29.7%
2014	2,789,811,937	807,049,409	28.9	2,720,796,126	803,356,948	29.5
2013	2,791,377,225	804,788,915	28.8	2,735,473,928	803,111,020	29.4

Note: All data exclude interdepartmental transfers.

(1) Includes collection of prior years' taxes.

(2) Reflects the increase in the 2016 tax levy made subsequent to the adoption of the 2016 Budget. See footnote (3) to Figure 4 above.

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

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

Fiscal Year Beginning Jan. 1	**Total Real Property Tax**	**Uncollected at End of Fiscal Year**	**Percentage Uncollected at End of Fiscal Year**	**Uncollected as of October 31, 2016**	**Percentage Uncollected as of October 31, 2016**
2016	$814,708[1]	N/A	N/A	$28,920	3.55%
2015	832,277	$22,638	2.72%	1,048	0.13
2014	807,049	22,534	2.79	931	0.12
2013	804,789	22,418	2.79	697	0.09
2012	804,332	23,802	2.96	357	0.04

(1) Reflects the increase in the 2016 tax levy made subsequent to the adoption of the 2016 Budget. See footnote (3) to Figure 4 above.

See "REAL PROPERTY ASSESSMENT AND TAX COLLECTION" herein.

State and Federal Aid

Approximately 11.7% of the total revenues in the 2017 Budget (excluding interdepartmental transfers) is expected to come from federal and State reimbursement, mainly for human services and other mandated entitlement programs. Consequently, changes in the amount of County revenues derived from federal and State aid result from the levels of payments in connection with public assistance, day care, foster care, early intervention and special education.

Departmental Revenues

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

Other Revenues

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

Expenditures

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

FIGURE 7
EXPENDITURES BY CATEGORY
(MAJOR OPERATING FUNDS)

EXPENDITURE CATEGORY	2013	2014	2015	Projected 2016[2]	Budgeted 2017
Salaries & Wages	$794,722,116	$824,929,678	$818,306,227	$858,920,698	$895,451,794
Fringe Benefits	456,403,398	464,006,054	475,096,830	507,898,602	537,884,179
Medicaid	254,850,679	248,230,297	235,725,135	237,487,188	236,570,744
DSS Entitlement Programs	182,181,274	175,533,094	175,774,422	173,251,121	176,258,171
Contractual Services	222,833,005	236,711,356	242,172,528	248,299,232	250,942,143
Administrative Expenses	69,309,123	72,878,504	71,167,204	72,487,031	78,566,213
Debt Service (Interest & Principal)[1]	134,026,813	151,335,384	164,158,118	183,200,571	212,707,211
Local Government Assistance	68,316,548	65,321,196	66,494,098	67,459,412	68,399,582
Mass Transportation	42,517,105	42,785,669	42,697,935	42,969,542	43,699,392
Other Expenses	455,282,077	428,407,673	426,289,281	491,464,545	482,953,711
SUB-TOTAL	**$2,680,422,138**	**$2,710,138,905**	**$2,717,881,778**	**$2,883,437,942**	**$2,983,433,140**
Interdepartmental Transfers	408,230,041	401,091,978	411,256,724	418,536,022	430,834,907
TOTAL	**$3,088,672,179**	**$3,111,230,883**	**$3,129,138,502**	**$3,301,973,964**	**$3,414,268,047**

(1) Does not include NIFA set-asides which are included in Other Expenses.
(2) Projected as of October 31, 2016.

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

FIGURE 8
EXPENDITURES BY FUND
(MAJOR OPERATING FUNDS)

	2013	2014	2015	Projected 2016[1]	Budgeted 2017
General Fund	$1,624,191,013	$1,619,864,264	$1,624,334,317	$1,735,981,641	$1,771,071,258
Debt Service Fund	336,872,911	339,404,270	346,253,622	358,617,402	378,055,648
Police District Fund	344,683,147	354,787,761	354,797,195	372,099,469	394,293,297
Police Headquarters Fund	354,518,315	376,179,217	372,236,388	395,291,231	417,556,352
Fire Prevention Fund	20,176,753	19,903,393	20,260,256	21,448,199	22,456,585
Total	**$2,680,422,139**	**$2,710,138,905**	**$2,717,881,778**	**$2,883,437,942**	**$2,983,433,140**

Note: All data exclude interdepartmental transfers. Totals may not add due to rounding.
(1) Projected as of October 31, 2016.

Personnel-Related Expenditures

The largest category of expenditures in the Major Operating Funds is for personnel-related costs, including salaries and wages, fringe benefits and workers' compensation expenses, which comprise approximately 49.2% of total Major Operating Funds expenditures in the 2017 Budget (excluding interdepartmental transfers). Figure 9 shows the County's personnel-related expenditures, excluding interdepartmental transfers, in the Major Operating Funds.

FIGURE 9
PERSONNEL-RELATED EXPENDITURES
(MAJOR OPERATING FUNDS)

	2013	2014	2015	Projected 2016[(1)]	Budgeted 2017
Salaries & Wages	$794,722,116	$824,929,678	$818,306,227	$858,920,698	$895,451,794
Fringe Benefits	456,403,398	464,006,054	475,096,830	507,898,602	537,884,179
Workers' Compensation	24,598,924	25,184,905	28,163,422	32,282,954	35,305,186
Total	**$1,275,724,438**	**$1,314,120,637**	**$1,321,566,479**	**$1,399,102,254**	**$1,468,641,159**

(1) Projected as of October 31, 2016.

Employee Earnings

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

Health Insurance Contributions

The County pays the entire cost of health insurance coverage for all active employees and retirees hired prior to certain dates in 2014 other than non-union employees hired since January 1, 2002, for whom it pays 90% of the cost for family coverage and 95% of the cost for individual coverage. For union employees hired on or after certain dates in 2014, other than members of the Investigators Police Benevolent Association, the County pays 85% of the total cost of coverage for employees enrolled in the State's Empire Plan, or if such employees are enrolled in alternative health insurance plans, the County pays up to 85% of the monetary equivalent of the cost of the Empire Plan. The vast majority of County employees are enrolled in the State's Empire Plan.

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

FIGURE 10
HEALTH INSURANCE COSTS
(MAJOR OPERATING FUNDS)

	2013	2014	2015	Projected 2016[1]	Budgeted 2017
Employees	$124,300,882	$124,439,104	$128,426,193	$133,193,669	$145,542,566
Retirees	125,938,660	127,619,183	128,807,683	141,450,544	151,672,091
Total	**$250,239,542**	**$252,058,287**	**$257,233,876**	**$274,644,213**	**$297,214,657**

(1) Projected as of October 31, 2016.

Pension Contributions

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

The County is required to make contributions on behalf of its employees into the pension system. ERS has six different tiers of membership which cover service dates ranging from prior to July 1, 1973 for Tier 1 through April 1, 2012 and after for Tier 6. PFRS has five different tiers of membership which cover service dates ranging from prior to July 31, 1973 for Tier 1 through April 1, 2012 and after for Tier 6. PFRS has no Tier 4. ERS Tiers 3 and 4 members are required to contribute 3% of their gross salaries for their first ten years of service, while there are no contributions required of PFRS members through Tier 3. Tier 5 was enacted in 2009 and is effective for ERS employees hired on or after January 1, 2010, and PFRS employees hired on or after January 9, 2010, but before April 1, 2012. ERS and PFRS employees in Tier 5 contribute 3% of their salaries and there is no provision for these contributions to cease after a certain period of service. Tier 6 is effective for new ERS and PFRS employees hired on or after April 1, 2012 other than PFRS members subject to an existing collective bargaining agreement. All new County PFRS members hired on or after April 1, 2014 are enrolled in Tier 6. Among other provisions, Tier 6 increases employee contribution rates in a progressive fashion from 3% to 6% (depending on the level of salary); increases the retirement age from 62 to 63; vests after 10 years of service; includes an optional defined contribution plan for new non-union employees with salaries $75,000 and above; changes the time period for final average salary calculations from three to five years; and limits pension benefits for employees earning more than the Governor's salary. The County's expenses are funded on an actuarial basis determined by the State, and the County is assessed on an annual basis for its share of the State retirement system's pension costs. The County's pension costs are shown in Figure 11.

Beginning in fiscal year 2011, the Contribution Stabilization Program, created pursuant to Part TT of Chapter 57 of the Laws of 2010 (the "Contribution Stabilization Program"), authorized participating employers to defer a portion of their annual pension costs during periods when actuarial contribution rates exceed thresholds established by the Contribution Stabilization Program, thereby reducing a participating employer's annual pension contribution in a given year by paying a portion of such contribution over time. The County participated in the program in fiscal years 2012 and 2013. Through 2013, the total amount of the County's deferred pension contribution obligation under this program was approximately $96.4 million (all funds)[*]. Pursuant to the terms of the Contribution Stabilization Program, the County pays the amount deferred in equal annual installments with interest over a ten-year period, which it may prepay at any time without penalty. The interest rate on the deferred amount in a particular year is fixed for the duration of the ten-year repayment

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

period. For more information regarding the County's pension plans and funding policy, see Note 12 in the County's financial statements attached hereto as APPENDIX B.

Beginning in fiscal year 2014, the County elected to participate in an alternate option to the Contribution Stabilization Program. Similar to the Contribution Stabilization Program, this option known as the "Alternate Contribution Stabilization Program," establishes a graded contribution rate system that enables eligible employers to pay a portion of their annual contribution over time. This is intended to lead to smoother, more predictable pension costs, while still achieving full funding in each system over the long-term. By switching to the Alternate Contribution Stabilization Program, the County cannot return to the Contribution Stabilization Program. The Alternate Contribution Stabilization Program is characterized by the following provisions: contribution rates for 2014 and 2015 of 12% for ERS and 20% for PFRS; rates thereafter can only increase/(decrease) 0.50% per year; the difference between the Alternate Contribution Stabilization Program and the normal contribution amounts are amortized over 12 years; interest accrues at the 12-year U.S. Treasury rate plus 1%; and employers cannot withdraw once opting in, but retain the flexibility to pre-pay the deferred amount. Through 2017, the total amount of the County's deferred pension contribution obligation under the Alternate Contribution Stabilization Program is approximately $203.2 million (all funds)*, which, when added to the $96.4 million deferred under the Contribution Stabilization Program results in the County having deferred a total of approximately $299.6 million of pension expense through 2017 under both programs.

FIGURE 11
PENSION COSTS
(ALL FUNDS)

Pension System	2013	2014	2015	2016	Budgeted 2017
Gross Invoice Amounts (Excluding Installments on Prior Deferrals)	**$189,168,805**	**$204,494,966**	**$191,835,323**	**$175,064,061**	**$174,116,889**
Installments on Prior Deferrals	**4,744,262**	**11,519,829**	**19,064,351**	**25,392,188**	**29,618,567**
Gross Invoice Amounts	**$193,913,067**	**$216,014,795**	**$210,899,674**	**$200,456,249**	**$203,735,456**
Less: Pension amounts deferred(1)	(57,583,796)	(71,471,700)	(60,885,653)	(41,133,654)	(29,737,347)
Less: Discount for Paying December 15th vs. February 1st	(1,724,203)	(1,887,118)	(1,807,915)	(1,684,135)	(1,592,215)
Pension Amounts (Net of Deferrals and Discounts)	**$134,605,068**	**$142,655,977**	**$148,206,106**	**$157,638,460**	**$172,405,894**
Employees Retirement System (ERS)	66,276,404	68,624,350	73,017,518	79,679,088	84,576,962
Police and Fire Retirement System (PFRS)	68,328,664	74,031,627	75,188,588	77,959,372	87,828,932
Total Net Pension Expense	**$134,605,068**	**$142,655,977**	**$148,206,106**	**$157,638,460**	**$172,405,894**

(1) Represents amounts deferred and paid over time pursuant to the Contribution Stabilization Program and the Alternate Contribution Stabilization Program. The amounts for 2013 are from the Contribution Stabilization Program and are being amortized over the subsequent ten years, while the amounts from 2014, 2015, 2016 and 2017 are from the Alternate Contribution Stabilization Program which first became available in 2014 and are being amortized over the subsequent twelve years.

Other Post-Employment Benefits

GASB Statement No. 45 ("GASB 45") issued by the Government Accounting Standards Board ("GASB") requires municipalities and school districts to account for other post-employment benefits ("OPEB")

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

much like they account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. The County is in compliance with the requirements of GASB 45 and as of December 31, 2015, the County's net OPEB obligation was approximately $5.0 billion, which includes both the County and an allocation of NHCC cost. In 2015, the County expended approximately $151.8 million to pay for OPEB. The County is not required to provide funding for OPEB other than the pay-as-you-go amount necessary to provide current benefits. For more information, see Note 15 and "Required Supplementary Information" in the County's financial statements attached hereto as APPENDIX B.

Medicaid

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

The County's projected 2016 Medicaid expenditures, other than its required local share of Medicaid disproportionate share payments to NHCC, are $237.8 million. The County expects to continue to fund its disproportionate share payments through inter-governmental transfer payments from NHCC, such that there is no budget impact to the County. The 2017-2020 Multi-Year Financial Plan reflects Medicaid expenses (excluding the County's required local share of Medicaid disproportionate share payments to NHCC) of $242.0 million, $255.7 million, $251.1 million and $251.1 million for the years 2017, 2018, 2019 and 2020 respectively.

Other Social Services Entitlement Programs

Other County Department of Social Services entitlement programs comprise approximately 5.91% (excluding interdepartmental transfers) of the 2017 Budget, such as payments for public assistance, foster care, day care and preventive services, the majority of which are partially reimbursed by the federal government or the State.

Contractual Services

Contractual services total 8.4% (excluding interdepartmental transfers) of the 2017 Budget. The majority of this category is a contract with a private operator to provide bus service in the County. In addition, this category covers payments to outside vendors for a variety of services, including community-based human services programming, consulting services and legal services.

Debt Service

Debt service expenditures, which include interest and principal payments and NIFA set-asides, total $378.1 million in the 2017 Budget. See "COUNTY INDEBTEDNESS AND DEBT LIMITATIONS" herein.

Other Expenses

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

Other Funds

Other County funds include:

The Community College Fund supports the County's financial obligations with respect to Nassau Community College, which receives approximately 24.7% of its operating revenues from a dedicated property tax levied County-wide.

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

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

The County receives outside funding, primarily from the federal government and the State, that completely funds the cost of certain programs, most of which are for health and human services and public safety, which it allocates to the Grant Fund.

The Open Space Fund contains revenues generated from a percentage of County real estate sales, private gifts and grants to preserve undeveloped land in the County.

COUNTY INDEBTEDNESS AND DEBT LIMITATIONS

Computation of County Debt Limit

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

FIGURE 12
STATEMENT OF CONSTITUTIONAL DEBT MARGIN
(AS OF OCTOBER 31, 2016)
(IN THOUSANDS)

Average Full Valuation of Real Estate for the Fiscal Years Ended in 2012 through 2016(1)

2016 Full Valuation(2)	$212,185,368
2015 Full Valuation	204,607,718
2014 Full Valuation	200,331,933
2013 Full Valuation	205,123,200
2012 Full Valuation	217,753,742
Total	**$1,040,001,961**
Average Full Valuation	$ 208,000,392
Constitutional Debt Margin	
Constitutional Limit of Total Indebtedness, 10% Average Full Valuation	**$20,800,039**
Outstanding Indebtedness	
County General Obligations(3)	$ 2,250,845
NIFA Bonds	921,606
Notes	226,030
Real Property Liabilities	8,657
Guarantees	222,205
Contract Liabilities	679,104
Total Outstanding Indebtedness	**$ 4,308,447**
Less: Constitutional Exclusions	
Cash and Investments - Capital Projects Funds	$ 495,857
Tax and Revenue Anticipation Notes Payable	119,595
Less: Total Exclusions	**$ 615,452**
Net Outstanding Indebtedness (17.75%)	**$ 3,692,995**
Constitutional Debt Margin (82.25%)	**$17,107,044**

(1) Full valuation figures for 2012 through 2015 are verified by the Office of the State Comptroller.
(2) 2016 full valuation is based on preliminary data from the County and the Office of the State Comptroller.
(3) Includes County General Improvement Bonds, Sewer and Storm Water Resources District Bonds and County Bonds issued to the New York State Environmental Facilities Corporation ("EFC"). See "APPENDIX D – OUTSTANDING OBLIGATIONS" for further information about such indebtedness.

Bonded Indebtedness

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

FIGURE 13
BONDED INDEBTEDNESS
(AS OF OCTOBER 31, 2016)

County Debt[(1)]	$2,250,845,053
NIFA Debt	921,606,000
Total	**$3,172,451,053**

[(1)] Includes County General Improvement Bonds, Sewer and Storm Water Resources District Bonds and County Bonds issued to EFC. See "APPENDIX D – OUTSTANDING OBLIGATIONS" for further information about such indebtedness.

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

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

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

FIGURE 14
SUMMARY OF BONDS AUTHORIZED BUT UNISSUED
(AS OF OCTOBER 31, 2016)
(IN THOUSANDS)

Purpose	Amount Authorized but Unissued
Community College	$22,720
Information Technology	23,601
Infrastructure	273,478
Land Acquisition	13,794
Parks & Recreation	25,618
Public Safety	64,623
Sewer & Storm Water	900,638
Property Tax Refunds and Other Judgments & Settlements	10,202
TOTAL	**$1,334,674**

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

Debt Service Requirements

Figure 15 sets forth the principal and interest payments on outstanding County bonds and NIFA bonds.

Figure 15
Total County and NIFA Debt Service
(as of October 31, 2016)

	County Bonds [1, 2]			**NIFA Bonds[3]**			**Total**		
Date	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
12/31/2016	$ 6,605,000	$ 3,278,045	$ 9,883,045	$137,956,000	$16,410,342	$154,366,342	$144,561,000	$ 19,688,387	$164,249,387
12/31/2017	103,759,367	110,882,957	214,642,324	129,666,000	27,994,873	157,660,873	233,425,367	138,877,830	372,303,197
12/31/2018	108,868,490	110,186,832	219,055,322	118,505,000	23,931,235	142,436,235	227,373,490	134,118,068	361,491,558
12/31/2019	114,111,051	98,616,664	212,727,715	123,500,000	19,891,280	143,391,280	237,611,051	118,507,945	356,118,996
12/31/2020	119,860,174	92,924,866	212,785,040	117,556,000	15,639,788	133,195,788	237,416,174	108,564,654	345,980,828
12/31/2021	124,697,736	86,876,900	211,574,636	90,085,000	11,414,579	101,499,579	214,782,736	98,291,479	313,074,215
12/31/2022	130,309,858	80,708,131	211,017,989	78,689,000	8,056,427	86,745,427	208,998,858	88,764,558	297,763,416
12/31/2023	121,529,981	74,781,070	196,311,051	59,719,000	4,867,813	64,586,813	181,248,981	79,648,883	260,897,864
12/31/2024	122,594,104	68,977,880	191,571,984	46,465,000	2,646,387	49,111,387	169,059,104	71,624,267	240,683,371
12/31/2025	122,687,788	63,012,134	185,699,922	19,465,000	830,682	20,295,682	142,152,788	63,842,816	205,995,604
12/31/2026	115,611,911	57,143,967	172,755,878	0	0	0	115,611,911	57,143,967	172,755,878
12/31/2027	121,221,034	51,354,557	172,575,591	0	0	0	121,221,034	51,354,557	172,575,591
12/31/2028	111,754,718	45,210,525	156,965,243	0	0	0	111,754,718	45,210,525	156,965,243
12/31/2029	108,103,841	39,704,960	147,808,801	0	0	0	108,103,841	39,704,960	147,808,801
12/31/2030	93,173,000	34,623,884	127,796,884	0	0	0	93,173,000	34,623,884	127,796,884
12/31/2031	76,568,000	30,003,126	106,571,126	0	0	0	76,568,000	30,003,126	106,571,126
12/31/2032	73,733,000	25,962,713	99,695,713	0	0	0	73,733,000	25,962,713	99,695,713
12/31/2033	77,503,000	22,156,630	99,659,630	0	0	0	77,503,000	22,156,630	99,659,630
12/31/2034	67,528,000	18,378,058	85,906,058	0	0	0	67,528,000	18,378,058	85,906,058
12/31/2035	65,515,000	14,856,772	80,371,772	0	0	0	65,515,000	14,856,772	80,371,772
12/31/2036	44,475,000	11,642,408	56,117,408	0	0	0	44,475,000	11,642,408	56,117,408
12/31/2037	41,020,000	9,541,627	50,561,627	0	0	0	41,020,000	9,541,627	50,561,627
12/31/2038	35,450,000	7,694,870	43,144,870	0	0	0	35,450,000	7,694,870	43,144,870
12/31/2039	31,840,000	6,077,848	37,917,848	0	0	0	31,840,000	6,077,848	37,917,848
12/31/2040	28,735,000	4,608,253	33,343,253	0	0	0	28,735,000	4,608,253	33,343,253
12/31/2041	30,120,000	3,215,670	33,335,670	0	0	0	30,120,000	3,215,670	33,335,670
12/31/2042	31,570,000	1,755,412	33,325,412	0	0	0	31,570,000	1,755,412	33,325,412
12/31/2043	21,900,000	503,985	22,403,985	0	0	0	21,900,000	503,985	22,403,985
Total	**$2,250,845,053**	**$1,174,680,743**	**$3,425,525,796**	**$921,606,000**	**$131,683,406**	**$1,053,289,406**	**$3,172,451,053**	**$1,306,364,150**	**$4,478,815,203**

1. Payments under County guarantees in connection with NHCC debt are not included in the chart.
2. Includes debt service payable on the bonds issued to EFC without regard to the subsidy provided by the State. Such subsidy is expected to be at least 33 1/3% of interest for the life of the obligations.
3. Interest rates on the NIFA 2008 Series A-D variable rate bonds are calculated using the fixed rate swap.

Each of NIFA and NHCC is a party to existing interest rate exchange agreements entered into to hedge outstanding variable rate bonds. NHCC interest rate exchange agreements are backed by a guaranty of the County. Though the County is not a counter-party to any of these interest rate exchange agreements, the County's financial position may be affected in certain instances by their performance. The County understands and regularly monitors these risks. See "THE COUNTY – County Financial Management – *Financial Policies* – Swap Policy" and "NASSAU HEALTH CARE CORPORATION" herein. For a description of existing interest rate exchange agreements, see "APPENDIX D – OUTSTANDING OBLIGATIONS – Interest Rate Exchange Agreements."

Refunded Bonds

Various outstanding County bond issues have been refunded for present value debt service savings, in addition to County bonds refunded or restructured by NIFA. The County will consider the refinancing of outstanding indebtedness whenever the present value savings of such transactions, taking into account costs of issuance, so warrant, provided that the refinancing opportunity meets the criteria established in the County's debt policy. See "THE COUNTY – County Financial Management – *Financial Policies* – Debt Policy" herein.

Capital Leases

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

FIGURE 16
MINIMUM LEASE PAYMENTS
CAPITAL LEASES (IN THOUSANDS)
(AS OF DECEMBER 31, 2015)[1]

Fiscal Year Ending December 31:	
2016	$ 834
2017	846
2018	860
2019	873
2020	887
2021-2025	4,249
Future Minimum Payments	8,549
Less Interest	3,752
Present Value of Future Minimum Lease Payments	$4,797

[1] Data extracted from County of Nassau, Comprehensive Annual Financial Report of the Comptroller for the Fiscal Year ended December 31, 2015.

Short-Term Indebtedness

The County expects from time to time to issue bond anticipation notes ("BANs"), tax anticipation notes ("TANs") and revenue anticipation notes ("RANs").

Bond Anticipation Notes

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

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

Note	2013[1]	2014	2015	2016[2]	2017[3]
Bond Anticipation Notes	$307.6	$114.4	$92.9	$165	$101.3

[1] Includes $185,510,000 Bond Anticipation Notes, Series A issued February 28, 2013 and $122,060,000 Bond Anticipation Notes, Series B (Renewals) issued December 11, 2013 to renew the Series A Notes.
[2] Projected, inclusive of the Notes offered hereby. Includes $5,170,000 Bond Anticipation Notes, 2016 Series B, issued June 14, 2016, to renew, in part, the 2015 Series B Bond Anticipation Notes.
[3] Projected, based on the 2017-2020 Multi-Year Financial Plan assumptions.

Cash Flow Notes

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

FIGURE 18
CASH FLOW NOTES (IN MILLIONS)

Note	**2012**	**2013**	**2014**	**2015**	**2016**(1)	**2017**(2)
Revenue Anticipation Notes	$218.4	$208.1	$199.9	$178.5	$119.6	$ 0.0
Tax Anticipation Notes	257.7	225.0	197.9	198.5	260.0	260.0
Total	**$476.1**	**$433.1**	**$397.8**	**$377.0**	**$379.6**	**$260.0**

(1) Projected. Inclusive of the 2016 Series A, 2016 Series B and 2016 Series C Tax Anticipation Notes expected to be offered in December 2016.
(2) Projected.

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

Recent and Projected Bond Issuances

Figure 19 shows the County's recent and projected bond issuance.

FIGURE 19
COUNTY BONDS (IN MILLIONS)

2014	**2015**	**2016**(1)	**2017**(2)
$237.8	$198.5	$533.1	$285.0

(1) Inclusive of the $272,810,000 General Obligation Bonds, 2016 Refunding Series A.
(2) Projected, based on the 2017-2020 Multi-Year Financial Plan assumptions.

See "CAPITAL PLANNING AND BUDGETING" herein for additional information concerning the County's projected borrowings.

Constitutional Provisions

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

Article VIII, Section 1

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

Article VIII, Section 2

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

Article VIII, Section 4

The County shall not contract indebtedness which including existing indebtedness shall exceed 10% of the five-year average full valuation of taxable real estate therein. The average full valuation of taxable real estate of the County is determined pursuant to Article VIII, Section 10 of the State Constitution by taking the assessed valuations of taxable real estate on the last completed assessment roll and the four preceding rolls and applying to such rolls the ratio as determined by the State Office of Real Property Tax Services or such other State agency or official as the State Legislature shall direct which such assessed valuation bears to the full valuation. The Local Finance Law requires that the face value of the principal amount of guarantees by the County of NHCC debt be deemed indebtedness for the purpose of this constitutional provision. See "NASSAU HEALTH CARE CORPORATION" herein. Article VIII, Section 5 and Article VIII, Section 2-a, of the State Constitution enumerate exclusions and deductions from the Constitutional debt limit. Such deductions include indebtedness incurred for water and certain sewer facilities.

Statutory Provisions

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

Statutory Procedure

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

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

1. such obligations are authorized for a purpose for which the County is not authorized to expend money; or

2. (a) there has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations; and (b) an action, suit, or proceeding contesting such validity, is commenced within twenty days after the date of such publication; or

3. such obligations are authorized in violation of the provisions of the State Constitution.

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

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

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

CAPITAL PLANNING AND BUDGETING

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

Capital Plan and Capital Budget

The County Legislature has approved the capital budget for fiscal year 2016 (as it may be amended from time to time, the "2016 Capital Budget") and the capital plan for fiscal years 2016-2019 (as it may be amended from time to time, the "2016-2019 Capital Plan"). The 2016 Capital Budget is approximately $206.1 million, the revenue for which is a combination of long-term debt (or bond anticipation notes) and local, State or federal aid. The amount of such debt projected to be issued by or on behalf of the County for objects or purposes in the 2016 Capital Budget is approximately $192.5 million. The amount of debt issued by the County each year will vary depending upon capital expenditure requirements. Following from NIFA's declaration of a control period on January 26, 2011, NIFA may continue to seek, among other things, to restrict in whole or in part the County's ability to issue debt to finance expenditures, including, but not limited to, capital projects, judgments and settlements, and property tax refunds. For further information regarding NIFA's declaration of a control period, see "MONITORING AND OVERSIGHT – External – *NIFA*" herein. County financings often include prior-year(s) approved capital items. The major components of the 2016 Capital Budget and the 2016-2019 Capital Plan are listed in Figure 20.

FIGURE 20
2016-2019 CAPITAL PLAN

Category	2016	2017	2018	2019
Buildings	$11,704,482	$13,269,272	$14,037,478	$7,850,000
Equipment	7,935,119	7,350,000	7,100,000	7,125,000
Infrastructure	23,713,218	21,650,000	10,750,000	10,750,000
Parks	10,600,000	3,500,000	2,250,000	2,250,000
Property	-	500,000	-	-
Public Safety	27,600,000	18,700,000	7,750,000	7,750,000
Roads	32,650,000	30,500,000	23,500,000	23,500,000
Technology	6,050,000	3,350,000	3,350,000	3,350,000
Traffic	8,400,000	23,113,000	20,113,000	20,113,000
Transportation	2,700,000	4,500,000	3,000,000	1,000,000
Sewer and Storm Water	74,700,000	88,300,000	13,750,000	13,750,000
Total	**$206,052,819**	**$214,732,272**	**$105,600,478**	**$97,438,000**
Non Debt Financed	$13,508,337	$17,688,000	$12,688,000	$12,688,000
Debt Financed	$192,544,482	$197,044,272	$92,912,478	$84,750,000

REAL PROPERTY ASSESSMENT AND TAX COLLECTION

Real Property Assessment

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

Property Tax Refunds

The County pays refunds of property taxes levied or imposed by the County Legislature, which, in addition to County taxes, includes those of the towns, special districts and all but one of the school districts in the County. Based on a provision of the County Administrative Code, the County may not charge the cost of such refunds to the towns, special districts and school districts, as would otherwise be required by Article 7 of the State Real Property Tax Law ("RPTL").

Administrative Review of Assessments

Administrative review of assessments in the County is the responsibility of ARC, which is headed by a chairman appointed by the County Executive. During the tentative roll period, corrections of assessments by ARC do not generate refund liability for the County. In addition to its ability to correct the tentative assessment roll, ARC is authorized to resolve administratively up to three years of pending litigation. See "LITIGATION – Property Tax Litigation" herein.

Real Property Tax Limit

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

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

FIGURE 21
COMPUTATION OF CONSTITUTIONAL TAXING POWER
(IN THOUSANDS)

Year Roll Completed	Full Valuation of Real Estate [c]
2016	$212,185,368[d]
2015	204,607,718
2014	200,331,933
2013	205,123,200
2012	217,753,742
Total	$1,040,001,961

Five-Year Average Full Valuation	$ 208,000,392
Tax Limit [a]	$4,160,008
Total Exclusions [b]	156,330
Total Taxing Power for 2016 Levy	4,316,338
Total Levy 2016	605,997
Tax Levy Subject to Limit	449,668
Percentage of Taxing Power Exhausted	10.81%

[a] The State Constitution limits the tax on real estate to one and one-half per centum of the average five-year full valuation, and provides that the State Legislature may prescribe a method to increase this limitation to not to exceed two per centum. The tax limit was raised to two per centum by provisions of the County Law and a resolution adopted by the County Board of Supervisors, predecessor to the County Legislature. See "THE NOTES – Tax Levy Limitation Law" in the Official Statement to which this Appendix is attached.

[b] Interest on and principal of indebtedness supported by real property taxes for fiscal year 2016 is excluded from the calculation of real estate taxes limited under the provisions of Article VIII, Section 10 of the State Constitution.

[c] Full valuation figures for 2012 through 2015 are verified by the Office of the State Comptroller.

[d] Full valuation for 2016 is based on preliminary data from the County and the Office of the State Comptroller.

Largest Real Property Taxpayers

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

FIGURE 22
LARGEST REAL PROPERTY TAXPAYERS
2016

Taxpayer	Taxable Assessed Value[1]	Taxable Assessed Value (%)
KEYSPAN GAS EAST CORP	$15,589,649	2.59
VERIZON NEW YORK INC	4,659,860	0.78
RETAIL PROPERTY TRUST	3,888,261	0.65
VALLEY STREAM GREEN ACRES LLC	2,314,219	0.38
LONG ISLAND POWER AUTHORITY (LIPA)[2]	2,033,307	0.34
LONG ISLAND WATER CORP	2,008,199	0.33
THE STATE OF NEW YORK	1,312,085	0.22
SUNRISE MALL LLC	1,047,866	0.17
REXCORP PLAZA SPE LLC	972,500	0.16
FIFTH AVENUE OF LONG ISLAND REALTY ASSOC.	933,928	0.16
CLK-HP	915,662	0.15
JQ ASSOCIATES	846,826	0.14
RECKSON ASSOCIATION	785,900	0.13
MARCUS AVENUE UNIT ONE NOMINEE LLC	752,158	0.13
KRE BROADWAY OWNER LLC	747,300	0.12
ONE-TWO JERICHO PLAZA OWNER LLC	732,208	0.12
CLK MARCUS AVENUE PROPERTY OWNER LLC	718,605	0.12
WE'RE ASSOCIATES INC	683,514	0.11
TREELINE 100-400 GCP LLC	631,761	0.11
CORPORATE PROPERTY INVESTORS	628,137	0.10
COUNTRY GLEN LLC	609,236	0.10
EQUITY 1 WESTBURY LLC	567,059	0.09
JMM RACEWAY LLC & MATTONE GROUP	521,164	0.09
T1 FRANKLIN AVENUE PLAZA LLC	505,750	0.08
CMAT 1999-C1 OLD COUNTRY RD LLC	469,050	0.08
TOTAL (TOP 25)	$ 44,874,204	7.46%
TOTAL TAX BASE	$601,132,939	100%

[1] The amounts reflect a level of assessment for commercial properties of 1% of full value.
[2] LIPA makes payments in lieu of taxes.

Collection

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

County, Town and Special District Taxes

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

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

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

School District Taxes

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

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

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

Delinquency Procedure

(a) General taxes

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

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

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

(b) School district taxes

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

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

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

(c) Tax Lien Sale

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

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

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

NASSAU HEALTH CARE CORPORATION

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

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

County-guaranteed NHCC Bonds

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

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

NASSAU COUNTY SEWER AND STORM WATER FINANCE AUTHORITY

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

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

The County includes in its annual levy of an ad valorem assessment (tax) for the Nassau County Sewer and Storm Water Resources District (the "District") amounts needed to pay the costs of the SSWFA. Each city and town receiver of taxes in the County collects such assessments and distributes them to the

SSWFA trustee for SSWFA requirements. The County on behalf of the District then receives the balance of the assessments.

LITIGATION

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

The County self-insures for all significant risks except that it has property insurance on its police helicopters and selected leased facilities, a blanket fidelity bond covering all County employees and the following coverage for its summer recreation program: accident insurance, umbrella liability and general liability. Essentially all other risks are assumed directly by the County. See "THE COUNTY – County Financial Management – Risk Management" herein. All malpractice occurrences prior to September 29, 1999 are the responsibility of the County of which there are no active cases. Subsequent malpractice occurrences arising from events in connection with NHCC are the responsibility of NHCC. The County annually appropriates sums for the payment of judgments and settlements of claims and litigation, which appropriations may be financed, in whole or in part, pursuant to the Local Finance Law by the issuance of County bonds, subject, however, to NIFA approval during the control period. Estimated liabilities of approximately $437 million for claims and litigation (excluding tax certiorari claims) have been recorded as a liability in the County's government-wide financial statement of net position as of December 31, 2015. Approximately $235.2 million has been recorded as a liability in the County's government-wide financial statement of net position at December 31, 2015 related to workers' compensation claims, as estimated by the County's third-party administrator. Such amounts are only estimates, and no assurance can be given that additional claims will not be made or that the ultimate liability on existing and future claims will not be greater.

The County is a party to numerous claims and legal actions for refunds of real property taxes asserted by taxpayers seeking review of assessments. See "Property Tax Litigation – *Assessments*" within this section.

Property Tax Litigation

Assessments

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

Expenditures for all such claims in each of the fiscal years 2011 to 2015, inclusive, is shown below (in millions):

2015	$96.9
2014	95.4
2013	81.3
2012	9.5
2011	64.1

The County Comptroller recorded a long-term liability of $302.6 million for estimated future property tax refunds in the County's government-wide financial statement of net position at December 31, 2015. The County Comptroller recorded an additional accrued liability for property tax refunds of $13.8 million as current liabilities in the County's governmental fund statements and the statement of net position at December 31, 2015. The 2017-2020 Multi-Year Financial Plan projects borrowings to finance property tax refunds in the amount $60 million by the end of 2017; such borrowings are subject to NIFA approval. If the County Legislature does not enact bond ordinance(s) by the required supermajority for such borrowings, or if NIFA subsequently does not approve such borrowing(s), significant expenditures could be accrued, without offsetting revenues. No assurances can be given, however, that such actions will occur. The 2017-2020 Multi-Year Financial Plan projects that the County will no longer borrow to pay new property tax liabilities beginning in 2018. In 2014, the Governor signed legislation (Ch. 458 of 2014) creating a Disputed Assessment Fund whereby class four (commercial) property owners in the County will be required to pay a charge equivalent to the amount of taxes being disputed in proceedings brought by them under Article 7 of the RPTL. This will provide a recurring revenue source for the payment for such refunds related to the 2016-2017 school districts and 2017 general tax rolls and each tax roll thereafter.

Following from NIFA's declaration of a control period on January 26, 2011, NIFA may continue to seek, among other things, to restrict in whole or in part the County's ability to issue debt to finance expenditures, including, but not limited to, the payment of property tax refunds. For further information regarding NIFA's declaration of a control period, see "MONITORING AND OVERSIGHT – External – *NIFA*" herein. See "COUNTY FINANCIAL CONDITION – 2017 Budget and 2017-2020 Multi-Year Financial Plan" herein.

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

Other Property Tax Litigation

(i) New York Telephone Company (now known as Verizon), New York Water Service Corporation (now known as American Water), Long Island Water Corporation (now known as American Water) and KeySpan (collectively, the "Utilities") have each filed actions and proceedings challenging the determination of their taxes in 1997, 1998, 1999, and 2000 in the non-County-wide special districts such as police, fire, water and library districts. The Utilities allege that the County erroneously placed all parcels in classes pursuant to the RPTL in calculating their assessed values for the payment of special district taxes. The Supreme Court, Nassau County declared that the assessments violated the RPTL and constitutional requirements of equal protection. The court directed that discovery be conducted and a trial held to determine the amount of tax refunds, if any, to be awarded to the Utilities. In 2002, the Appellate Division, Second Department, determined that the County violated the RPTL, but granted the County summary judgment dismissing the complaints on the grounds that no refunds should be awarded because of the fiscal impact on the special districts. In 2004, the Court of Appeals remitted the case to the Supreme Court, Nassau County for a trial on both the amount of the refunds due and whether those damages would have such an adverse impact on the County that no refunds should be ordered. In the KeySpan litigation, the Supreme Court, Nassau County denied the County's motion to dismiss the complaint and ordered discovery to proceed in the matter and the related Utilities cases. The court then stayed discovery pending the County's appeal to the Appellate Division concerning the application of the so-called County guaranty in these matters and those described in succeeding paragraph (ii). In June 2014, the Appellate Division denied the County's appeal and in September 2014, the Court of Appeals denied the County's application for leave to appeal the Appellate Division's decision. The court has lifted the stay of discovery in these cases and discovery is scheduled to be completed by the end of 2016, with a trial scheduled to begin in 2017. The County intends to continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition. The County cannot state with certainty the amount of a refund if the court were to order one, but has estimated, depending on the methodology of calculation, that such refund could be as high as $200 million. The matters described in this paragraph were considered when estimating liabilities for claims and litigation (excluding tax certiorari claims) that were recorded as a liability in the County's government-wide financial statement of net position as of December 31, 2015 as described earlier in this section.

(ii) Several third-party actions have been filed against the County seeking indemnification for judgments and/or claims currently pending against the Towns of Hempstead, North Hempstead and Oyster Bay, as well as garbage districts within these towns. In the underlying actions, the courts determined that special ad valorem levies may not be imposed upon mass properties of the utilities (Verizon, American Water and others) for garbage and refuse collection services because such properties do not benefit from these services and ordered the towns and garbage districts to refund the payment of the levies. The towns and garbage districts seek to have the County indemnify these judgments on the basis that the County is allegedly a guarantor for any claim for an illegal assessment for non-benefitted properties. In March 2014, the Appellate Division determined that the plaintiffs were entitled to indemnification from the County for refunds that the Towns pay in these matters. The County appealed to the Appellate Division concerning the application of the so-called County guaranty in these matters and those described in preceding paragraph (i). In June 2014, the Appellate Division denied the County's appeal, and in September 2014, the Court of Appeals denied the County's application for leave to appeal the Appellate Division's decision. The County has subsequently made additional motions regarding the statute of limitations and the application of the so-called County guaranty in these matters with respect to whether interest can be applied in these cases and if so, the amount of any such interest. In addition, the County has made a motion contending that the application of the so-called County guaranty in these cases would be a violation of the gift and loan clause of the State Constitution. Various State Supreme Court justices have denied the County's motions regarding the gift and loan clause, the statute of limitations and/or the interest issue. In April 2016, the County and the Town of Oyster Bay settled the claims of such town and its garbage districts, other than those of two such districts within that town. The County has filed appeals of the denials of its motions and intends to continue to defend itself vigorously in the remaining actions. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition. As third-party claims in these non-benefitted garbage district cases may continue to be filed against the County, it is difficult to predict the total outstanding liability should a court determine that the County is ultimately responsible to reimburse the towns and special districts; however, at present, the estimated refunds amount could be as high as $145 million. The matters described in this paragraph were considered when estimating liabilities for claims and litigation (excluding tax certiorari claims) that were recorded as a liability in the County's government-wide financial statement of net position as of December 31, 2015 as described earlier in this section.

Other Litigation

(i) In February 2013, the U.S. District Court for the Eastern District of New York issued a decision in Carver, et al. v. Nassau County Interim Finance Authority, et al. granting the plaintiffs' (law enforcement unions) motion for summary judgment seeking to nullify NIFA's imposition of a wage freeze in 2011. Although the matter was brought by plaintiffs in federal court, the court resolved the motion on exclusively State law grounds, i.e., an interpretation of State Public Authorities Law Section 3669. In September 2013, the U.S. Court of Appeals for the Second Circuit vacated the decision of the U.S. District Court and remanded the matter for further proceedings, specifically, directing the U.S. District Court to dismiss the State law claim and retain jurisdiction only over the federal constitutional claim. In October 2013, plaintiffs notified the U.S. District Court that they intended to file a State court action regarding the authority of NIFA to impose the wage freeze under State law. At that time, the U.S. District Court stayed the federal action "pending completion of the state court proceeding…without prejudice to re-opening, upon letter application, at the conclusion of the state court proceedings." In March 2014, State Supreme Court Justice Arthur M. Diamond ruled in this and related lawsuits that NIFA "did not exceed its authority to impose wage freezes in 2011, 2012 and 2013." In August 2016, a unanimous decision from the Appellate Division upheld Judge Diamond's decision. The unions have filed motions seeking leave to appeal this decision to the State Court of Appeals. The County and the unions respectively have agreed (among other things) to settle in part this and certain related cases, and such unions respectively have released the County and NIFA from liability for the parts of the lawsuit that were settled. The County will continue to defend itself vigorously in these proceedings. It is not possible to predict the ultimate outcome of this and related cases or their ultimate impact on the County's financial condition; however, the County estimates that, in the event of a final adverse decision, the amount of its retroactive liability for this and related cases would be approximately \$101 million, including ancillary costs such as payroll taxes and pension contributions, among others. This amount is not included in the 2017-2020 Multi-Year Financial Plan. The matters described in this paragraph were considered when estimating liabilities for claims and litigation (excluding tax certiorari claims) that were recorded as a liability in the County's government-wide financial statement of net position as of December 31, 2015 as described earlier in this section.

(ii) In Restivo v. County of Nassau, et al., Kogut v. County of Nassau, et al. and Halstead v. County of Nassau, et al., plaintiffs are suing in their own behalf for compensatory and punitive damages arising out of their 1985 arrests and 1986 convictions in the rape and murder of Theresa Fusco. In 2003, the Nassau County District Attorney's Office joined plaintiffs' (then defendants') counsel in a motion to vacate the judgment of conviction against them because DNA technology disclosed that John Kogut, John Restivo and Dennis Halstead were not the sources of the DNA found in the victim's body. Based upon Mr. Kogut's prior confession, he was re-tried in 2005. After a bench trial, the County Court Judge acquitted Mr. Kogut. Shortly thereafter (in 2005), the indictment against Mr. Restivo and Mr. Halstead was dismissed. In 2006, plaintiffs commenced the present federal civil rights actions. In November 2012, the jury found the County and the other defendants not liable in these actions. In July 2013, Judge Joanna Seybert denied Mr. Kogut's motion to set aside the jury verdict and granted in part Mr. Halstead's and Mr. Restivo's motions to set aside the verdict due to the possibility the jury did not understand the court's charge with respect to their claim of malicious prosecution, which the Judge nonetheless deemed "legally correct." In May 2015, the U.S. Court of Appeals for the Second Circuit affirmed the denial of Mr. Kogut's motion for a new trial. The County moved for reconsideration of the decision granting Mr. Halstead and Mr. Restivo a new trial, or, in the alternative, for permission to appeal the decision. In October 2013, Judge Seybert denied the County's motion and in a re-trial that concluded in April 2014, the jury found only one defendant, a now-deceased County police officer, liable for violations of the plaintiffs' civil rights. A subsequent trial for damages was held and in April 2014 the jury set damages at \$36 million. In November 2014, Judge Seybert denied the County's post-verdict motion to set aside the verdict at the re-trial. The County filed a notice of appeal of the verdict from the re-trial as well the original underlying determination to grant the re-trial after the County and the other defendants were found not liable in November 2012. The estate of the deceased

County police officer (which the County is indemnifying) has taken over the appeal in its entirety, which was heard in April 2016. In March 2015, plaintiffs began proceedings seeking enforcement of the $36 million judgment, including having the court impose the judgment against the County. Pursuant to a stipulated agreement, the enforcement of the judgment has been stayed pending the outcome of the appeal by the estate. In November 2015, Judge Seybert awarded plaintiffs approximately $5 million in attorney fees and costs, which the estate is appealing. In May 2016, plaintiffs Restivo and Halstead filed a related claim for additional damages alleging that the County misrepresented the status of the County's indemnification of the estate of the police officer, among other things. In August 2016, plaintiffs moved to lift the stay of enforcement of the $36 million judgment. In addition, plaintiffs sought a stay of their misrepresentation action against the County. A briefing schedule has been set by Judge Seybert to address both of the plaintiffs' applications. The County will continue to defend itself vigorously in these proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition. The matters described in this paragraph were considered when estimating liabilities of claims and litigation (excluding tax certiorari claims) that were recorded as a liability in the County's government-wide financial statement of net position as of December 31, 2015 as described earlier in this section.

(iii) The County has enacted an ordinance, effective as of July 1, 2011, authorizing the imposition of charges for sewer services in the District upon certain users of the system who are exempt from the payment of ad valorem assessments or who place a disproportionate burden on the sewer system. Various school districts and others in the County have brought lawsuits against the County in Nassau Supreme Court challenging the validity of its enactment of the ordinance imposing service charges. In connection with these lawsuits, the County has been preliminarily enjoined from implementing the ordinance. The Supreme Court denied the County's motion to dismiss and ordered discovery to proceed. The Appellate Division subsequently denied the County's appeal of the granting of the preliminary injunction and the denial of the motion to dismiss. The County has made an application to amend its pleadings to add a counterclaim to recover for past sewer services, which the court granted and which plaintiffs have appealed. The County also filed a motion seeking the posting of a monetary undertaking by the plaintiffs, which the court denied and which the County has appealed. Further, plaintiffs have filed motions for summary judgment, which the County will oppose. The County intends to continue to defend itself vigorously against all such actions.

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

RECENT LEGAL DEVELOPMENTS

On October 20, 2016, an indictment was unsealed in United States District Court, Eastern District of New York charging County Executive Mangano and Oyster Bay Town Supervisor John Venditto with conspiracy to commit federal program bribery and honest services fraud, as well as the related substantive counts, and charging Mr. Mangano and others with extortion. The indictment also charges Mr. Mangano, Linda Mangano, and Mr. Venditto with obstructing justice, and Mrs. Mangano and Mr. Venditto with making false statements. The charges in the indictment are merely allegations, and the defendants are presumed innocent unless and until proven guilty. Mr. Mangano and the other defendants have entered pleas of not guilty.

PROPERTY TAX RATES AND LEVIES

Property Tax Rates

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

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

	Town of Hempstead					Town of North Hempstead					Town of Oyster Bay				
	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013
General County[a]															
I	18.688	17.056	24.008	18.711	24.142	18.688	17.056	24.002	18.699	24.130	18.688	17.066	24.000	18.702	24.140
II	9.006	2.322	6.370	3.318	7.792	9.006	2.322	6.364	3.306	7.781	9.006	2.332	6.362	3.309	7.791
III	13.091	9.774	14.599	9.620	14.252	13.091	9.774	14.593	9.608	14.240	13.091	9.784	14.592	9.612	14.250
IV	9.762	.922	4.587	1.872	6.821	9.762	.922	4.581	1.861	6.810	9.762	.933	4.579	1.864	6.819
Community College															
I	10.756	10.343	10.043	9.820	9.421	10.756	10.343	10.043	9.820	9.421	10.756	10.343	10.043	9.820	9.421
II	5.184	5.429	5.457	5.298	5.300	5.184	5.429	5.457	5.298	5.300	5.184	5.429	5.457	5.298	5.300
III	7.535	7.915	7.596	7.150	6.928	7.535	7.915	7.596	7.150	6.928	7.535	7.915	7.596	7.150	6.928
IV	5.619	4.963	4.994	4.873	5.055	5.619	4.963	4.994	4.873	5.055	5.619	4.963	4.994	4.873	5.055
Police Headquarters															
I	71.003	72.925	66.184	65.989	56.970	71.004	72.925	66.184	65.989	56.970	71.002	72.925	66.184	65.989	56.970
II	25.956	38.279	35.962	35.601	32.047	25.957	38.279	35.962	35.601	32.047	25.955	38.279	35.962	35.601	32.047
III	44.960	55.802	50.063	48.043	41.894	44.961	55.802	50.063	48.043	41.894	44.959	55.802	50.063	48.043	41.894
IV	29.471	34.988	32.906	32.748	30.566	29.472	34.988	32.906	32.748	30.566	29.470	34.998	32.906	32.748	30.566
Fire Prevention															
I	3.421	3.301	3.087	3.036	2.790	3.421	3.301	3.087	3.036	2.790	3.421	3.301	3.087	3.036	2.790
II	1.648	1.733	1.677	1.637	1.570	1.648	1.733	1.677	1.637	1.570	1.648	1.733	1.677	1.637	1.570
III	2.396	2.526	2.335	2.210	2.052	2.396	2.526	2.335	2.210	2.052	2.396	2.526	2.335	2.210	2.052
IV	1.788	\1.584	1.535	1.506	1.497	1.788	1.584	1.535	1.506	1.497	1.788	1.584	1.535	1.506	1.497
Environmental Bond															
I	0	0	1.881	1.851	2.067	0	0	1.881	1.851	2.067	0	0	1.881	1.851	2.067
II	0	0	1.022	.998	1.163	0	0	1.022	.998	1.163	0	0	1.022	.998	1.163
III	0	0	1.423	1.347	1.520	0	0	1.423	1.347	1.520	0	0	1.423	1.347	1.520
IV	0	0	.935	.918	1.109	0	0	0.935	.918	1.109	0	0	.935	.918	1.109

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

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

	City of Glen Cove					City of Long Beach				
	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013
General County(a)										
I	18.688	17.048	24.012	18.730	24.138	18.688	31.013	38.624	33.425	37.371
II	9.006	2.314	6.374	3.337	7.789	9.006	16.279	20.986	18.032	21.022
III	13.091	9.766	14.604	9.639	14.248	13.091	23.730	29.216	24.335	27.481
IV	9.762	.915	4.591	1.892	6.817	9.762	14.879	19.203	16.587	20.050
Community College										
I	10.756	10.343	10.043	9.820	9.421	10.756	10.343	10.043	9.820	9.421
II	5.184	5.429	5.457	5.298	5.300	5.184	5.429	5.457	5.298	5.300
III	7.535	7.915	7.596	7.150	6.928	7.535	7.915	7.596	7.150	6.928
IV	5.619	4.963	4.994	4.873	5.055	5.619	4.963	4.994	4.873	5.055
Police Headquarters										
I	71.007	72.925	66.184	65.989	56.970	86.954	72.925	66.184	65.989	56.970
II	25.960	38.279	35.962	35.601	32.047	41.907	38.279	35.962	35.601	32.047
III	44.964	55.802	50.063	48.043	41.894	60.911	55.802	50.063	48.043	41.894
IV	29.475	34.988	32.906	32.748	30.566	45.421	34.988	32.906	32.748	30.566
Fire Prevention										
I	3.421	3.301	3.087	3.036	2.790	3.421	3.301	3.087	3.036	2.790
II	1.648	1.733	1.677	1.637	1.570	1.648	1.733	1.677	1.637	1.570
III	2.396	2.526	2.235	2.210	2.052	2.396	2.526	2.335	2.210	2.052
IV	1.788	1.584	1.535	1.506	1.497	1.788	1.584	1.535	1.506	1.497
Environmental Bond										
I	0	0	1.881	1.851	2.067	0	0	1.881	1.851	2.067
II	0	0	1.022	.998	1.163	0	0	1.022	.998	1.163
III	0	0	1.423	1.347	1.520	0	0	1.423	1.347	1.520
IV	0	0	.935	.918	1.109	0	0	.935	.918	1.109

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

Figure 25 shows tax rates for special districts in the County. Beginning in 2004, County sewage collection and disposal districts became zones of assessment within the Nassau County Sewer and Storm Water Resources District substantially mirroring the prior districts. The zones of assessment were consolidated at the end of 2013.

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

	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013
Police District					
I	84.724	82.423	75.532	72.229	69.174
II	63.023	61.789	58.757	57.600	56.724
III	221.755	130.533	123.148	120.750	120.404
IV	87.207	76.545	69.812	66.803	65.452
Sewer and Storm Water Resources Zones of Assessment:					
Storm Water Resources Zone of Assessment					
I	2.413	2.978	2.917	3.202	n/a
II	1.163	1.563	1.585	1.727	n/a
III	1.690	2.279	2.207	2.331	n/a
IV	1.261	1.429	1.450	1.589	n/a
Sewer Collection & Disposal Zone of Assessment					
I	22.15	20.954	23.421	20.804	n/a
II	16.505	15.971	19.158	17.020	n/a
III	170.246	158.235	69.323	61.582	n/a
IV	24.214	20.356	22.608	20.085	n/a
Sewer Disposal Zone of Assessment					
I	27.661	26.94	19.411	21.602	n/a
II	3.623	3.475	2.600	2.821	n/a
III	103.055	95.476	36.049	39.116	n/a
IV	22.542	19.904	14.424	15.652	n/a
Sewage Districts:					
Disposal District No. 1					
I	n/a	n/a	n/a	n/a	17.321
II	n/a	n/a	n/a	n/a	3.374
III	n/a	n/a	n/a	n/a	48.614
IV	n/a	n/a	n/a	n/a	17.407
Disposal District No. 2					
I	n/a	n/a	n/a	n/a	17.321
II	n/a	n/a	n/a	n/a	14.231
III	n/a	n/a	n/a	n/a	29.881
IV	n/a	n/a	n/a	n/a	16.123
Disposal District No. 3					
I	n/a	n/a	n/a	n/a	17.321
II	n/a	n/a	n/a	n/a	14.124
III	n/a	n/a	n/a	n/a	28.547
IV	n/a	n/a	n/a	n/a	16.158

	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013
Collection District No. 1					
I	n/a	n/a	n/a	n/a	7.242
II	n/a	n/a	n/a	n/a	1.411
III	n/a	n/a	n/a	n/a	20.324
IV	n/a	n/a	n/a	n/a	7.278
Collection districts within Disposal District No. 2(a)					
I	n/a	n/a	n/a	n/a	7.242
II	n/a	n/a	n/a	n/a	5.818
III	n/a	n/a	n/a	n/a	12.934
IV	n/a	n/a	n/a	n/a	6.298
Collection districts within Disposal District No. 3(a)					
I	n/a	n/a	n/a	n/a	6.725
II	n/a	n/a	n/a	n/a	5.625
III	n/a	n/a	n/a	n/a	11.647
IV	n/a	n/a	n/a	n/a	6.272

(a) Rate shown is the average rate of the former districts/zones of assessment.

Property Tax Levies

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

FIGURE 26
COUNTY OF NASSAU, NEW YORK
PROPERTY TAX LEVIES
COUNTY, TOWN, CITY, VILLAGE GOVERNMENTS AND SPECIAL DISTRICTS
($ IN THOUSANDS)

	2014		2013		2012		2011	
	Tax Levy	% of Total	Tax Levy	% of Total	Tax Levy	% of Total	Tax Levy	% of Total
Nassau County Government	$859,257	13.71%	$856,996	14.00%	$856,539	14.28%	$852,523	14.58%
Sewer & Storm Water Consolidated	117,271	1.87%	117,271	1.92%	117,271	1.96%	119,032	2.04%
Environmental Bond Fund	9,671	0.15%	11,250	0.18%	11,250	0.19%	11,250	0.19%
Town & City Governments	298,138	4.76%	288,718	4.72%	288,795	4.82%	268,602	4.59%
Incorporated Villages	451,152	7.20%	439,677	7.18%	428,901	7.15%	420,196	7.19%
School Districts	$3,951,434	63.04%	$3,841,766	62.77%	$3,746,069	62.46%	$3,619,714	61.90%
Special Districts:								
Fire	$113,417	1.81%	$111,346	1.82%	$108,892	1.82%	$106,817	1.83%
Fire Protection	19,981	0.32%	19,579	0.32%	19,113	0.32%	18,989	0.32%
Garbage, Refuse & Sanitary	220,218	3.51%	213,956	3.50%	209,324	3.49%	222,634	3.81%
Lighting	17,044	0.27%	16,216	0.26%	17,497	0.29%	17,052	0.29%
Park	92,373	1.47%	90,620	1.48%	86,288	1.44%	87,307	1.49%
Parking & Improvement	52,659	0.84%	50,351	0.82%	50,048	0.83%	47,406	0.81%
Sewer Special	18,698	0.30%	16,295	0.27%	15,649	0.26%	14,812	0.25%
Water	47,102	0.75%	46,363	0.76%	41,837	0.70%	41,110	0.70%
Total Special Districts	581,492	9.28%	564,726	9.23%	548,648	9.15%	556,127	9.51%
Total	**$6,268,415**	**100.00%**	**$6,120,404**	**100.00%**	**$5,997,473**	**100.00%**	**$5,847,444**	**100.00%**

Data extracted from County of Nassau, Comprehensive Annual Financial Report of the Comptroller for the Fiscal Year ended December 31, 2015.

APPENDIX B

BASIC AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2015

The County's financial statements, including the report of RSM US LLP, the independent auditor of the County's audited financial statements for the fiscal year ended December 31, 2015, which are a matter of public record, are included by reference in this Official Statement as APPENDIX B. RSM US LLP, the County's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. RSM US LLP also has not performed any procedures relating to this Official Statement. The County's financial statements for the fiscal year ended December 31, 2015 have been filed with the MSRB through its EMMA system.

Copies of the County's financial statements for the fiscal year ended December 31, 2015 are available on EMMA (http://emma.msrb.org) or on the County's website (http://www.nassaucountyny.gov/1602/Nassau-County-Finances-Special-Tax-Studi).

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APPENDIX C

FORM OF BOND COUNSEL OPINION

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FORM OF BOND COUNSEL OPINION

[Letterhead of Orrick, Herrington & Sutcliffe LLP]

December 14, 2016

County of Nassau,
State of New York

Re: County of Nassau, New York

$98,895,000 BOND ANTICIPATION NOTES, 2016 SERIES D (FEDERALLY TAXABLE)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the County of Nassau, New York (the "County"), of $98,895,000 aggregate principal amount of Bond Anticipation Notes, 2016 Series D (Federally Taxable), dated the date of delivery (the "Notes"). The Notes are issued pursuant to the Constitution and statutes of the State of New York and proceedings of the finance board of the County.

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

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the County.

We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the County Certificate. We call attention to the fact that the rights and obligations under the Notes and the County Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against counties in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the documents described in the second paragraph hereof. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the Notes and express no opinion with respect thereto.

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

1. The Notes constitute valid and binding obligations of the County.

2. The County Certificate has been duly executed and remains in full force and effect.

3. The County Legislature has power and is obligated to levy ad valorem taxes, subject to applicable statutory limitations, upon all property within the County's boundaries subject to taxation by the County for the payment of the Notes and the interest thereon.

4. Interest on the Notes is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). We express no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes.

APPENDIX D

OUTSTANDING OBLIGATIONS

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County of Nassau, New York

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

as of October 31, 2016

County General Improvement Bonds

Dated Date		Original Issue Size	Original Interest Rates	Maturity	Principal Outstanding as of 10/31/16
6/14/2016	General Improvement Series 2016C	$140,195,000	5.00	2018-2043	$140,195,000
2/9/2016	General Improvement Refunding Series 2016A	272,810,000	2.50-5.00%	2017-2039	272,810,000
2/9/2016	General Improvement Series 2016B	120,140,000	5.00	2017-2030	120,140,000
6/2/2015	General Improvement Series 2015B	168,895,000	5.00	2017-2035	168,895,000
1/29/2015	General Improvement Series 2015A	29,640,000	2.00-5.00	2015-2033	27,325,000
12/10/2014	General Improvement Series 2014A	237,755,000	5.00	2016-2030	226,990,000
12/11/2013	General Improvement Series 2013C	90,710,000	5.00	2015-2043	89,285,000
8/15/2013	General Improvement Series 2013B	127,920,000	.81-5.08	2014-2043	124,380,000
2/28/2013	General Improvement Series 2013A	152,430,000	3.00-5.00	2014-2043	145,485,000
5/2/2012	General Improvement Series 2012A	196,630,000	4.00-5.00	2012-2034	178,890,000
6/2/2011	General Improvement Series 2011A	82,045,000	1.00-5.05	2012-2036	73,475,000
12/16/2010	General Improvement Series 2010F	71,745,000	6.65-7.25	2026-2035	71,745,000
12/16/2010	General Improvement Series 2010E	53,255,000	3.00-5.00	2012-2025	38,335,000
8/24/2010	General Improvement Series 2010D	15,105,000	5.20-5.375	2026-2027	15,105,000
8/24/2010	General Improvement Series 2010C	126,620,000	4.00-5.00	2012-2026	93,495,000
6/24/2010	General Improvement Series 2010B	82,060,000	5.05-6.70	2019-2037	82,060,000
6/24/2010	General Improvement Series 2010A	13,280,000	3.00-5.00	2012-2018	4,565,000
12/15/2009	General Improvement Series 2009I	35,000,000	5.75-6.20	2025-2031	35,000,000
12/15/2009	General Improvement Series 2009H	55,215,000	2.00-4.00	2010-2025	34,710,000
9/9/2009	General Improvement Series 2009G	26,400,000	5.25-5.375	2023-2025	26,400,000
9/9/2009	General Improvement Series 2009F	83,600,000	4.00-5.00	2011-2023	49,220,000
8/19/2009	General Improvement Refunding Series 2009E	50,875,000	3.00-5.00	2010-2018	1,370,000
7/21/2009	General Improvement Series 2009C	135,300,000	5.00-5.25	2010-2039	13,325,000
5/5/2009	General Improvement Series 2009A	99,000,000	2.50-5.00	2011-2029	14,425,000
7/8/2008	General Improvement Refunding Series 2008D	22,285,000	4.00-5.00	2009-2019	2,085,000
7/8/2008	General Improvement Series 2008C	149,525,000	4.00-5.00	2010-2028	27,885,000
1/22/2008	General Improvement Series 2008A	105,000,000	3.25-5.00	2009-2028	11,175,000
12/1/2010	General Improvement Series 2007B Remarketing	40,000,000	2.50-5.00	2011-2024	24,525,000
12/1/2010	General Improvement Series 2007A Remarketing	35,000,000	2.50-5.00	2011-2023	20,350,000
6/10/1993	General Improvement Refunding Series 1993H	73,740,000	2.40-5.50	1993-2017	70,000
Total					$2,133,715,000

County Sewer and Storm Water Resources District Bonds

Dated Date		Original Issue Size	Original Interest Rates	Maturity	Principal Outstanding as of 10/31/16
7/21/2009	Sewers Series 2009D	$ 14,700,000	5.00-5.50%	2010-2039	$13,220,000
5/5/2009	Sewers Series 2009B	15,000,000	4.00-6.00	2011-2034	12,675,000
1/22/2008	Sewers Series 2008B	20,000,000	3.00-5.00	2009-2033	15,695,000
Total					$41,590,000

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

Dated Date		Issue Size	Interest Rates	Maturity	Principal Outstanding as of 10/31/16
5/15/2015	EFC Series 2015D[(1)]	$1,168,949	3.808-4.569%	2016-2034	$1,111,000
5/15/2014	EFC Series 2014B[(1)]	2,210,000	4.061-4.595	2017-2028	2,210,000
7/15/2013	EFC Series 2013B[(1)]	3,185,419	0.263-4.756	2014-2043	2,910,000
7/15/2013	EFC Series 2013B[(1)]	5,218,233	3.363-4.612	2014-2029	4,388,053
11/15/2012	EFC Series 2012F[(1)]	56,518,000	4.49-6.182	2013-2024	39,431,000
6/15/2012	EFC Series 2012C[(1)]	26,070,000	4.70-6.181	2013-2029	21,225,000
6/01/2011	EFC Series 2011C[(1)]	5,395,000	.836-4.80	2012-2028	4,110,000
3/4/2004	EFC Series 2004B	4,065,914	1.06-4.60	2004-2028	155,000
Total					$75,540,053

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

Nassau County Interim Finance Authority ("NIFA") Bonds

Dated Date		Original Issue Size	Original Interest Rates	Maturity	Principal Outstanding as of 10/31/16
10/22/2015	NIFA Series 2015A	$116,310,000	4.00-5.00%	2016–2025	$116,310,000
10/4/2012	NIFA Series 2012A	141,580,000	3.00-5.00	2015–2025	127,205,000
10/4/2012	NIFA Series 2012B	176,133,000	1.00-5.00	2014–2023	117,811,000
4/21/2009	NIFA Series 2009A	303,100,000	1.00-5.00	2009–2025	68,405,000
5/16/2008	NIFA Series 2008D	150,000,000	VRDB	2014–2017	91,875,000
5/16/2008	NIFA Series 2008C	150,000,000	VRDB	2017–2019	150,000,000
5/16/2008	NIFA Series 2008B	125,000,000	VRDB	2019–2021	125,000,000
5/16/2008	NIFA Series 2008A	125,000,000	VRDB	2021–2025	125,000,000
Total					$921,606,000

Total County and NIFA Bonds	**$3,172,451,053**

Variable Rate Demand Bonds - Letters of Credit and Liquidity Facilities
(as of October 31, 2016)

Series	Outstanding Principal Amount	Provider	Facility Type	Expiration or Optional Termination by Provider
NHCC				
2009A	$17,660,000	JPMorgan Chase Bank, N.A.	LOC[1]	May 15, 2017
2009B-1	37,800,000	TD Bank, N.A.	LOC	June 30, 2018
2009B-2	37,725,000	TD Bank, N.A.	LOC	June 30, 2018
2009C-1	33,760,000	Wells Fargo Bank N.A.	LOC	July 6, 2018
2009C-2	32,060,000	Wells Fargo Bank N.A.	LOC	July 6, 2018
2009D-1	29,565,000	JPMorgan Chase Bank, N.A.	LOC	May 15, 2017
2009D-2	27,830,000	JPMorgan Chase Bank, N.A.	LOC	May 15, 2017
Total NHCC	$216,400,000			
NIFA				
2008A	$125,000,000	TD Bank, N.A.	SBPA[2]	May 7, 2019
2008B	125,000,000	Sumitomo Mitsui Banking Corp.	SBPA	November 15, 2021
2008C	150,000,000	BMO Harris Bank, N.A.	SBPA	November 15, 2019
2008D-1	91,875,000	BMO Harris Bank, N.A.	SBPA	November 15, 2017
Total NIFA	$491,875,000			

(1) Letter of Credit
(2) Standby Bond Purchase Agreement

Interest Rate Exchange Agreements
(as of October 31, 2016)

	Current Notional Amount	Counterparty	Pays	Receives	Maturity Date	Associated Bonds
	NHCC					
	$66,593,334	JPMorgan Chase Bank, N.A.	3.46%	62.6% of USD-LIBOR + 0.23%	8/01/2029	NHCC 2009B,C,D
	66,408,333	Merrill Lynch Capital Services, Inc.	3.46%	62.6% of USD-LIBOR + 0.23%	8/01/2029	NHCC 2009B,C,D
	66,408,333	UBS AG	3.46%	62.6% of USD-LIBOR + 0.23%	8/01/2029	NHCC 2009B,C,D
Total NHCC	$199,410,000					
	NIFA					
	$72,500,000	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.15%	60.0% of USD-LIBOR + 0.16%	11/15/2024	NIFA 2008A,B,C,D
	72,500,000	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.15%	60.0% of USD-LIBOR + 0.16%	11/15/2024	NIFA 2008A,B,C,D
	25,975,000	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.00%	60.0% of USD-LIBOR + 0.26%	11/15/2016	NIFA 2008A,B,C,D
	72,500,000	UBS AG	3.15%	60.0% of USD-LIBOR + 0.16%	11/15/2024	NIFA 2008A,B,C,D
	72,500,000	UBS AG	3.15%	60.0% of USD-LIBOR + 0.16%	11/15/2024	NIFA 2008A,B,C,D
	25,900,000	UBS AG	3.00%	60.0% of USD-LIBOR + 0.26%	11/15/2016	NIFA 2008A,B,C,D
	50,000,000	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.43%	61.5% of USD-LIBOR + 0.20%	11/15/2025	NIFA 2008A,B,C,D
	50,000,000	Morgan Stanley Capital Services Inc.	3.43%	61.5% of USD-LIBOR + 0.20%	11/15/2025	NIFA 2008A,B,C,D
	50,000,000	UBS AG	3.43%	61.5% of USD-LIBOR + 0.20%	11/15/2025	NIFA 2008A,B,C,D
Total NIFA	$491,875,000					

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APPENDIX E

UNDERLYING INDEBTEDNESS OF POLITICAL SUBDIVISIONS WITHIN THE COUNTY

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UNDERLYING INDEBTEDNESS OF POLITICAL SUBDIVISIONS WITHIN THE COUNTY

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

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

	2015	2014	2013	2012	2011
OVERLAPPING DEBT, TOWNS AND CITIES					
Town of Hempstead					
Bonds		$306,769	$303,135	$338,638	$327,548
Other Debt Obligations		80,035	0	0	0
Total		$386,804	$303,135	$338,638	$327,548
Town of North Hempstead:					
Bonds	$232,990	$254,020	$233,290	$256,646	$215,213
Other Debt Obligations	101,486	89,768	116,365	108,052	121,409
Total	$334,476	$343,788	$349,655	$364,698	$336,622
Town of Oyster Bay:					
Bonds	$662,465	$717,421	$451,421	$357,155	$399,750
Other Debt Obligations	190,965	126,920	353,150	476,635	323,285
Total	$853,430	$844,341	$804,571	$833,790	$723,035
City of Glen Cove:					
Bonds	$36,770	$41,595	$42,052	$51,953	$53,959
Other Debt Obligations	23,056	17,995	21,821	16,678	8,356
Total	$59,826	$59,590	$63,873	$68,631	$62,315
City of Long Beach:					
Bonds	$61,525	$59,729	$40,372	$44,385	$51,953
Other Debt Obligations	47,427	45,479	10,227	11,886	0
Total	$108,952	$105,208	$50,599	$56,271	$51,953
Total Overlapping Debt, Towns and Cities:					
Bonds	$993,750	$1,379,534	$1,070,270	$1,048,777	$1,048,423
Other Debt Obligations	362,934	360,197	501,563	613,251	453,050
Total	$1,356,684*	$1,739,731	$1,571,833	$1,662,028	$1,501,473

(*) SOURCE: Most recent official statement for each town and city. 2015 information for the Town of Hempstead is not available. The total amount for 2015 does not include indebtedness of the Town of Hempstead.

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APPENDIX F

COUNTY WORKFORCE

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COUNTY WORKFORCE

See "APPENDIX A – INFORMATION ABOUT THE COUNTY – MONITORING AND OVERSIGHT – External – NIFA" herein for information regarding NIFA's declaration of a control period and "APPENDIX A – INFORMATION ABOUT THE COUNTY – LITIGATION – Other Litigation" herein for a description of litigation challenging NIFA's imposition of a wage freeze during the control period.

County Employees

As of September 30, 2016, the full-time County workforce totaled 7,446 in the Major Operating Funds. This represents a decrease of 1,476 full-time positions when compared to December 31, 2009 and is evidence of the County's workforce reduction initiative. This initiative has included layoffs, separation incentives, attrition and the institution of a hiring freeze to limit the back-filling of positions.

County employees are represented by six labor organizations recognized under the provisions of the New York State Taylor Law. These are the Nassau County Civil Service Employees Association ("CSEA"), the Nassau County Police Benevolent Association ("PBA"), the Detectives Association, Inc. ("DAI"), the Superior Officers Association ("SOA"), the Nassau County Sheriff's Correction Officers Benevolent Association ("COBA"), and the Investigators Police Benevolent Association ("IPBA"). The following table summarizes labor organization enrollment:

Full-Time County Workforce as of September 30, 2016
(Major Operating Funds)

Labor Organization	**Full-Time Employees**
CSEA	3,532
PBA	1,747
DAI	333
COBA	837
IPBA	36
SOA	366
NON UNION	595
Total	**7,446**

Civil Service Employees Association (CSEA)

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

- All CSEA members are subject to a 0.75% wage deferral of COLAs beginning April 1, 2014 through March 31, 2016. Such wage deferral will be paid at a prevailing rate at separation.
- New salary schedule applies for CSEA members hired on or after April 1, 2014.
- All new members hired on or after April 1, 2014 contribute 15% to health insurance premium costs, unless such employees are enrolled in alternative health insurance plans, whereby the County pays up to 85% of the monetary equivalent of the cost of the Empire Plan.
- Compensatory time is no longer granted to any member for blood donation.
- Restricted approval for vacation leave usage.

- The County no longer provides CSEA members with short-term disability insurance.
- CSEA member's compensatory time bank is increased to a maximum of 400 hours.

Nassau County Police Benevolent Association (PBA)

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

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

Detectives Association, Inc. (DAI)

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

- All DAI members receive annual increments on their anniversary date rather than January 1st of each year.
- All new DAI members hired on or after April 1, 2014 contribute 15% to health insurance premium costs, unless such employees are enrolled in alternative health insurance plans, whereby the County pays up to 85% of the monetary equivalent of the cost of the Empire Plan.
- All new DAI members hired on or after April 1, 2014 are enrolled in the PFRS Tier 6 contributory plan.
- Includes work rule changes with respect to training days, tour changes and operational schedules.
- DAI member's compensatory time bank is increased to a maximum of 400 hours.
- The County has the ability to civilianize 12 DAI positions in the crime lab.

Superior Officers Association (SOA)

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

- All SOA members receive annual increments on their anniversary date rather than January 1st of each year.
- All new SOA members hired on or after April 1, 2014 contribute 15% to health insurance premium costs, unless such employees are enrolled in alternative health insurance plans,

whereby the County pays up to 85% of the monetary equivalent of the cost of the Empire Plan.
- All new SOA members hired on or after April 1, 2014 are enrolled in the PFRS Tier 6 contributory plan.
- Includes work rule changes with respect to training days and tour changes.
- SOA member's compensatory time bank is increased to a maximum of 400 hours.
- The County has the ability to civilianize 7 SOA positions in the Forensic Evidence Bureau and the Emergency Ambulance Bureau.
- Restricted approval for vacation leave usage.

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

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

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

Investigators Police Benevolent Association (IPBA)

The IPBA represents investigators employed by the Nassau County District Attorney. On September 13, 2012, the panel for the IPBA interest arbitration issued its award, covering the eight-year period from December 1, 2004 through December 31, 2012. Although the agreement has expired, pursuant to State law all the terms of such an expired agreement continue until a new agreement is negotiated (unless the employee organization engaged in certain prohibited conduct during or prior to the resolution of such negotiations). The total wage increase of 34.9% was not in the form of a COLA increase but rather the introduction of a new step chart as of January 1, 2011. Other features of the award, each effective as of January 1, 2012, include the following key provisions:

- Longevity is paid for employees at top step with 6 or more years of service at a rate of $300 per year for each year of completed service.
- Shift differential is paid to employees at a 12% premium.
- Special assignment payments of 3% of base pay for time working on assignment to a federal or State agency task force.
- Members of the IPBA are entitled to clothing, equipment, and an education allowance and/or incentive pay totaling $2,425 per year per member.
- Members are entitled to increased sick and vacation days.

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APPENDIX G

ECONOMIC AND DEMOGRAPHIC PROFILE

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ECONOMIC AND DEMOGRAPHIC PROFILE

Overview

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

Population

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

TABLE 1

COUNTY POPULATION

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

SOURCE: U.S. Census Decennial

Economic Indicators

Median Household Income

As shown in Table 2, the County's estimated median household income for 2015 was $101,830, up from $99,035 in 2014, and significantly higher than that of the State ($60,850) and the United States ($55,775). Moreover, the County has a smaller percentage of families below the poverty level (4.1 %) than the State (11.6%) and the United States (10.6%).

TABLE 2

MEDIAN HOUSEHOLD INCOME IN THE COUNTY IN COMPARISON TO THE STATE AND THE U.S., 2015 AND 2014

	2015		2014	
Area	**Median Household Income**	**Families Below Poverty (%)**	**Median Household Income**	**Families Below Poverty (%)**
County	$101,830	4.1	$99,035	4.7
State	$60,850	11.6	$58,878	12.2
United States	$55,775	10.6	$53,657	11.3

U.S. Census, 2014 and 2015 American Community Survey, 1-Year Estimates

Consumer Price Index

The Consumer Price Index ("CPI") represents changes in prices of a typical market basket of goods and services that households purchase over time, which analysts use to gauge the level of inflation. The CPI includes user fees such as for water and sewer services and sales and excise taxes paid by consumers, but does not include income taxes and investments such as stocks, bonds, and life insurance. Table 3 shows annual totals and increases in the CPI for both the New York-Northern New Jersey-Long Island, NY-NJ-CT-PA Consolidated Metropolitan Statistical Area ("CMSA") and U.S. cities between the years 2006 and 2015.

In 2015, the CPI in the CMSA rose by 0.15%, which was greater than the 2015 U.S. city average CPI increase of 0.13%. The U.S. city average CPI and CMSA CPI rose less in 2015 than in 2014.

TABLE 3

CONSUMER PRICE INDEX

Year	U.S. City Average (1,000s)	Percentage Change	NY-NJ-CT-PA CMSA (1,000s)	Percentage Change
2015	237.0	0.13%	260.6	0.15%
2014	236.7	1.60	260.2	1.30
2013	233.0	1.50	256.8	1.70
2012	229.6	2.09	252.6	1.98
2011	224.9	3.12	247.7	2.82
2010	218.1	1.68	240.9	1.73
2009	214.5	-0.37	236.8	0.41
2008	215.3	3.86	235.8	3.94
2007	207.3	2.83	226.9	2.81
2006	201.6	3.23	220.7	3.76

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics

Retail Sales and Business Activity

Six major regional shopping centers serve the County. The Gallery at Westbury Plaza is a new 330,000 square foot, LEED-certified (Leadership in Energy and Environmental Design), open-air shopping center located on the grounds of the former Avis corporate headquarters. The other major retail centers are the Broadway Mall in Hicksville, Roosevelt Field in Garden City, Green Acres Mall in Valley Stream, Americana Manhasset in Manhasset and Sunrise Mall in Massapequa. According to the International Council of Shopping Centers, a global trade association of the shopping center industry, these regional malls have approximately 7 million square feet of gross leasable area.

The County boasts a wide range of nationally recognized retailers that provide goods and services, including home furnishing stores, supermarkets, gourmet food markets, electronic stores, and bookstores. Major retailers in the County include Wal-Mart, Saks Fifth Avenue, Bloomingdales, Lord & Taylor, Nordstrom's, Macy's, Sears, JC Penney, Marshalls, Old Navy, Kohl's, and Target. Commercial outlet stores in the County include, but are not limited to, Costco, Bed, Bath & Beyond, B.J.'s, and Best Buy. In addition, there are designer boutique shops and specialty department stores such as Brooks Brothers, Giorgio Armani, Ralph Lauren, Prada, and the newly-opened Neiman Marcus at Roosevelt Field, and jewelers such as Tiffany & Co., Cartier, and Van Cleef & Arpels.

Based on a report released by the New York State Department of Taxation and Finance, the County ranked third in the State with taxable sales and purchases totaling approximately $25.6 billion for the most recent reporting period (2015/2016), an increase of 0.95% from the prior reporting period (2014/2015).

TABLE 4

RETAIL SALES ACTIVITY RANKED BY COUNTY IN THE STATE
(in thousands)

County	Rank (2014/2015)	Taxable Sales (2014/2015)	Rank (2015/2016)	Taxable Sales (2015/2016)	Change
New York City*	1	$145,650,806,023	1	$149,554,958,477	2.68%
Suffolk	2	30,958,710,069	2	30,912,062,536	-0.15
Nassau	3	**25,402,450,990**	3	**25,642,564,165**	**0.95**
Westchester	4	19,438,471,110	4	19,453,550,319	0.08
Erie	5	15,174,549,686	5	15,331,331,106	1.03
Monroe	6	11,172,579,432	6	11,411,734,168	2.14
Onondaga	7	8,325,220,898	7	8,268,129,248	-0.69
Orange	8	6,820,775,134	8	6,792,085,127	-0.42
Albany	9	6,259,013,027	9	6,321,231,902	0.99
Rockland	10	4,677,181,669	10	4,783,936,931	2.28

SOURCE: New York State Website DATA.NY.GOV (https://data.ny.gov/Government-Finance/Taxable-Sales-And-Purchases-Quarterly-Data-Beginni/ny73-2j3u). Represents sales reported from March through February.
* Includes the five counties of the Bronx, Kings (Brooklyn), New York (Manhattan), Queens, and Richmond (Staten Island).

Employment

Table 5 compares employment totals and unemployment rates in the County to adjoining municipalities, the State, and the United States. The County had an employed labor force of approximately 665,800 in 2015. The unemployment rate in the County decreased from 4.8% in 2014 to 4.3% in 2015. Nassau County's unemployment rate continues to be less than that of Suffolk County, New York City, the State, and the United States.

TABLE 5

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

Year	Nassau County		Suffolk County		New York City		New York State		United States	
	Employ-ment	Unemployment Rate	Employ-ment	Unemploy-ment Rate	Employ-ment	Unemploy-ment Rate	Employ-ment	Unemploy-ment Rate	Employ-ment	Unemploy-ment Rate
2015	665.8	4.3%	739.1	4.8%	3,960	5.7%	9,166	5.3%	148,834	5.3%
2014	652.2	4.8	725.9	5.3	3,826	7.2	8,964	6.3	146,305	6.2
2013	655.2	5.9	792.8	6.4	3,702	8.7	8,898	7.7	143,929	7.4
2012	642.5	7.1	728.8	7.6	3,632	9.2	8,773	8.5	142,469	8.1
2011	635.9	6.7	721.3	7.4	3,592	9.0	8,683	8.2	139,869	8.9
2010	638.4	7.1	726.7	7.6	3,625	9.3	8,553	8.6	148,250	9.6
2009	642.4	7.1	731.2	7.4	3,633	9.5	8,556	8.4	139,877	9.3
2008	665.7	4.7	757.9	5.0	3,719	5.4	8,793	5.3	145,362	5.8
2007	670.0	3.7	758.2	3.9	3,684	4.9	8,734	4.5	146,047	4.6
2006	668.3	3.8	753.9	4.0	3,630	5.0	8,618	4.6	144,427	4.6

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

Key Employment Trends

Table 6 shows the annual average employment in non-farm jobs by industry for the years 2006 to 2015 in the Nassau-Suffolk Primary Metropolitan Statistical Area ("PMSA").

TABLE 6

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

Business Sector/ Industry	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
					Goods Producing					
Natural Resources, Construction & Mining	69.8	72.0	73.1	65.0	60.8	60.3	61.4	67.0	70.5	73.5
Manufacturing	85.9	83.8	81.3	75.1	73.0	72.8	74.0	73.8	71.9	71.7
Total – Goods Producing	**155.7**	**155.8**	**154.4**	**140.1**	**133.8**	**133.1**	**135.4**	**140.8**	**142.3**	**145.2**
					Service Providing					
Trade, Transportation & Utilities	270.7	273.7	272.4	257.2	256.2	258.7	264.0	267.0	272.4	273.6
Financial Activities	80.4	79.2	75.0	70.8	69.8	70.5	72.4	72.6	72.6	73.5
Information	29.2	27.9	27.1	27.3	25.4	24.3	24.0	23.9	22.0	20.4
Educational & Health Services	206.2	210.8	215.7	220.6	225.8	230.8	237.1	238.4	241.7	248.5
Leisure & Hospitality	97.5	99.2	99.4	98.4	100.9	102.9	110.6	115.3	118.5	121.0
Other Services	51.9	52.7	53.6	52.7	52.9	54.4	54.9	56.0	57.6	57.9
Professional & Business Services	158.6	164.2	163.1	153.6	152.8	159.3	163.3	167.4	169.0	171.9
Government	198.7	202.1	203.2	206.7	208.9	205.3	199.9	195.1	193.7	194.5
Total - Service Providing	**1,093.2**	**1,109.6**	**1,109.5**	**1,087.2**	**1,092.6**	**1,106.2**	**1,126.1**	**1,135.7**	**1,147.4**	**1,161.2**
Total Non-Farm	**1,248.9**	**1,265.6**	**1,264.0**	**1,227.4**	**1,226.5**	**1,239.3**	**1,261.5**	**1,276.5**	**1,289.8**	**1,306.4**

SOURCE: New York State Department of Labor
Note: Totals may not equal the sum of the entries due to rounding.

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

TABLE 7

PERCENTAGE OF NON-FARM EMPLOYMENT BY BUSINESS SECTOR, 2015

BUSINESS SECTOR	Nassau-Suffolk PMSA (%)	United States (%)
GOODS PRODUCING		
Natural Resources, Construction & Mining	6	5
Manufacturing	5	9
Total Goods Producing	**11**	**14**
SERVICE PROVIDING[1] OR SERVICE PRODUCING[2]		
Trade, Transportation & Utilities	21	19
Financial Activities[1] or Finance, Insurance & Real Estate[2]	6	6
Assorted Services	47	40
Government	15	16
Total Service Providing / Producing	**89**	**81**

Note: Totals may not equal 100% due to rounding.
SOURCES: Compiled by the County from: New York State Department of Labor (Nassau-Suffolk PMSA) and the U.S. Department of Labor, Bureau of Labor Statistics (United States).
(1) PMSA
(2) United States

Major County Employers

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

TABLE 8

MAJOR COUNTY COMMERCIAL AND INDUSTRIAL EMPLOYERS, 2013

Company	Type of Business	Employees
Northwell Health (formerly North Shore – LIJ Health System)	Health care	61,000*
Cablevision Systems Corp.	Cable and pay television	18,899
Pall Corporation	Industrial equipment	10,800
Broadridge Financial Solutions	Data processing	6,200
Winthrop Healthcare Systems	Health care	5,959
Griffon Corp.	Specialty building products	5,400
Systemax, Inc.	Computers & related products	5,300
Alcott Group	Professional employers organization	4,800

SOURCES: Compiled by the County from Crain's Book of Lists, 2014. Selected data updated using Hoovers.com.

*Northwell Health Fact Sheet, https://www.northwell.edu/about/reports-fact-sheets. Accessed on May 5, 2016 (note: not all employees of Northwell Health work in Nassau County).

Residential Construction Activity

Table 9 is a list of construction activity in the County for residential buildings for the years 2006 through 2015. Overall construction activity has varied considerably over the last decade. During the 2006-2015 period, residential construction (Single-Family and Other Units) activity reached its high point in 2008 with 1,868 permits, and fell to its lowest point the following year (2009) with 378 permits. During 2015, permits for Single-Family Dwellings remained nearly steady from 2014; however, Other Housing Units increased significantly over 2014. The increase in Single-Family Dwelling permits from 2012 to 2014 may be due to homeowners filing for building permits to rebuild Superstorm Sandy-damaged properties as there have been no large single-family residential subdivisions created over the past few years.

TABLE 9

COUNTY RESIDENTIAL CONSTRUCTION ACTIVITY

Year	Single Family Dwellings	Other Housing Units*	Total
2015	608	478	1,086
2014	640	265	905
2013	630	164	794
2012	375	276	651
2011	311	542	853
2010	400	123	523
2009	365	13	378
2008	822	1,046	1,868
2007	737	85	822
2006	1,291	161	1,452

SOURCES: 2006-2015 U.S. Bureau of the Census, Privately-owned Building Permit Estimates; 2006–2008 Nassau County Planning Commission Building Permits Reports.

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

Table 10 shows the number of building permits with an estimated dollar value equal to or greater than $1,000,000 that were issued for Class 4 properties in the County for the years 2006 through 2015. Class 4 property includes commercial, industrial and institutional buildings, and vacant land. Table 10 indicates that in 2015 municipalities issued 70 building permits for Class 4 properties with an aggregate value of $431,153,868.

TABLE 10

HIGH VALUE BUILDING PERMITS* FOR COUNTY CLASS 4 PROPERTIES

Year	Number of Permits	Value of Permits
2015	70	$431,153,868
2014	39	246,233,991
2013	19	119,347,464
2012	56	154,210,056
2011	88	262,515,969
2010	57	211,534,203
2009	38	151,318,375
2008	39	91,992,908
2007	47	134,548,252
2006	47	161,235,223

SOURCE: Nassau County Department of Assessment

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

Housing

As shown in Table 11, the value of new residential construction activity in the County declined between 2008 and 2010, consistent with the national economic downturn. However, activity reported from 2011 through 2015 indicates a steady increase in new construction value from the recent low in 2010.

TABLE 11

COUNTY NEW RESIDENTIAL CONSTRUCTION ACTIVITY

Year	Value of New Residential Construction (in thousands)	No. of New Dwelling Units By Building Permit
2015	$393,115	1,086
2014	333,008	905
2013	291,260	794
2012	222,851	651
2011	207,482	853
2010	169,369	523
2009	178,307	378
2008	374,000	1,868
2007	284,404	822
2006	368,875	1,452

SOURCE: 2006 – 2015 U.S. Census Bureau, Construction Statistics Division-Building Permit Branch based on estimates with imputation.

Table 12 shows the breakdown of new housing units by type and size.

TABLE 12

NUMBER OF COUNTY NEW RESIDENTIAL HOUSING UNITS AUTHORIZED BY BUILDING PERMIT BY SIZE CATEGORY

Year	1 Family	2 Family	3-4 Family	5 or more Family	Total
2015	608	4	0	474	1,086
2014	640	4	4	257	905
2013	630	10	0	154	794
2012	375	2	0	274	651
2011	281	2	0	540	823
2010	357	28	63	32	480
2009	334	8	3	0	345
2008	801	6	0	1,040	1,847
2007	692	10	4	63	769
2006	1,259	18	4	114	1,395

SOURCE: 2006 – 2015 U.S. Census Bureau New Privately-owned Building Permits – reported units only.

Table 13 shows County existing home sales. In 2015, the median sales price rose 1.1% from 2014; however, the number of homes sold decreased by 31%.

TABLE 13

COUNTY EXISTING HOME SALES

Year	Median Sales Price	No. of Homes Sold
2015	$445,000	4,509
2014	440,000	6,549
2013	420,000	7,341
2012	415,000	7,472
2011	432,250	7,262
2010	445,000	7,626
2009	435,000	7,472
2008	455,000	7,410
2007	490,000	8,778
2006	490,000	9,435

SOURCES: Compiled by the County from: New York State Association of Realtors, 2006-2008; New York State Department of Taxation and Finance, 2009-2015

Transportation

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

The LIRR, the second largest commuter railroad in the United States, carried approximately 85.9 million passengers in 2014. On an average weekday, the LIRR carries about 301,000 passengers. The LIRR provides train service for the entire County on 11 branch lines. These branches provide service through the County to eastern destinations in Suffolk County and western destinations of Penn Station in Manhattan, Flatbush Avenue in Brooklyn, as well as Jamaica and Hunters Point/Long Island City in Queens. Completion of the East Side Access project, which began tunneling work in 2007, will add a new hub in Grand Central Terminal, bringing LIRR customers directly to Manhattan's East Side. On weekdays, about 80% of the system's passenger trips occur during peak morning and evening travel periods.

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

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

The LIRR maintains tracks, ties, and switches and renovates its facilities as needed on an ongoing basis. The LIRR also is currently installing a fiber-optic communications system for greater safety and is consolidating antiquated control towers into one modern center at Jamaica Station. Traditionally serving a Manhattan-bound market, the LIRR has undertaken extensive efforts to augment its reverse-commute and off-peak service to meet the needs of businesses in Nassau and Suffolk Counties.

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

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

To help eliminate delays, congestion and trouble spots on its highway network, the County receives federal and State funding through the federal Transportation Improvement Program ("TIP"), and is a voting member of the Nassau-Suffolk Transportation Coordinating Committee. The TIP is a compilation of transportation improvement projects, such as preserving and upgrading bridges and highways and making system-wide capacity and safety improvements scheduled to take place during a five-year period. The current TIP, adopted in October 2013, covers the years 2014-2018.

Utility Services

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

Health and Hospital Facilities

Rated among the best health and hospital facilities in the country, twelve hospitals are located in the County. Northwell Health (formerly the North Shore-LIJ Health System) is the County's largest health care and overall employer (approximately 61,000 employees). The North Shore University Hospital is the recipient of the Joint Commission on Accreditation of Healthcare Organizations Codman Award, the first health system to attain this distinction. The Codman Award recognizes excellence in performance measurement.

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

Media

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

The County is home to two broadcast television stations, Channels 21 and 57, and receives nine additional VHF and UHF stations. Cable programming is available throughout the County via Cablevision Systems Corp., which includes access to channels with a local focus. Satellite programming and service from Verizon and DISH Network are also available in the County. In addition, Cablevision's News 12 provides local news coverage on cable, as does Verizon's FiOS1.

Film, television and commercial production continues to be a major part of the County's economic development, driven in part by its close proximity to New York City. An independent report released in March 2015 by Camoin Associates estimated that the County received more than approximately $530 million in economic benefits from the film industry in 2013 and 2014 with approximately 1,700 jobs.

The County benefits from being the home to Gold Coast Studios and Grumman Studios. Numerous other outdoor and indoor filming locations have also been used, including the Nassau County Correctional Center, Belmont Racetrack, the Garden City Hotel, and Old Bethpage Village Restoration. Feature films filmed in the County include "The Amazing Spiderman 2," "Salt," "Morning Glory," "Man on a Ledge," "Win Win," "Henry's Crime," "Something Borrowed," and "Dark Horse." "Boardwalk Empire," "The Good Wife," "Rescue Me," "Royal Pains," "Mildred Pierce," "30 Rock," and "Gossip Girl," are just a few of the television series that have been filmed in the County regularly.

The primetime production of "The Wiz Live!" was taped live from Grumman Studios in December 2015. The 500,000 square-foot Grumman Studios, which received support from the Nassau County Industrial Development Agency for upgrades, also hosted NBC's live production of "The Sound of Music" in 2013 and "Peter Pan Live" in 2014.

Educational Facilities

There are 56 public school districts in the County, with a total 2015-2016 enrollment (PK-Grade 12) of approximately 201,970 students according to the State Education Department. Individual school boards and the Board of Cooperative Educational Services are the primary managers of these school districts and provide services such as career training for high-school students and adults, special education, alternative schools, technology education, and teacher training. Various public and private organizations manage the County's other educational facilities. The County's non-public schools, which are located in a number of municipalities, provide education in the State Regents program, as well as in special and technical programs. Many County public schools have received national recognition.

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

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

Recreational and Cultural Facilities

The County has numerous recreational and cultural facilities. One of the most popular destinations among the parks and beaches in the County is the 2,413-acre Jones Beach State Park in Wantagh. With approximately three million visitors annually, Jones Beach State Park features a six-mile ocean beachfront, a two-mile boardwalk, and the 11,200-seat Jones Beach Theater performing arts center, which attracts world-class musical acts. In March 2014, the State announced a five-year $65 million project to restore the 85-year old facility to its original grandeur in one of the largest State park rehabilitation projects in the system's history. There are dozens of other public beaches located along both the Atlantic Ocean and the Long Island Sound shorelines. In addition, the County is home to the County-owned 930-acre Eisenhower Park in the Town of Hempstead, Bethpage State Park in Farmingdale, and numerous County and other municipal small local parks and campgrounds that offer a broad spectrum of recreational opportunities.

On a national level, the County is home to many high profile professional sporting events and teams. The Bethpage Black Golf Course, located in Bethpage State Park, hosted the U.S. Open in 2002 and 2009 and the 2012 and 2016 Barclay's Tournament. Belmont Park, located in Elmont, is home to the Belmont Stakes, the third race in horse racing's prestigious Triple Crown. Eisenhower Park's 80,000 square foot Aquatic Center is one of the largest pools in the Northern Hemisphere. In 2013, the County entered into a long-term lease with Nassau Events Center to renovate and operate the Nassau Veterans Memorial Coliseum (the "Coliseum") in Uniondale as a state-of-the-art destination for sports and entertainment. The Coliseum was home to the four-time Stanley Cup Champion New York Islanders of the National Hockey League. Although the team no longer plays its regular home games in the Coliseum following the expiration of its lease in July 2015, it is expected to play a limited number of games at the renovated facility each season.

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

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

Sewer Service and Water Service

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

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

Effective January 1, 2015, the County entered into a 20-year agreement with United Water Long Island, Inc. (now known as SUEZ Water Long Island Inc.) for the operation and management of the County's sewer system, including the sewage collection system and three treatment plants: Bay Park, which serves 532,000 residents; Cedar Creek, which serves 600,000 residents; and Glen Cove, which serves 27,000 residents. The County maintains ownership of the facilities. The County is exploring the possibility of entering into a public-private partnership transaction involving its sewer system. The transaction may consist of a concession, lease, or other similar arrangement.

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

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

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

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

Since 2000, public water demand during the base demand months (November through March) remained rather consistent at approximately 140 million gallons per day (mgd). During peak demand months, pumping can increase considerably (to well over 250 mgd) and is quite variable in response to weather conditions. Annual water demand since 2000 has fluctuated between 184 mgd to 204 mgd.

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

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

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