NEW ISSUES—FULL BOOK ENTRY	RATINGS:	Bonds		Notes	
		Moody's:	A2	S&P:	SP-1+
		S&P:	AA	Fitch:	F1
		Fitch:	A		

(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 Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Obligations is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Obligations 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 Obligations. See "TAX MATTERS."

COUNTY OF NASSAU, NEW YORK
GENERAL OBLIGATIONS

$90,840,000 GENERAL IMPROVEMENT BONDS, 2018 SERIES A

Due: April 1, as shown on the inside cover

$59,605,000 BOND ANTICIPATION NOTES, 2018 SERIES A

Coupon: 2.50%   Yield: 1.70%   CUSIP*: 63165TE43   Due: December 14, 2018

Dated: Date of Delivery

The General Improvement Bonds, 2018 Series A (the "2018 Series A Bonds" or the "Bonds") and the Bond Anticipation Notes, 2018 Series A (the "2018 Series A Bond Anticipation Notes" or 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. The Bonds and the Notes are collectively referred to herein as the "Obligations." 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 Obligations. See "THE OBLIGATIONS — Tax Levy Limitation Law" herein.

Interest on the Bonds is payable on April 1 and October 1 of each year commencing April 1, 2019. Interest on the Notes is payable at maturity. Interest on the Obligations will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Obligations are payable from amounts provided by the County. See "THE OBLIGATIONS" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP.

ASSURED GUARANTY® MUNICIPAL

The Obligations 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 Obligations. 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 Obligations. 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 Obligations. The Bonds are subject to redemption prior to maturity as set forth herein. The Notes are not subject to redemption prior to maturity.

The Bonds are offered when, as and if issued and received by the purchaser thereof in accordance with the Notice of Sale dated April 23, 2018. The Notes are offered when, as and if issued and received by the purchaser thereof in accordance with the Notice of Sale dated April 23, 2018. The issuance of the Obligations is subject to the approval of the legality thereof by Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the County. It is anticipated that the Obligations will be available for delivery on or about May 9, 2018, 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.

May 2, 2018

* See CUSIP footnote on inside cover page.

COUNTY OF NASSAU, NEW YORK

$90,840,000 GENERAL IMPROVEMENT BONDS

2018 SERIES A

MATURITY	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP*
4/1/2020	$ 1,805,000	5.00%	1.92%	63165TB61
4/1/2021	1,900,000	5.00	2.06	63165TB79
4/1/2022	1,995,000	5.00	2.17	63165TB87
4/1/2023	2,405,000	5.00	2.29	63165TB95
4/1/2024	2,530,000	5.00	2.40	63165TC29
4/1/2025	2,660,000	5.00	2.49	63165TC37
4/1/2026	2,795,000	5.00	2.58	63165TC45
4/1/2027	2,935,000	5.00	2.66	63165TC52
4/1/2028	3,090,000	5.00	2.74	63165TC60
4/1/2029†	3,245,000	5.00	2.80	63165TC78
4/1/2030†	3,415,000	5.00	2.86	63165TC86
4/1/2031†	3,590,000	5.00	2.93	63165TC94
4/1/2032†	3,770,000	5.00	3.00	63165TD28
4/1/2033†	3,965,000	5.00	3.07	63165TD36
4/1/2034†	4,165,000	5.00	3.14	63165TD44
4/1/2035†	4,385,000	5.00	3.19	63165TD51
4/1/2036†	4,605,000	5.00	3.23	63165TD69
4/1/2037†	4,845,000	5.00	3.27	63165TD77
4/1/2038†	5,090,000	5.00	3.31	63165TD85
4/1/2039†	5,355,000	5.00	3.33	63165TD93
4/1/2040†	5,630,000	5.00	3.35	63165TE27
Total	**$74,175,000**			

$16,665,000 5.00% Term Bond Due April 1, 2043† Yield 3.40% CUSIP* 63165TE35

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

† The Bonds stated to mature on or after April 1, 2029 shall be subject to optional redemption on April 1, 2028 or on any date thereafter. Priced to the April 1, 2028 optional redemption date.

COUNTY OF NASSAU, NEW YORK

COUNTY EXECUTIVE
Laura Curran

COUNTY LEGISLATURE
Presiding Officer
Richard J. Nicolello

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

COUNTY COMPTROLLER
Jack Schnirman

DEPUTY COUNTY EXECUTIVE FOR FINANCE
Mark Page

COUNTY TREASURER
Beaumont A. Jefferson

BUDGET DIRECTOR
Andrew Persich

COUNTY ATTORNEY
Jared A. Kasschau, Esq.

FINANCIAL ADVISOR
PFM Financial Advisors LLC

BOND COUNSEL
Orrick, Herrington & Sutcliffe LLP

IN CONNECTION WITH THE OFFERING OF THE BONDS AND THE NOTES, THE PURCHASERS OF THE BONDS AND THE NOTES MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AND 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 Bonds or 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.

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

The report of RSM US LLP, the County's independent auditor, relating to the County's financial statements for the fiscal year ended December 31, 2016, 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.

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

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

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NEITHER THE BONDS NOR THE NOTES HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAVE THE ORDINANCES OR OTHER PROCEEDINGS OF THE COUNTY BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. ADDITIONALLY, WHILE THE BONDS AND 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 BONDS OR NOTES. NEITHER THE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR NOTES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

TABLE OF CONTENTS

OFFICIAL STATEMENT

of the

COUNTY OF NASSAU, NEW YORK

Relating to

GENERAL OBLIGATIONS

$90,840,000 GENERAL IMPROVEMENT BONDS, 2018 SERIES A
$59,605,000 BOND ANTICIPATION NOTES, 2018 SERIES A

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices, has been prepared by the County of Nassau (the "County"), in the State of New York (the "State"), and provides certain information in connection with the sale by the County of $90,840,000 principal amount of General Improvement Bonds, 2018 Series A (the "2018 Series A Bonds" or the "Bonds") and $59,605,000 principal amount of Bond Anticipation Notes, 2018 Series A (the "2018 Series A Bond Anticipation Notes" or the "Notes"). The Bonds and the Notes are collectively referred to herein as the "Obligations." The Obligations are dated the date of delivery. The interest rates, maturities and prices or yields of the Bonds are set forth on the inside cover page of this Official Statement. The interest rate, maturity and price or yield of the Notes are set forth on the cover page of this Official Statement. The Bonds are subject to redemption prior to maturity as set forth herein. The Notes are not subject to redemption prior to maturity.

This Official Statement consists of the front section and Appendices A through H. The front section of this Official Statement sets forth information concerning the Obligations, including payment and redemption provisions of the Obligations, the use of proceeds of the Obligations, the nature of the Obligations and the rights of holders of the Obligations, and certain other information relating to the Obligations. APPENDIX A sets forth information about the County, including information about the County's financial condition and certain economic factors affecting the County. The County's audited financial statements for the fiscal year ended December 31, 2016 are included by reference in APPENDIX B. APPENDIX D sets forth information about outstanding indebtedness of the County and the Nassau County Interim Finance Authority ("NIFA"). APPENDIX E sets forth information about the estimated outstanding bonded indebtedness of political subdivisions within the County. APPENDIX F sets forth information about the County's workforce. APPENDIX G sets forth certain economic and demographic information about the County.

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

THE OBLIGATIONS

The Obligations have been authorized and are to be issued pursuant to the Constitution and laws of the State including the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and various ordinances adopted by the legislative body of the County and approved by the County Executive pursuant to the Local Finance Law, the County Charter (the "County Charter"), the County Administrative Code and other related proceedings and determinations. In addition, NIFA, created pursuant to the Nassau County Interim Finance Authority Act, codified as Title I of Article 10-D of the

State Public Authorities Law (the "NIFA Act"), has approved the issuance of the Obligations, as required by the NIFA Act during the control period declared by NIFA on January 26, 2011. It is not within NIFA's powers to restrict the County's obligation to pay debt service on the Obligations or other County debt. For further information regarding NIFA's declaration of a control period, see "APPENDIX A – INFORMATION ABOUT THE COUNTY – MONITORING AND OVERSIGHT – External – *NIFA*" herein.

The Bonds are being issued to fund County purposes and to pay costs of issuance. The Notes are being issued to finance various sewer system improvements and to pay costs of issuance. See "APPENDIX A – INFORMATION ABOUT THE COUNTY."

The Obligations will be general obligations of the County, and will be issued, bear interest, mature and be payable as described on the cover page and inside cover page of this Official Statement and herein. Interest on the Obligations will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The record date for the payment of interest on the Bonds is the fifteenth day of the calendar month immediately preceding an interest payment date. The record date for the payment of interest on the Notes is the last business day of the calendar month immediately preceding an interest payment date. The Obligations 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 Obligations, 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 Obligations and the interest thereon subject to applicable statutory limitations. See "Tax Levy Limitation Law" herein. The Obligations do not constitute debt of NIFA.

Sources and Uses of Proceeds of the Obligations

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

Sources	**Bonds**	**Notes**
Par Amount	$ 90,840,000	$59,605,000
Net Original Issuance Premium*	12,879,805	269,415
Total Sources	$103,719,805	$59,874,415
Uses		
Deposit to Bond Proceeds Account	$103,719,805	—
Deposit to Note Proceeds Account	—	$59,874,415
Total Uses	$103,719,805	$59,874,415

*Net of underwriters' discount.

Optional Redemption

The Bonds stated to mature on or after April 1, 2029 shall be subject to redemption prior to maturity, at the option of the County, as a whole or in part, from time to time, in any order of maturity or portion of a maturity as designated by the County, on or after April 1, 2028, upon payment of a redemption price of 100% of the principal. Notice of such call for redemption shall be given by transmitting such notice to the registered holder not more than sixty (60) nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date. See "Selection of Bonds to be Redeemed in Partial Redemption," within this section.

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

Mandatory Sinking Fund Redemption

The Bonds maturing on April 1, 2043 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing April 1, 2041 and on each April 1 thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, in the years and in the principal amounts below:

Year	Principal Amount
2041	$5,915,000
2042	6,220,000
2043*	4,530,000

* Maturity

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

Selection of Bonds to be Redeemed in Partial Redemption

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

Nature of Obligations

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

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

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

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

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

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

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

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

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

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

Tax Levy Limitation Law

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

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. 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 State Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation is not clear.

County May Not File For Bankruptcy Protection

Under the NIFA Act, the County is prohibited from filing any petition with any United States district court or bankruptcy court for the composition or adjustment of municipal indebtedness without the approval of NIFA and the State Comptroller and no such petition may be filed while NIFA bonds or notes remain outstanding. NIFA currently has bonds outstanding through November 15, 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 Obligations in the event of a default in the payment of principal of and interest on the Obligations. Execution or attachment of County property cannot be obtained to satisfy a judgment by holders of the Obligations.

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

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Obligations. 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 Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of Bonds and will be deposited with DTC. One fully-registered Note certificate will be issued for each Note bearing the same rate of interest and CUSIP 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 Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("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 Obligations 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 Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations 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 Obligations 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 Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations 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 Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Obligations 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 Obligations 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 Obligations 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 Obligations 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 Obligations 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 Obligations at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, Obligation 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 OBLIGATIONS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF THE OBLIGATIONS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE OBLIGATIONS.

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 OBLIGATIONS (I) PAYMENTS OF THE PRINCIPAL OF, OR INTEREST OR PREMIUM, IF ANY, ON THE OBLIGATIONS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE OBLIGATIONS; OR (III) NOTICES SENT TO DTC OR CEDE & CO., AS NOMINEE, AS REGISTERED OWNER OF THE OBLIGATIONS, 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 Obligations

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

THE COUNTY

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

LITIGATION

The County and its officers and employees are defendants in a number of lawsuits. Such litigation includes, but is not limited to, actions commenced and claims asserted against the County arising out of or related to: assessments and condemnation proceedings, and alleged torts, civil rights violations, breaches of contracts including union and employee disputes, and other alleged violations of law. The County intends to defend itself vigorously against all claims and actions. The projected estimate of long-term liability of approximately $535 million at December 31, 2017 for future property tax refunds is significantly greater than the $302.9 million estimated at December 31, 2016 in the County's government-wide financial statement of net position due mostly to revised estimates of liability arising out of litigation regarding the valuations of certain power generating facilities in the County. The County is in discussions with the operator of such power generating facilities and is seeking to reduce or eliminate the related property tax refund liability of the County. See "LITIGATION" in "APPENDIX A – INFORMATION ABOUT THE COUNTY" herein.

OTHER INFORMATION

The County is authorized to spend money for the objects or purposes for which the Obligations 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

The Bonds

At the time of the issuance and delivery of the Bonds, the County will covenant for the benefit of the Beneficial Owners (as hereinabove defined) of the Bonds, in accordance with the requirements of Rule 15c2-12 (as the same may be amended or officially interpreted from time to time) (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), to provide during any fiscal year in which the Bonds are outstanding, to the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board ("MSRB") or other entity authorized or designated by the Commission, (i) certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained herein and a copy of the audited financial statements (prepared in accordance with generally accepted accounting principles in effect at the time of the audit) for the preceding fiscal year, if any; such information, data and audit, if any, will be so provided on or prior to August 1 of each such fiscal year, but in no event, not later than the last business day of each such fiscal year and (ii) in a timely manner not later than ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;

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

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

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

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

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

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

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

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

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

11. Rating changes;

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

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

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

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

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

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* 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.

The Notes

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 the Rule, to provide to the Electronic Municipal Market Access system of the 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;*

* 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.

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.

RISK FACTORS

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

The economic and financial condition of the County and the market for the Obligations could be affected by a variety of factors, including various changes in law, financial, social, economic, political and environmental factors, cybersecurity threats, terrorist events, hostilities or war, and other factors, many of which are beyond the County's control. There can be no assurance that adverse events in the State and in other jurisdictions of the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the federal Bankruptcy Code or otherwise, will not occur which might affect the market price of, and the market for, the Obligations. 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 Obligations, could be adversely affected.

The County is dependent in part on financial assistance from the State. However, if the State should experience cash flow difficulties or difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the County, in any year, the County may be affected by a delay, 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 – 2018

Budget and 2018-2021 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 Obligations. 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 Obligations.

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.

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. Until recently, the County financed these expenditures primarily through the issuance of obligations resulting in significant amounts of outstanding bonds and related debt service. The projected estimate of long-term liability of approximately $535 million at December 31, 2017 for future property tax refunds is significantly greater than the $302.9 million estimated at December 31, 2016 in the County's government-wide financial statement of net position due mostly to revised estimates of liability arising out of litigation regarding the valuations of certain power generating facilities in the County. The County is in discussions with the operator of such power generating facilities and is seeking to reduce or eliminate the related property tax refund liability of the County. See "COUNTY INDEBTEDNESS AND DEBT LIMITATIONS – Bonded Indebtedness" and "– Debt Service Requirements," "REAL PROPERTY ASSESSMENT AND TAX COLLECTION – Real Property Assessment – *Property Tax Refunds*" and "LITIGATION – Property Tax Litigation" in "APPENDIX A – INFORMATION ABOUT THE COUNTY" herein.

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 Obligations will be covered by the final approving opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. The proposed forms of such opinions are set forth in APPENDIX C hereto.

TAX MATTERS

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

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

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

Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The 2018 Series A Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of 2018 Series A Notes if the taxpayer elects original issue discount treatment.

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

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

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

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

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

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

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

Assured Guaranty Municipal Corp.

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

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

Current Financial Strength Ratings

On January 23, 2018, KBRA issued a financial guaranty surveillance report in which it affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On June 26, 2017, S&P issued a research update report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 8, 2016, Moody's published a credit opinion affirming its existing insurance financial strength rating of "A2" (stable outlook) on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Capitalization of AGM

At December 31, 2017:

- The policyholders' surplus of AGM was approximately $2,254 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $1,108 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves of AGM and its subsidiaries (as described below) were approximately $1,657 million. Such amount includes (i) 100% of the net unearned premium reserves of AGM and AGM's wholly owned subsidiaries Assured Guaranty (Europe) plc, Assured Guaranty (UK) plc, CIFG Europe S.A. and Assured Guaranty (London) plc (together, the "AGM European Subsidiaries") and (ii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves and net unearned premium reserves of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves of the AGM European Subsidiaries were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (filed by AGL with the SEC on February 23, 2018); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 (filed by AGL with the SEC on May 4, 2018).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

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

Miscellaneous Matters

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

RATINGS

Moody's Investors Service, Inc. and Fitch Ratings have assigned ratings of "A2" (stable outlook) and "A" (stable outlook), respectively, to the Bonds. S&P Global Ratings has assigned a rating of "AA" (stable outlook) to the Bonds with the understanding that a municipal bond insurance policy insuring the payment when due for principal and interest on the Bonds will be issued by Assured Guaranty Municipal Corp.

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: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; S&P Global Ratings, 55 Water Street, New York, New York 10041; and Fitch Ratings, 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 upward or downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of, or the availability of a secondary market for, the Obligations. A securities rating is not a recommendation to buy, sell or hold securities.

FINANCIAL ADVISOR

The County has retained PFM Financial Advisors LLC ("PFMFA") of New York, New York, as Financial Advisor in connection with the issuance and sale of the Obligations. Although PFMFA has assisted in the preparation of the Official Statement, PFMFA is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. PFMFA is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

UNDERWRITING

The Bonds will be purchased for reoffering by UBS Financial Services Inc.

The Notes will be purchased for reoffering by Morgan Stanley & Co. LLC.

Morgan Stanley & Co. LLC, an underwriter of the Notes, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution 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.

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 Obligations.

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 Obligations, 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 Obligations, 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 Obligations.

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

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

The Official Statement is submitted only in connection with the sale of the Obligations 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

May 2, 2018

APPENDIX A

INFORMATION ABOUT THE COUNTY

INFORMATION ABOUT THE COUNTY

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

THE COUNTY

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

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

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

County Officials

County Executive – Laura Curran

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

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

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

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

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

County Legislators

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

Presiding Officer, County Legislature – Richard J. Nicolello

Richard J. Nicolello is the Presiding Officer of the Nassau County Legislature. Legislator Nicolello also serves as the Chair of the Legislature's Rules Committee and is the Vice Chair of the Budget Review Committee. He has represented the 9th Legislative District since the inception of the Nassau County Legislature in 1995. Mr. Nicolello is a life-long resident of New Hyde Park.

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

Legislator Nicolello's community involvement includes: New Hyde Park Kiwanis Club (past president), Mineola Lions Club (2nd vice president and past secretary), Cellini Lodge, Knights of Columbus, Elks Club, Chamber of Commerce, Irish-Americans in Government (associate director), Friendly Sons of St. Patrick, Notre Dame Parish, Wildcats Soccer Club (former coach), Parks Civic Association, Shelter Rock District, Theodore Roosevelt Council, Boy Scouts of America (member-at-large), Jewish Advisory Network for Security on Long Island (honorary policy committee member), and CARE (Committee Against Rail Expansion).

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

County Comptroller – Jack Schnirman

Nassau County Comptroller Jack Schnirman was elected in November 2017.

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

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

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

Deputy County Executive for Finance – Mark Page

Mark Page was appointed as the Nassau County Deputy County Executive for Finance in January 2018. He previously served as a consultant to the Nassau County Interim Finance Authority from 2015-2017.

Mr. Page is a long-time public servant and worked at the New York City Office of Management and Budget from 1978-2013 where he held numerous positions: Director (2002-2013), Deputy Director (1982-2002), General Counsel (1979-2002), Deputy Counsel (1978).

While with the City he assisted the Mayor in developing and implementing the City's budget, and advised the Mayor on policy affecting the City's fiscal stability and the effectiveness of its services. Mr. Page's responsibilities included developing and implementing the City's budget, monitoring and forecasting the revenues and expenses of the City, analyzing the economy, evaluating agency management improvement initiatives, and issuing bonds in the public capital markets in conjunction with the New York City Comptroller.

Mr. Page is a graduate of Harvard College and the New York University School of Law.

County Treasurer – Beaumont A. Jefferson

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

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

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

County Budget Director – Andrew Persich

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

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

Mr. Persich was previously with the County as a Deputy Budget Director and was responsible for the budgets of General Services, Parks, Public Works and the Nassau County Sewer and Storm Water Finance

Authority. He also assisted in compiling the budget information for the entire County and administered interfund transfers. His prior experience includes 15 years in the financial services sector.

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

County Attorney – Jared A. Kasschau, Esq.

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

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

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

County Government

County Executive

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

County Legislature

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

County Financial Management

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

Key Departments

<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 may work with departments to develop smart government initiatives which are reviewed in conjunction with monthly forecasts. OMB is responsible for approving and processing financial transactions, contracts and purchase orders, and providing expertise on

operating and capital budget-related matters as well as revenue management. OMB is also responsible for performance measurement used by the County's management, departments, fiscal monitors, investors and the public.

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

Financial Policies

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

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

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

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

Fund Balance and Reserve Policy. The County's fund balance and reserve policy draws upon the recommendations of the GFOA. The policy outlines an approach for the accumulation and use of unreserved fund balance and reserve funds that takes into consideration issues that are particular to the County. It identifies an array of reserve funds that help the County stabilize its budget and finance important policy objectives. The policy sets a recommended level of fund balance 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 reserves. The policy outlines the conditions under which the County's fund balance ought to be replenished, and identifies the appropriate uses for fund balance, formally created reserves, and any projected operating surpluses. As of December 31, 2016, the County's unreserved budgetary fund balance and reserves totaled approximately $271.0 million, which includes all special revenue funds and reserves, such as the Employee Benefit Accrued Liability Reserve Fund ($13.1 million), Retirement Contribution Reserve Fund ($8.0 million), Litigation Fund ($43.6 million) and Bonded Indebtedness Reserve Fund ($3.6 million). As projected, as of December 31, 2017, the County's unreserved budgetary fund balance and reserves totaled approximately $176.6 million, including all special revenue funds and reserves. See "COUNTY FINANCIAL CONDITION – 2018 Budget and 2018-2021 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. Although State law does not empower the County to enter into interest rate exchange agreements (i.e., swaps), NIFA and the Nassau Health Care Corporation ("NHCC") are each statutorily empowered, under certain circumstances, to do so. 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 due to NIFA's statutory intercept of sales taxes in the County to pay for its operations and obligations, including swap costs. See "STATEMENT OF REVENUES AND EXPENDITURES – Revenues – *Sales Tax*" in this Appendix A. Pursuant to a guaranty by the County of NHCC bonds and related payments, interest and net swap payments are made by the County on behalf of NHCC, and are secured by offsets of service payments and other amounts owed to NHCC and liens on certain of NHCC's assets. See "NASSAU HEALTH CARE CORPORATION" in this Appendix A.

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

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

LIBOR-based interest rate swaps carry certain risks, notably basis risk, counterparty risk, rollover risk, tax risk, and termination risk. Working with 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. It has transferred some of its risk by means of carrying property and liability insurance coverage on its police helicopters, a blanket fidelity bond covering all County employees and the following coverage for the summer recreation program: accident insurance, umbrella liability and general liability. The County has a contractual obligation to reimburse NHCC for the cost of certain insurance coverage in connection with NHCC's provision of health care services at the County's correctional center. Essentially all other risks are assumed directly by the County.

Budget Process and Controls

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

The County Charter requires the proposed budget, among other things, to show a balanced relationship between the total estimated expenditures and the total estimated income for the ensuing fiscal year. The County Legislature holds budget hearings after the County Executive submits the proposed budget. After the conclusion of the public hearings, the County Legislature may reduce, 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 – 2018 Budget and 2018-2021 Multi-Year Financial Plan" herein for a description of the actions of the County Executive and County Legislature with respect to adoption of the 2018 Budget and 2018-2021 Multi-Year Financial Plan, and for a description of NIFA's actions with respect to the 2018 Budget and 2018-2021 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 2017 Budget.

Multi-Year Financial Plan Process

Each year, the County Executive is required to prepare and file with the Clerk of the County Legislature a four-year financial plan (the "multi-year financial plan") covering the Major Operating Funds not later than September 15, in accordance with the provisions of the County Charter. The County Charter requires that each of the Major Operating Funds be balanced in each year of the multi-year financial plan in accordance with generally accepted accounting principles ("GAAP"). Upon the adoption of a budget, the County Executive must, if necessary, revise the multi-year financial plan to reflect the adopted budget. The County Executive must then submit such revised multi-year financial plan to the County Legislature within thirty days following adoption of the budget. The County Legislature may modify the revised multi-year financial plan in accordance with the County Charter, subject to the veto in whole or in part of the County Executive, which may be overridden by at least thirteen affirmative votes by the County Legislature. The County Charter requires the County Legislature to adopt the final multi-year financial plan on or before December 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 – 2018 Budget and 2018-2021 Multi-Year Financial Plan" herein for a description of NIFA's actions with respect to the 2018 Budget and 2018-2021 Multi-Year Financial Plan.

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

COUNTY FINANCIAL CONDITION

Financial Results and Projections

The County's budgetary deficit in the Major Operating Funds for fiscal year 2017 is projected to be \$48.7 million as of April 19, 2018, prior to the use of fund balance. The County Comptroller has indicated that, based on standard GAAP, the County is expected to end fiscal year 2017 with a deficit in the Major Operating Funds of \$48.9 million (unaudited, as of April 15, 2018).

The County's budgetary surplus in the Major Operating Funds for fiscal year 2016 was \$41.0 million. According to GAAP, the County ended fiscal year 2016 with a surplus in the Major Operating Funds of \$27.1 million. For purposes of the NIFA control period test under the NIFA Act, the County ended fiscal year 2016 with a negative \$83.1 million result.

As of February 28, 2018, the projected budgetary surplus in the Major Operating Funds for fiscal year 2018 is approximately $6.2 million, after the implementation of corrective actions and new initiatives.

All fiscal year 2017 results presented herein are projected.

2018 Budget and 2018-2021 Multi-Year Financial Plan

On September 15, 2017 the then-County Executive submitted the proposed 2018 Budget and accompanying 2018-2021 Multi-Year Financial Plan to the County Legislature for approval. On October 30, 2017, the County Legislature amended the proposed 2018 Budget to provide for $60 million in alternative revenue increases and expenditure reductions to offset its removal of approximately $60 million in revenue from proposed fee increases (hereinafter, the "2018 Budget", which was modified to conform to the modifications to the 2018-2021 Multi-Year Financial Plan approved by NIFA, as described in the following paragraph). The 2018 Budget includes $3.0 billion in appropriations, excluding interdepartmental transfers, in the Major Operating Funds and is balanced according to the budgetary basis of accounting. On October 30, 2017, the County Legislature approved the 2018-2021 Multi-Year Financial Plan in the form submitted by the then-County Executive. On November 9, 2017, the 2018 Budget took effect by operation of law (due to the then-County Executive taking no action thereupon within ten days of approval by the County Legislature), subject to the modifications of the 2018-2021 Multi-Year Financial Plan approved by NIFA, as described in the following paragraph.

On November 9, 2017, pursuant to its statutory authority during the control period, NIFA approved a resolution (i) disapproving the County's 2018-2021 Multi-Year Financial Plan because it 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, (3) comply with the requirements of the NIFA Act and (4) comply with NIFA Resolution 17-689 (dated October 17, 2017 entitled "Resolution Outlining NIFA's Expectations Regarding Nassau County's Adoption of its FY 2018 – FY 2021 Multi-Year Financial Plan") and (ii) requiring that the County provide NIFA no later than November 27, 2017 (or such later date as approved by the NIFA chairman), with a modification of the 2018 Budget, which substitutes $31.5 million of recurring revenues or recurring expenditure reductions to substitute for (1) $19.5 million to substitute for the use of fund balance and disencumbrances in the 2018-2021 Multi-Year Financial Plan (i.e., the 2018 Budget) because they are not recurring and not allowable as a revenue under GAAP, (2) $2 million to substitute for the over estimation of savings in the 2018 Budget from a (potential) County refunding, (3) $5 million to substitute for sales tax receipts because the assumed growth rate in the 2018 Budget exceeds historical average growth rates, and (4) $5 million to substitute for overly-optimistic overtime reductions. The resolution further provided that (1) any changes to the 2018 Budget be carried forward and reflected in the 2018-2021 Multi-Year Financial Plan, (2) the failure of the County to fully fund the 2018 Budget with recurring revenues or recurring expenditure reductions totaling the $31.5 million required by the Resolution, shall, in the opinion of NIFA, place the County in a "fiscal crisis" as defined in the NIFA Act, and (3) NIFA stands ready, should the County fail to provide a modified plan in sufficient detail or within the time-period specified in the Resolution, to make an appropriate finding of such failure, to declare a "fiscal crisis," and to formulate and adopt its own modifications to the 2018-2021 Multi-Year Financial Plan, such modifications to become effective on their adoption by NIFA. On November 27, 2017, in response to the November 9, 2017 NIFA resolution, the then-Presiding Officer of the County Legislature delivered to NIFA $31.7 million in proposed 2018 budgetary adjustments, along with various contingencies.

On December 7, 2017, NIFA approved a resolution that: (1) determined that the modifications to the 2018 Budget proposed by the then-Presiding Officer of the County Legislature failed to completely and satisfactorily address the concerns of the NIFA directors and the requirements of the NIFA Act; (2) determined to impose on the County a modified 2018 Budget that, among other items, reduces County expenditures by $31.5 million, including $19.5 million of new changes prepared by the County as directed by

NIFA; (3) approved the 2018-2021 Multi-Year Financial Plan, which incorporates the 2018 Budget as modified by NIFA; (4) directed the incoming County Executive to cause to be prepared and submitted under her name to NIFA, no later than March 15, 2018, a letter explaining how the County has implemented the $19.5 million of new changes outlined in the resolution, together with such supporting documentation as may be required by NIFA, and/or a comprehensive substitute plan that details any changes to the 2018 Budget as modified by NIFA that the County would like to make; (5) stated that the County is free to reallocate budgeted resources and appropriations, including between departments and categories of spending (object codes); and (6) stated that unless the County Legislature passes Clerk Item 359-17, an ordinance to impose certain new fees within the Traffic and Parking Violations Agency relating to tracking and processing scofflaws, valued at approximately $1 million, and such ordinance is subsequently approved by the County Executive on or before January 31, 2018, NIFA shall consider the County to be in violation of the resolution and shall pursue all appropriate and necessary remedies. On December 18, 2017 the County Legislature passed Ordinance 168-2017 (Clerk Item 359-17), which the then-County Executive signed on December 27, 2017. On March 15, 2018 the County Executive delivered to NIFA $54.7 million of modifications to the 2018 Budget.

On April 3, 2018, NIFA approved a resolution that found the County Executive in compliance with its order of December 7, 2017.

All fiscal year 2017 results presented in this Appendix A are projected. The descriptions of the 2018 Budget and the 2018-2021 Multi-Year Financial Plan that follow in this Appendix A reflect the 2018-2021 Multi-Year Financial Plan approved by NIFA on December 7, 2017 and do not reflect the proposed modifications to the 2018 Budget set forth in the County Executive's letter dated March 15, 2018. Such proposed modifications are described in the table below.

County Executive's Letter Budget Modifications
(in millions)

Sources	
New revenues (including $9.7 million requiring local legislative action)	$21.4
Realignment of Police Department personnel costs and reallocation of asset forfeiture funds	9.0
Projected increase in sales tax	8.0
Departmental vacancy and salary savings	7.9
DSS and Medicaid caseload decrease	4.4
Other Than Personal Services (OTPS) savings	4.0
Total	**$54.7**
Uses	
Restivo judgment	$43.8
NICE bus service	7.1
Youth Board programs	1.4
Restaffing Assessment Dept. and ARC	1.2
M/WBE staff resources at Minority Affairs, Coordinated Agency for Spanish Americans and Advisory Councils	0.4
Legal Aid contract	0.3
LI Regional Planning Council	0.3
Vocational Education and Extension Board contract	0.2
Total	**$54.7**

As described in the 2018-2021 Multi-Year Financial Plan, the County is projecting budgetary deficits of $32.2 million in 2019, $56.4 million in 2020 and $60.0 million in 2021, before gap closing measures. Figure 1 shows the gap projections and gap closing options contained in the 2018-2021 Multi-Year Financial Plan.

FIGURE 1
GAP CLOSING PLAN (MAJOR OPERATING FUNDS)
2018-2021 MULTI-YEAR FINANCIAL PLAN
(IN MILLIONS)

	2019 Plan	2020 Plan	2021 Plan
Current Baseline Surplus / (Gap)	**$(32.2)**	**$(56.4)**	**$(60.0)**
Gap Closing Options			
Expense/Revenue Actions			
Revenue Initiatives	$28.6	$27.7	$26.0
Health Insurance Cost Reduction	5.0	5.5	7.0
SUEZ Water Long Island Inc. Synergy Savings	3.0	3.0	4.0
Technology	1.0	2.0	2.0
ERP Implementation	1.0	2.0	2.0
Public Private Partnership (P3)		20.0	20.0
County's District Energy Facility	-	10.0	10.0
Strategic Sourcing	-	3.0	4.0
Consolidation Efficiencies	-	1.0	2.0
NYS Actions			
Mandate Reform	14.0	28.7	28.7
E-911 Reimbursement	3.5	6.9	6.9
NYS Highway Traffic Offense Reimbursement	2.8	5.7	5.7
Other NYS Legislative Actions	2.5	5.0	5.0
Hotel Motel Tax Rate Increase	2.4	4.8	4.8
Gap Closing Options	**$63.8**	**$125.3**	**$128.1**
Surplus/ (Deficit) After Gap Closing Actions	**$31.6**	**$68.9**	**$68.1**

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

The County has identified a number of potential risks to its future financial performance. Such risks include, but are not limited to, a decline in County sales tax revenues, a decline in the real estate market, the inability to achieve various gap closing measures, the County's exposure to potentially adverse legal judgments including those related to property assessments, the continued commitment to institutionalization of financial and managerial reforms and the stability of NHCC. See "2018 Budget and 2018-2021 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.

The 2018-2021 Multi-Year Financial Plan does not reflect the impact of tax reform legislation included in the State's fiscal year 2018-2019 budget. Such legislation includes decoupling certain linkages between federal and local income tax and corporate taxes, increasing the opportunities for charitable contributions, and providing an option to employers to shift to an employer compensation tax and reduce State personal income taxes. In addition, the State's fiscal year 2018-2019 budget includes legislation that grants localities the option to establish local charitable funds that would provide taxpayers with a credit against their property taxes. The County has not determined the potential effects of such legislation on the 2018-2021 Multi-Year Financial Plan or whether any localities will set up such funds.

Raising the age for criminal responsibility to 18 years of age was included as part of the State's fiscal year 2017-2018 budget legislation. The County may incur additional costs relating to juvenile offenders, including Family Court and social services. The State is required to reimburse the County for such costs only if the County's tax levy is consistent with the limitations in the Tax Levy Limitation Law, or if the County receives a financial hardship waiver upon application to the State budget director.

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 2018-2021 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 maintain balanced operating results as required by the County Charter and NIFA without revenue increases or expense reductions.

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

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 causing widespread damage, including substantial damage to private homes, schools, and County and local government infrastructure. In the aftermath, the County has worked with federal, State and other local governments, utility providers, and the private sector, 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 and, on May 23, 2013, he ordered that all eligible storm expenses qualify for 90% federal reimbursement from FEMA.

As the County continues to rebuild damaged infrastructure to withstand future storm events, it is working with FEMA and the State to finalize and close out federal obligations awarded for debris removal and emergency protective measures. These obligations include reimbursement of eligible costs for 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 storm-related claims and obligating funds upon approval of those claims. The 10% non-federal share is 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 Sewage 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. In September, 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.

Certificate of Achievement for Excellence in Financial Reporting

The GFOA has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016.

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); 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 – 2018 Budget and 2018-2021 Multi-Year Financial Plan" herein for a description of NIFA's actions with respect to the 2018-2021 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. On August 28, 2017, an arbitrator determined that members of a sixth union were entitled to certain benefits retroactive to March 23, 2015 related to the lifting of the wage freeze. 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" in this Appendix A for a description of such litigation. In March 2018, the County brought five separate actions against its major unions in Nassau Supreme Court to invalidate the provisions of purported memoranda of understanding signed by the then-Chief Deputy County Executive in September 2017 and such unions, respectively, related to longevity pay and related matters. If the County is unsuccessful in these actions, it would result in additional longevity pay expenditures of approximately $11.8 million annually in the aggregate beginning in 2018.

NIFA has approved the issuance of the Obligations, as required by the NIFA Act during the control period declared by NIFA on January 26, 2011. It is not within NIFA's powers to restrict the County's obligation to pay debt service on the Obligations 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, 2016 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, 2016, which is a matter of public record, is included by reference in this Official Statement in APPENDIX B. RSM US LLP has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. 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 2018 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	2014	2015	2016	Projected 2017[3]	Budgeted 2018
Sales Tax[1]	$1,095,192,899	$1,105,800,932	$1,124,085,638	$1,151,393,576	$1,188,796,610
Property Tax	803,356,948	832,121,705	813,761,925	813,727,982	814,701,604
State Aid	198,793,267	211,043,602	214,847,479	215,926,034	211,574,980
Federal Aid	131,876,700	140,203,328	140,444,717	136,347,867	134,593,732
Departmental Revenues	157,830,331	170,026,084	216,450,309	236,004,379	237,100,578
Other Revenues[2]	333,745,981	343,830,057	393,239,800	379,931,393	368,662,729
Sub-total	**$2,720,796,126**	**$2,803,025,708**	**$2,902,829,868**	**$2,933,331,230**	**$2,955,430,233**
Interdepartmental Transfers	401,091,978	383,188,714	366,280,032	418,356,293	426,026,663
Total	**$3,121,888,104**	**$3,186,214,422**	**$3,269,109,900**	**$3,351,687,524**	**$3,381,456,896**

(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.

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 40.2% of the total revenues in the 2018 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
2018	$2,955,430,233	$1,188,796,610	40.2%	N/A	N/A	N/A
2017	2,970,979,140	1,142,491,476	38.5	$2,933,331,230[1]	$1,151,393,576[1]	39.3%
2016	2,916,125,215	1,113,587,688	38.2	2,902,829,868	1,124,085,638	38.7
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

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

The County's sales tax is collected by the State. The total current sales tax rate in the County is 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, 2020, 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 27.6% of total revenues in the 2018 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 OBLIGATIONS – Tax Levy Limitation Law" in the Official Statement to which this Appendix A is attached. The County is only at approximately 10% 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]	2014 Budgeted Levy	2015 Budgeted Levy	2016 Budgeted Levy[2]	2016 Tax Warrants[3]	2017 Budgeted Levy	2018 Budgeted Levy
Police District Fund	$361,727,267	$367,974,960	$391,419,191	$374,661,129	$384,142,945	$380,448,990
Police Headquarters Fund	348,867,518	342,069,082	366,170,221	357,232,338	359,106,917	367,316,702
General Fund	80,509,740	106,380,782	30,502,492	66,745,688	57,628,750	51,677,392
Fire Prevention Fund	15,944,884	15,852,193	16,473,621	16,068,930	16,115,628	15,258,520
Total	**$807,049,409**	**$832,277,017**	**$804,565,525**	**$814,708,085**	**$816,994,240**	**$814,701,604**

(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) Because LIPA PILOTs included in the 2016 Budget were tax levies in prior years and were only budgeted in the General Fund, amendments to PAL § 1020-q required an adjustment to apply these PILOTs to various other funds of the County. This adjustment resulted 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**
2018	$2,955,430,233	$814,701,604	27.6%	N/A	N/A	N/A
2017	2,970,979,140	816,994,240	27.5	$2,933,331,230[3]	$813,727,982[3]	27.7%
2016	2,916,125,215	814,708,085[2]	27.9	2,902,829,868	813,761,925	28.0
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

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.
(3) Projected.

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

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

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 March 31, 2018**	**Percentage Uncollected as of March 31, 2018**
2018	$814,702	N/A	N/A	$415,676	51.02%
2017	816,994	$22,940	2.81%	13,653	1.67
2016	814,708(1)	20,273	2.49	1,045	0.13
2015	832,277	22,638	2.72	926	0.11
2014	807,049	22,534	2.79	852	0.11

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

State and Federal Aid

Approximately 11.7% of the total revenues in the 2018 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	**2014**	**2015**	**2016**	**Projected 2017[(2)]**	**Budgeted 2018**
Salaries & Wages	$824,929,678	$818,306,227	$839,658,747	$904,274,457	$871,418,303
Fringe Benefits	464,006,054	475,096,830	501,979,811	538,917,905	577,169,228
Medicaid	248,230,297	235,725,135	237,423,889	233,191,869	237,685,256
DSS Entitlement Programs	175,533,094	175,774,422	166,064,979	168,162,253	170,258,171
Contractual Services	236,711,356	242,172,528	246,131,311	251,971,629	251,352,038
Administrative Expenses	72,878,504	71,167,204	62,813,205	62,869,095	67,425,252
Debt Service (Interest & Principal)[(1)]	151,335,384	164,158,118	183,450,296	207,074,560	221,296,800
Local Government Assistance	65,321,196	66,494,098	67,746,680	68,332,237	70,855,824
Mass Transportation	42,785,669	42,697,935	42,884,542	43,575,675	44,170,818
Other Expenses	428,407,673	426,289,281	441,699,080	503,654,152	443,798,543
SUB-TOTAL	**$2,710,138,905**	**$2,717,881,778**	**$2,789,852,540**	**$2,982,023,832**	**$2,955,430,233**
Interdepartmental Transfers	401,091,978	411,256,724	438,272,986	418,331,071	426,026,663
TOTAL	**$3,111,230,883**	**$3,129,138,502**	**$3,228,125,526**	**$3,400,354,904**	**$3,381,456,896**

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

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

FIGURE 8
EXPENDITURES BY FUND
(MAJOR OPERATING FUNDS)

	2014	**2015**	**2016**	**Projected 2017[(1)]**	**Budgeted 2018**
General Fund	$1,619,864,264	$1,624,334,317	$1,659,496,384	$1,782,728,049	$1,757,848,650
Debt Service Fund	339,404,270	346,253,622	355,907,690	365,076,179	369,528,944
Police District Fund	354,787,761	354,797,195	356,445,903	377,769,682	384,133,898
Police Headquarters Fund	376,179,217	372,236,388	397,532,197	434,922,812	422,520,612
Fire Prevention Fund	19,903,393	20,260,256	20,470,365	21,527,110	21,398,129
Total	**$2,710,138,905**	**$2,717,881,778**	**$2,789,852,539**	**$2,982,023,832**	**$2,955,430,233**

Note: All data exclude interdepartmental transfers. Totals may not add due to rounding.
(1) Projected.

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 50.2% of total Major Operating Funds expenditures in the 2018 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)

	2014	2015	2016	Projected 2017[1]	Budgeted 2018
Salaries and Wages	$824,929,678	$818,306,227	$839,658,747	$904,274,457	$871,418,303
Fringe Benefits	464,006,054	475,096,830	501,979,811	538,917,905	577,169,228
Workers' Compensation	25,184,905	28,163,422	31,173,496	31,022,199	34,299,182
Total	**$1,314,120,637**	**$1,321,566,479**	**$1,372,812,054**	**$1,474,214,561**	**$1,482,886,713**

(1) Projected.

Salaries and Wages

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

Health Insurance Contributions

The County pays the entire cost of health insurance coverage for all active employees and retirees hired prior to certain dates 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. See "– *Other Post-Employment Benefits*" below for information regarding the County's obligations for other post-employment benefits.

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

FIGURE 10
HEALTH INSURANCE COSTS
(MAJOR OPERATING FUNDS)

	2014	2015	2016	Projected 2017[1]	Budgeted 2018
Employees	$124,439,104	$128,426,193	$132,212,351	$147,235,453	$165,938,274
Retirees	127,619,183	128,807,683	141,390,715	143,449,994	153,842,571
Total	**$252,058,287**	**$257,233,876**	**$273,603,066**	**$290,685,447**	**$319,780,845**

(1) Projected.

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 pension expense the County has deferred under this program was approximately $96.4 million (all funds)[*]. Pursuant to the terms of the Contribution Stabilization Program, the County pays the amount deferred in equal annual installments with 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 pension expense that the County has deferred 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 under both programs. As of December 31, 2017, the total deferred pension expense is estimated to be approximately $210 million.

FIGURE 11
PENSION COSTS
(ALL FUNDS)

Pension System	2013	2014	2015	2016	2017	Budgeted 2018
Gross Invoice Amounts (Excluding Installments on Prior Deferrals)	**$189,168,805**	**$204,494,966**	**$191,835,323**	**$175,064,061**	**$174,116,889**	**$173,130,894**
Installments on Prior Deferrals	**4,744,262**	**11,519,829**	**19,064,351**	**25,392,188**	**29,618,567**	**32,549,959**
Gross Invoice Amounts	**$193,913,067**	**$216,014,795**	**$210,899,674**	**$200,456,249**	**$203,735,456**	**$205,680,853**
Less: Pension amounts deferred(1)	(57,583,796)	(71,471,700)	(60,885,653)	(41,133,654)	(29,737,580)	(24,647,652)
Less: Discount for Paying December 15th vs. February 1st	(1,724,203)	(1,887,118)	(1,807,915)	(1,684,135)	(1,592,215)	(1,593,408)
Pension Amounts (Net of Deferrals and Discounts)	**$134,605,068**	**$142,655,977**	**$148,206,106**	**$157,638,460**	**$172,405,661**	**$179,439,793**
Employees Retirement System (ERS)	66,276,404	68,624,350	73,017,518	79,679,088	84,576,729	88,054,338
Police and Fire Retirement System (PFRS)	68,328,664	74,031,627	75,188,588	77,959,372	87,828,932	91,385,455
Total Net Pension Expense	**$134,605,068**	**$142,655,977**	**$148,206,106**	**$157,638,460**	**$172,405,661**	**$179,439,793**

(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, 2017 and 2018 are from the Alternate Contribution Stabilization Program which first became available in 2014 and are being amortized over the subsequent twelve years.

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

Other Post-Employment Benefits

GASB Statement No. 45 ("GASB 45") issued by the Government Accounting Standards Board ("GASB") requires municipalities and school districts to account for other post-employment benefits ("OPEB") much like they account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. The County is in compliance with the requirements of GASB 45 and as of December 31, 2016, the County's net OPEB obligation was approximately $5.2 billion, which includes both the County and an allocation of NHCC cost. In 2016, the County expended approximately $164.8 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 2017 Medicaid expenditures, other than its required local share of Medicaid disproportionate share payments to NHCC, were $233.2 million (projected). 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 2018-2021 Multi-Year Financial Plan reflects annual Medicaid expenses (excluding the County's required local share of Medicaid disproportionate share payments to NHCC) of $237.7 million.

Other Social Services Entitlement Programs

Other County Department of Social Services entitlement programs comprise approximately 5.8% (excluding interdepartmental transfers) of the 2018 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 8.5% (excluding interdepartmental transfers) of the 2018 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 $369.5 million in the 2018 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 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 MARCH 31, 2018)
(IN THOUSANDS)

Average Full Valuation of Real Estate for the Fiscal Years Ended in 2014 through 2018[1]

2018 Full Valuation[2]	$ 217,543,899
2017 Full Valuation	207,499,978
2016 Full Valuation	212,185,368
2015 Full Valuation	204,607,718
2014 Full Valuation	200,331,933
Total	**$1,042,168,896**
Average Full Valuation	$208,433,779
Constitutional Debt Margin	
Constitutional Limit of Total Indebtedness, 10% Average Full Valuation	**$20,843,378**
Outstanding Indebtedness	
County General Obligations[3]	$2,176,545
NIFA Bonds	653,984
Notes	436,660
Real Property Liabilities	8,372
Guarantees	202,285
Contract Liabilities	432,526
Total Outstanding Indebtedness	**$3,910,372**
Less: Constitutional Exclusions	
Cash and Investments - Capital Projects Funds	$359,048
Tax and Revenue Anticipation Notes Payable	297,360
Less: Total Exclusions	**$656,408**
Net Outstanding Indebtedness (15.61%)	**$3,253,964**
Constitutional Debt Margin (84.39%)	**$17,589,414**

(1) Full valuation figures for 2014 through 2017 are verified by the Office of the State Comptroller.
(2) 2018 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 FEBRUARY 28, 2018)

Debt Type	County Debt[1]	NIFA Debt	Total Debt
Capital borrowing			
General Capital	$1,245,101,801	$214,234,118	$1,459,335,919
Sewer Capital	275,242,808	20,926,322	296,169,130
Operating borrowing			
Property Tax Refunds	410,833,224	362,546,912	773,380,136
Other Judgments	90,403,182	56,276,648	146,679,830
Termination Pay	200,966,858	-	200,966,858
Superstorm Sandy	21,132,814	-	21,132,814
Total	**$2,243,680,686**	**$653,984,000**	**$2,897,664,686**

(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 MARCH 31, 2018)
(IN THOUSANDS)

Purpose	Amount Authorized but Unissued
Community College	$23,460
Information Technology	16,948
Infrastructure	196,867
Land Acquisition	12,070
Parks & Recreation	23,805
Public Safety	56,502
Sewer & Storm Water	910,720
Property Tax Refunds and Other Judgments & Settlements	32,640
Special Equipment	11,655
TOTAL	**$1,284,667**

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

Debt Service Requirements

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

Figure 15
Total County and NIFA Debt Service
(as of February 28, 2018)

	County Bonds [1, 2]			NIFA Bonds[3]			Total		
Date	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
12/31/2018	$ 99,143,490	$ 106,918,080	$ 206,061,740	$ 118,505,000	$ 23,931,235	$ 142,436,235	$ 217,648,490	$ 130,849,315	$ 348,497,805
12/31/2019	115,691,051	105,797,039	221,488,090	123,500,000	19,891,280	143,391,280	239,191,051	125,688,320	364,879,371
12/31/2020	121,220,174	100,047,091	221,267,265	117,556,000	15,639,788	133,195,788	238,776,174	115,686,879	354,463,053
12/31/2021	126,282,736	93,988,400	220,271,136	90,085,000	11,414,579	101,499,579	216,367,736	105,402,979	321,770,715
12/31/2022	135,334,858	87,594,993	222,929,851	78,689,000	8,056,427	86,745,427	214,023,858	95,651,420	309,675,278
12/31/2023	126,954,981	81,300,108	208,255,089	59,719,000	4,867,813	64,586,813	186,673,981	86,167,920	272,841,901
12/31/2024	128,339,104	75,175,205	203,514,309	46,465,000	2,646,387	49,111,387	174,804,104	77,821,592	252,625,696
12/31/2025	129,212,788	68,429,190	197,641,978	19,465,000	830,682	20,295,682	148,677,788	69,259,872	217,937,660
12/31/2026	122,231,911	62,466,992	184,698,903	-	-	-	122,231,911	62,466,992	184,698,903
12/31/2027	127,681,034	56,838,519	184,519,553	-	-	-	127,681,034	56,838,519	184,519,553
12/31/2028	119,544,718	49,364,712	168,909,430	-	-	-	119,544,718	49,364,712	168,909,430
12/31/2029	116,658,841	43,090,950	159,749,791	-	-	-	116,658,841	43,090,950	159,749,791
12/31/2030	102,173,000	37,564,009	139,737,009	-	-	-	102,173,000	37,564,009	139,737,009
12/31/2031	86,018,000	32,487,473	118,505,473	-	-	-	86,018,000	32,487,473	118,505,473
12/31/2032	79,233,000	27,877,494	107,110,494	-	-	-	79,233,000	27,877,494	107,110,494
12/31/2033	83,283,000	23,786,161	107,069,161	-	-	-	83,283,000	23,786,161	107,069,161
12/31/2034	73,633,000	19,680,714	93,313,714	-	-	-	73,633,000	19,680,714	93,313,714
12/31/2035	71,950,000	15,828,316	87,778,316	-	-	-	71,950,000	15,828,316	87,778,316
12/31/2036	51,230,000	12,292,196	63,522,196	-	-	-	51,230,000	12,292,196	63,522,196
12/31/2037	48,250,000	9,713,352	57,963,352	-	-	-	48,250,000	9,713,352	57,963,352
12/31/2038	35,450,000	7,688,808	43,138,808	-	-	-	35,450,000	7,688,808	43,138,808
12/31/2039	31,840,000	6,075,035	37,915,035	-	-	-	31,840,000	6,075,035	37,915,035
12/31/2040	28,735,000	4,608,253	33,343,253	-	-	-	28,735,000	4,608,253	33,343,253
12/31/2041	30,120,000	3,215,670	33,335,670	-	-	-	30,120,000	3,215,670	33,335,670
12/31/2042	31,570,000	1,755,412	33,325,412	-	-	-	31,570,000	1,755,412	33,325,412
12/31/2043	21,900,000	503,985	22,403,985	-	-	-	21,900,000	503,985	22,403,985
Total	**$ 2,243,680,686**	**$ 1,134,088,158**	**$ 3,377,769,014**	**$ 653,984,000**	**$ 87,278,191**	**$ 741,262,191**	**$ 2,897,664,686**	**$ 1,221,366,349**	**$ 4,119,031,036**

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.

Figure 15A
County Capital Debt Service
(as of February 28, 2018)[1]

	County Debt – General Capital			County Debt – Sewer Capital[2]			Total County Capital Debt		
Date	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
12/31/2018	$ 40,780,302	$ 61,782,897	$ 102,563,369	$ 13,346,003	$ 13,389,868	$ 26,735,872	$ 54,126,305	$ 75,172,765	$ 129,299,241
12/31/2019	51,202,056	60,405,072	111,607,128	13,526,805	12,999,710	26,526,516	64,728,861	73,404,782	138,133,643
12/31/2020	58,946,966	57,755,588	116,702,554	15,219,536	12,293,705	27,513,241	74,166,502	70,049,293	144,215,795
12/31/2021	62,440,744	54,773,835	117,214,579	15,689,417	11,496,487	27,185,904	78,130,161	66,270,322	144,400,484
12/31/2022	66,884,994	51,568,095	118,453,088	17,045,790	10,643,479	27,689,269	83,930,784	62,211,574	146,142,358
12/31/2023	66,319,132	48,532,003	114,851,135	19,152,408	9,763,598	28,916,006	85,471,540	58,295,601	143,767,141
12/31/2024	66,230,589	45,373,978	111,604,567	19,751,158	8,792,074	28,543,232	85,981,747	54,166,052	140,147,799
12/31/2025	72,665,718	41,868,843	114,534,561	15,489,567	7,749,759	23,239,326	88,155,284	49,618,602	137,773,887
12/31/2026	70,204,356	38,468,740	108,673,096	11,489,778	7,080,610	18,570,388	81,694,133	45,549,350	127,243,484
12/31/2027	77,386,034	35,013,111	112,399,146	16,320,518	6,500,819	22,821,337	93,706,553	41,513,930	135,220,483
12/31/2028	69,655,688	30,618,850	100,274,538	11,727,861	5,604,396	17,332,258	81,383,550	36,223,246	117,606,796
12/31/2029	70,368,323	26,912,128	97,280,451	9,189,403	5,017,410	14,206,813	79,557,726	31,929,538	111,487,264
12/31/2030	66,189,138	23,405,299	89,594,437	8,644,309	4,554,019	13,198,328	74,833,447	27,959,318	102,792,764
12/31/2031	58,419,794	19,948,136	78,367,931	8,706,709	4,114,661	12,821,370	67,126,504	24,062,798	91,189,301
12/31/2032	51,548,243	16,831,664	68,379,908	7,494,449	3,637,116	11,131,565	59,042,692	20,468,781	79,511,473
12/31/2033	54,255,748	14,098,181	68,353,929	7,862,411	3,257,779	11,120,190	62,118,159	17,355,960	79,474,119
12/31/2034	47,407,042	11,350,849	58,757,891	7,905,251	2,860,335	10,765,586	55,312,292	14,211,185	69,523,477
12/31/2035	46,655,179	8,784,280	55,439,459	7,975,522	2,459,826	10,435,348	54,630,701	11,244,106	65,874,807
12/31/2036	30,956,825	6,379,800	37,336,624	7,891,938	2,055,688	9,947,626	38,848,762	8,435,487	47,284,250
12/31/2037	30,658,555	4,811,405	35,469,960	7,109,485	1,658,497	8,767,982	37,768,040	6,469,902	44,237,942
12/31/2038	19,107,307	3,603,455	22,710,762	5,335,392	1,366,028	6,701,420	24,442,699	4,969,483	29,412,182
12/31/2039	15,688,260	2,769,634	18,457,894	5,523,624	1,125,717	6,649,341	21,211,884	3,895,351	25,107,235
12/31/2040	13,149,059	2,078,382	15,227,441	5,515,547	877,081	6,392,628	18,664,606	2,955,462	21,620,068
12/31/2041	13,781,356	1,445,768	15,227,125	5,756,749	629,913	6,386,662	19,538,105	2,075,682	21,613,787
12/31/2042	14,442,853	782,468	15,225,321	6,007,473	371,847	6,379,320	20,450,326	1,154,315	21,604,641
12/31/2043	9,757,541	221,485	9,979,026	5,565,705	120,018	5,685,723	15,323,246	341,503	15,664,749
Total	**$ 1,245,101,801**	**$ 669,583,948**	**$ 1,914,685,918**	**$ 275,242,808**	**$ 140,420,442**	**$ 415,663,250**	**$ 1,520,344,609**	**$ 810,004,389**	**$ 2,330,349,168**

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.

Figure 15B
County Operating Debt Service
(as of February 28, 2018)[1]

	County Debt – Property Tax Refunds			County Debt – Other Judgments			County Debt – Termination Pay			County Debt – Superstorm Sandy			Total County Operating Debt		
Date	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
12/31/2018	$24,188,034	$18,475,767	$42,663,800	$6,341,021	$3,612,508	$9,953,529	$13,403,779	$8,648,567	$22,052,346	$1,084,351	$1,008,473	$2,092,824	$45,017,185	$31,745,314	$76,762,499
12/31/2019	27,515,657	18,687,507	46,203,165	5,681,503	3,921,088	9,602,591	16,522,339	8,812,903	25,335,241	1,242,690	970,759	2,213,450	50,962,190	32,392,257	83,354,447
12/31/2020	25,949,414	17,394,704	43,344,118	5,956,649	3,654,193	9,610,843	13,781,602	8,041,864	21,823,466	1,366,008	907,036	2,273,044	47,053,672	29,997,798	77,051,470
12/31/2021	24,584,260	16,146,468	40,730,728	6,487,879	3,361,964	9,849,843	15,615,585	7,371,984	22,987,569	1,464,851	837,662	2,302,513	48,152,575	27,718,078	75,870,652
12/31/2022	26,301,583	14,911,362	41,212,945	6,585,671	3,058,390	9,644,062	16,960,970	6,651,013	23,611,983	1,555,849	762,655	2,318,504	51,404,074	25,383,419	76,787,493
12/31/2023	21,881,632	13,666,793	35,548,425	5,029,345	2,767,730	7,797,075	12,882,740	5,886,979	18,769,719	1,689,724	683,005	2,372,729	41,483,441	23,004,507	64,487,948
12/31/2024	23,709,969	12,551,432	36,261,401	4,577,045	2,547,006	7,124,051	12,271,301	5,314,133	17,585,433	1,799,042	596,583	2,395,625	42,357,357	21,009,153	63,366,510
12/31/2025	22,439,219	11,343,655	33,782,874	4,858,044	2,299,529	7,157,573	11,949,751	4,662,821	16,612,573	1,810,490	504,582	2,315,072	41,057,504	18,810,588	59,868,092
12/31/2026	22,970,980	10,250,684	33,221,664	3,827,011	2,108,058	5,935,070	11,788,085	4,146,993	15,935,078	1,951,702	411,906	2,363,608	40,537,778	16,917,642	57,455,420
12/31/2027	13,866,119	9,428,230	23,294,350	4,709,214	1,933,022	6,642,236	15,082,351	3,604,931	18,687,282	316,797	358,405	675,203	33,974,481	15,324,589	49,299,071
12/31/2028	22,686,454	8,372,608	31,059,063	3,236,705	1,679,449	4,916,153	10,157,520	2,795,561	12,953,080	2,080,490	293,848	2,374,338	38,161,168	13,141,466	51,302,634
12/31/2029	20,870,264	7,238,193	28,108,457	3,408,773	1,502,210	4,910,983	10,700,752	2,233,690	12,934,442	2,121,326	187,319	2,308,645	37,101,115	11,161,412	48,262,527
12/31/2030	13,529,132	6,381,716	19,910,848	2,807,234	1,361,027	4,168,261	9,989,353	1,752,894	11,742,247	1,013,834	109,055	1,122,889	27,339,553	9,604,692	36,944,245
12/31/2031	9,418,687	5,810,898	15,229,585	2,606,693	1,240,175	3,846,868	6,542,497	1,297,891	7,840,388	323,619	75,712	399,331	18,891,496	8,424,675	27,316,172
12/31/2032	11,378,002	5,260,103	16,638,104	3,178,791	1,097,426	4,276,217	5,337,680	991,967	6,329,646	295,836	59,219	355,054	20,190,308	7,408,713	27,599,022
12/31/2033	11,954,539	4,681,657	16,636,195	3,324,383	951,307	4,275,690	5,575,065	753,136	6,328,201	310,855	44,101	354,956	21,164,841	6,430,201	27,595,042
12/31/2034	12,344,911	4,073,723	16,418,634	2,370,448	818,808	3,189,256	3,285,640	548,785	3,834,425	319,709	28,213	347,921	18,320,708	5,469,529	23,790,237
12/31/2035	12,798,917	3,444,943	16,243,860	1,967,948	713,354	2,681,302	2,222,145	414,045	2,636,190	330,289	11,868	342,157	17,319,299	4,584,209	21,903,509
12/31/2036	8,393,654	2,922,647	11,316,301	2,062,712	616,549	2,679,261	1,889,605	314,744	2,204,350	35,267	2,768	38,034	12,381,238	3,856,708	16,237,946
12/31/2037	7,883,856	2,504,108	10,387,963	1,801,017	516,593	2,317,609	790,291	221,746	1,012,037	6,796	1,004	7,800	10,481,960	3,243,450	13,725,410
12/31/2038	8,281,902	2,106,811	10,388,713	1,890,262	428,091	2,318,353	828,012	183,758	1,011,771	7,125	665	7,789	11,007,301	2,719,325	13,726,626
12/31/2039	8,077,989	1,697,078	9,775,068	1,727,982	338,351	2,066,332	815,980	143,947	959,927	6,166	308	6,474	10,628,116	2,179,684	12,807,800
12/31/2040	7,896,381	1,292,993	9,189,374	1,574,317	254,994	1,829,311	599,696	104,803	704,499	-	-	-	10,070,394	1,652,790	11,723,184
12/31/2041	8,300,707	888,066	9,188,773	1,653,148	175,393	1,828,541	628,040	76,529	704,569	-	-	-	10,581,895	1,139,988	11,721,883
12/31/2042	8,725,269	462,416	9,187,685	1,736,997	91,769	1,828,767	657,408	46,911	704,319	-	-	-	11,119,674	601,097	11,720,771
12/31/2043	4,885,692	122,142	5,007,835	1,002,390	24,460	1,026,850	688,672	15,880	704,552	-	-	-	6,576,754	162,483	6,739,236
Total	**$410,833,224**	**$200,116,705**	**$610,949,929**	**$90,403,182**	**$41,073,444**	**$131,476,626**	**$200,966,858**	**$75,038,474**	**$276,005,332**	**$21,132,814**	**$7,855,146**	**$28,987,959**	**$723,336,078**	**$324,083,769**	**$1,047,419,846**

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

Figure 15C
NIFA Debt Service
(as of February 28, 2018)[1]

	NIFA Debt – General Capital			NIFA Debt – Sewer Capital			Total NIFA Capital Debt		
Date	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
12/31/2018	$39,007,292	$5,346,266	$44,353,558	$3,790,172	$873,405	$4,663,576	$42,797,464	$6,219,671	$49,017,134
12/31/2019	42,305,146	4,420,320	46,725,466	4,192,629	726,153	4,918,782	46,497,775	5,146,473	51,644,248
12/31/2020	38,772,517	3,562,785	42,335,301	3,914,568	551,629	4,466,197	42,687,085	4,114,414	46,801,499
12/31/2021	29,085,757	2,664,216	31,749,973	2,955,843	387,324	3,343,167	32,041,600	3,051,540	35,093,140
12/31/2022	24,480,592	1,915,245	26,395,838	2,236,285	261,659	2,497,944	26,716,877	2,176,905	28,893,782
12/31/2023	18,471,390	1,109,887	19,581,276	1,962,710	165,457	2,128,166	20,434,100	1,275,343	21,709,443
12/31/2024	15,606,242	619,195	16,225,438	1,272,469	83,087	1,355,556	16,878,711	702,282	17,580,993
12/31/2025	6,505,183	216,412	6,721,595	601,646	26,985	628,631	7,106,829	243,397	7,350,226
Total	**$214,234,118**	**$19,854,326**	**$234,088,444**	**$20,926,322**	**$3,075,698**	**$24,002,021**	**$235,160,440**	**$22,930,025**	**$258,090,465**

	NIFA Debt – Property Tax Refunds			NIFA Debt – Other Judgments			Total NIFA Operating Debt		
Date	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
12/31/2018	$66,420,850	$15,312,469	$81,733,319	$9,286,686	$2,399,096	$11,685,782	$75,707,536	$17,711,565	$93,419,101
12/31/2019	66,340,547	12,739,336	79,079,883	10,661,678	2,005,471	12,667,149	77,002,225	14,744,807	91,747,033
12/31/2020	64,491,907	9,963,203	74,455,110	10,377,008	1,562,172	11,939,180	74,868,915	11,525,374	86,394,290
12/31/2021	50,023,366	7,236,804	57,260,170	8,020,034	1,126,235	9,146,269	58,043,400	8,363,039	66,406,439
12/31/2022	44,880,450	5,094,440	49,974,891	7,091,672	785,082	7,876,755	51,972,123	5,879,522	57,851,645
12/31/2023	33,855,479	3,117,360	36,972,839	5,429,422	475,109	5,904,531	39,284,900	3,592,469	42,877,370
12/31/2024	25,701,992	1,695,280	27,397,272	3,884,297	248,824	4,133,121	29,586,289	1,944,105	31,530,393
12/31/2025	10,832,321	515,340	11,347,660	1,525,850	71,945	1,597,795	12,358,171	587,285	12,945,456
Total	**$362,546,912**	**$55,674,232**	**$418,221,144**	**$56,276,648**	**$8,673,934**	**$64,950,582**	**$418,823,560**	**$64,348,167**	**$483,171,726**

1. 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.

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, 2016)[1]

Fiscal Year Ending December 31:	
2017	$ 847
2018	860
2019	873
2020	887
2021	901
2022-2025	3,348
Future Minimum Payments	7,716
Less Interest	3,141
Present Value of Future Minimum Lease Payments	$ 4,575

[1] Data extracted from County of Nassau, Comprehensive Annual Financial Report of the Comptroller for the Fiscal Year ended December 31, 2016.

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	2014	2015	2016[1]	2017	2018[2]
Bond Anticipation Notes	$114.4	$92.9	$164.5	$139.3	$59.6

[1] Includes $5,170,000 Bond Anticipation Notes, 2016 Series B, issued June 14, 2016, to renew, in part, the Bond Anticipation Notes, 2015 Series B, and $98,895,000 Bond Anticipation Notes, 2016 Series D (Federally Taxable), issued December 14, 2016, to renew, in part, the Bond Anticipation Notes, 2015 Series C (Federally Taxable), 2016 Series A (Federally Taxable) and 2016 Series C (Federally Taxable).
[2] Projected, based on the 2018-2021 Multi-Year Financial Plan projections. Includes the 2018 Series A Bond Anticipation Notes offered hereby.

Cash Flow Notes

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

FIGURE 18
CASH FLOW NOTES (IN MILLIONS)

Note	**2014**	**2015**	**2016**	**2017**	**2018[1]**
Revenue Anticipation Notes	$199.9	$178.5	$119.6	$ 0.0	$380.0
Tax Anticipation Notes	197.9	198.5	257.8	377.3	0.0
Total	**$397.8**	**$377.0**	**$377.4**	**$377.3**	**$380.0**

(1) Projected.

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

Recent and Projected Bond Issuances

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

FIGURE 19
COUNTY BONDS (IN MILLIONS)

2014	**2015**	**2016[1]**	**2017[2]**	**2018[3]**
$237.8	$198.5	$533.1	$473.4	$389.7

(1) Inclusive of the $272,810,000 General Obligation Bonds, 2016 Refunding Series A.
(2) Inclusive of the $338,205,000 General Obligation Bonds, 2017 Refunding Series C.
(3) Projected. Includes the 2018 Series A Bonds offered hereby.

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 OBLIGATIONS – Tax Levy Limitation Law" in the Official Statement to which this Appendix A is attached regarding statutory limitations on the ability of the County to levy taxes.

Article VIII, Section 1

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

Article VIII, Section 2

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

Article VIII, Section 4

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

Statutory Provisions

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

Statutory Procedure

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

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

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

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

3. such obligations are authorized in violation of the provisions of the State Constitution (the "Estoppel Procedure").

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

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

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

CAPITAL PLANNING AND BUDGETING

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

Capital Plan and Capital Budget

The County Charter requires the County Executive to submit to the County Legislature by October 15th of each year a proposed four-year capital plan, the first year of which is the capital budget for the following year, and requires the County Legislature by December 15th of each year to vote on the capital plan resolution and the capital budget ordinance. The County Legislature has approved, most recently, the capital budget for fiscal year 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 was approximately $192.5 million. The amount of debt issued by the County each year varies depending upon capital expenditure requirements. Following from NIFA's declaration of a control period on January 26, 2011, NIFA may continue to seek, among other things, to restrict in whole or in part the County's ability to issue debt to finance expenditures, including, but not limited to, capital projects, judgments and settlements, and property tax refunds. For further information regarding NIFA's declaration of a control period, see "MONITORING AND OVERSIGHT – External – *NIFA*" herein. County financings often include prior-year(s) approved 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"). Until recently, the County financed these expenditures primarily through the issuance of obligations resulting in significant amounts of outstanding bonds and related debt service. See "COUNTY INDEBTEDNESS AND DEBT LIMITATIONS – Bonded Indebtedness" and "– Debt Service Requirements" and "LITIGATION – Property Tax Litigation" in this Appendix A.

Administrative Review of Assessments

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

Real Property Tax Limit

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

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

FIGURE 21
COMPUTATION OF CONSTITUTIONAL TAXING POWER
(IN THOUSANDS)

Year Roll Completed	Full Valuation of Real Estate [c]
2018	$ 217,543,899[d]
2017	207,499,978
2016	212,185,368
2015	204,607,718
2014	200,331,933
Total	$1,042,168,896

Five-Year Average Full Valuation	$ 208,433,779
Tax Limit [a]	$4,168,676
Total Exclusions [b]	201,945
Total Taxing Power for 2018 Levy	4,370,621
Total Levy 2018	618,925
Tax Levy Subject to Limit	416,980
Percentage of Taxing Power Exhausted	10.00%

[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 OBLIGATIONS – Tax Levy Limitation Law" in the Official Statement to which this Appendix A is attached.

[b] Interest on and principal of indebtedness supported by real property taxes for fiscal year 2018 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 2014 through 2017 are verified by the Office of the State Comptroller.

[d] Full valuation for 2018 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
2017

Taxpayer	Taxable Assessed Value[(1)]	Taxable Assessed Value (%)
KEYSPAN GAS EAST	$ 14,976,042	2.72%
RETAIL PROPERTY TRUST	4,096,785	0.74
VERIZON NY	3,357,696	0.61
LIPA	1,834,739	0.33
PEOPLE OF THE STATE OF NEW YORK	1,312,085	0.24
SUNRISE MALL LLC	1,020,223	0.19
NEW YORK WATER	998,806	0.18
FIFTH AVENUE OF LONG ISLAND REALTY ASSOC	933,928	0.17
RECKSON ASSOCIATION	865,970	0.16
REXCORP PLAZA SPE LLC	787,670	0.14
MARCUS AVENUE UNIT ONE NOMINEE LLC	752,158	0.14
JQ ASSOCIATES	658,836	0.12
LONG ISLAND WATER	657,379	0.12
KRE BROADWAY OWNER LLC	656,779	0.12
ONE-TWO JERICHO PLAZA OWNER LLC	622,208	0.11
CORPORATE PROPERTY INVESTORS	602,055	0.11
CLK MARCUS AVE PROPERTY OWNER LLC	577,803	0.10
WE'RE ASSOCIATES INC	551,433	0.10
JMM RACEWAY LLC & MATTONE GROUP	541,801	0.10
CLK	540,288	0.10
EQUITY 1 WESTBURY LLC	528,059	0.10
COUNTRY GLEN LLC	502,356	0.09
T1 FRANKLIN AVENUE PLAZA LLC	468,980	0.09
ASN ROOSEVELT CENTER LLC	468,620	0.09
ROCKAWAY REALTY ASSOCIATES	407,928	0.07
TOTAL (TOP 25)	$ 38,720,627	7.03%
TOTAL TAX BASE	$550,744,620	100%

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

Collection

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

County, Town and Special District Taxes

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

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

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

School District Taxes

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

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

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

Delinquency Procedure

(a) General taxes

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

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

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

(b) School district taxes

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

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

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

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

The County self-insures for most risk exposures. It has transferred some of its risk by means of carrying property and liability insurance coverage on its police helicopters, a blanket fidelity bond covering all County employees and the following coverage for the summer recreation program: accident insurance, umbrella liability and general liability. The County has a contractual obligation to reimburse NHCC for the cost of certain insurance coverage, and to indemnify NHCC for liability and related costs not covered by insurance, in connection with NHCC's provision of health care services at the County's correctional center. Essentially all other risks are assumed directly by the County. The County annually appropriates sums for the payment of judgments and settlements of claims and litigation, which appropriations may be financed, in whole or in part, pursuant to the Local Finance Law by the issuance of County bonds, subject, however, to NIFA approval during the control period. Estimated liabilities of approximately $367.3 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, 2016. Such estimated liabilities include liabilities resulting from several third-party actions that were filed against the County seeking indemnification for judgments and/or claims pending against the Towns of Hempstead, North Hempstead and Oyster Bay, as well as garbage districts within these towns relating to the refund of special ad valorem levies on mass properties of utilities (Verizon, American Water and others) for garbage and refuse collection services. The towns and garbage districts have sought to have the County indemnify these judgments on the basis that the County is allegedly a guarantor for any claim for an illegal assessment for non-benefitted properties. In January 2017, the County settled the outstanding claims of the Town of Hempstead. The settlement agreement requires the County to pay to the Town of Hempstead (x) approximately $18 million in satisfaction of certain judgments and claims against the County (which the County has paid) and (y) seventy percent of the amount of judgments and settlements paid by such town prospectively on the remaining existing claims of such town, in installments over ten years, subject to certain conditions. The County estimates that the cumulative amount of all such resolved claims of the Town of Hempstead is approximately $125 million. The remaining claims of the Town of North Hempstead and the two Town of Oyster Bay garbage districts are estimated to be approximately $13 million.

Approximately $235.7 million has been recorded as a liability in the County's government-wide financial statement of net position at December 31, 2016 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 recorded in the County's governmental fund statements for all such claims in each of the fiscal years 2013 to 2017, inclusive, is shown below (in millions):

2016	$92.1
2015	96.9
2014	95.4
2013	81.3

Expenditures for all such claims in fiscal year 2017 is projected to be approximately $88.1 million (cash basis).

The County Comptroller recorded a long-term liability of $302.9 million for estimated future property tax refunds in the County's government-wide financial statement of net position at December 31, 2016. The County Comptroller recorded an additional accrued liability for property tax refunds of $37.1 million as liabilities in the governmental fund statements and as current liabilities in the government-wide financial statement of net position at December 31, 2016 (which is also included in the $92.1 million in 2016 expenditures recorded in the governmental fund statements described in the preceding paragraph). The projected estimate of long-term liability of approximately $535 million at December 31, 2017 for future property tax refunds is significantly greater than the $302.9 million estimated at December 31, 2016 in the County's government-wide financial statement of net position due mostly to revised estimates of liability arising out of litigation regarding the valuations of certain power generating facilities in the County. The County is in discussions with the operator of such power generating facilities and is seeking to reduce or eliminate the related property tax refund liability of the County. While the 2018-2021 Multi-Year Financial Plan includes no borrowing to finance property tax refunds, the County Executive included in her March 15, 2018 submission to NIFA a statement that she would be asking the County Legislature for authorization for $60 million in transitional borrowing to finance the payment of property tax refunds, and if obtained, NIFA approval. Various taxpayers have brought actions to convert certain judgments and/or settlements (including ARC stipulations) for real property tax refunds into enforceable money judgments, certain of which have been withdrawn following payment. While intending to continue to defend itself vigorously in the remaining money judgment actions, the County nevertheless expects to pay the remaining underlying judgments and/or settlements (including ARC stipulations) of approximately $134.5 million (approximately $18.3 million of which would be paid from the Disputed Assessment Fund ("DAF")) by the end of 2019. State law creating the DAF requires class four (commercial) property owners in the County to pay a charge projected to be equivalent to the amount of taxes being disputed in proceedings brought by them under Article 7 of the RPTL. This provides 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 – 2018 Budget and 2018-2021 Multi-Year Financial Plan" herein.

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

Other Property Tax Litigation

(i) New York Telephone Company (now known as Verizon), New York Water Service Corporation (now known as American Water), Long Island Water Corporation (now known as American Water) and KeySpan (collectively, the "Utilities") have each filed actions and proceedings challenging the determination of their taxes in 1997, 1998, 1999, and 2000 in 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 in calculating their assessed values for the payment of special district taxes. The Supreme Court, Nassau County declared that the assessments violated the RPTL and constitutional requirements of equal protection. The court directed that discovery be conducted and a trial held to determine the amount of tax refunds, if any, to be awarded to the Utilities. In 2002, the Appellate Division, Second Department, determined that the County violated the RPTL, but granted the County summary judgment dismissing the complaints on the grounds that no refunds should be awarded because of the fiscal impact on the special districts. In 2004, the Court of Appeals remitted the case to the Supreme Court, Nassau County for a trial on both the amount of the refunds due and whether those damages would have such an adverse impact on the County that no refunds should be ordered. In the KeySpan litigation, the Supreme Court, Nassau County denied the County's motion to dismiss the complaint and ordered discovery to proceed in the matter and the related Utilities cases. The court then stayed discovery pending the County's appeal to the Appellate Division concerning the application of the so-called County guaranty in these matters. In 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 lifted the stay of discovery and has denied the County's motion to dismiss on the grounds that the relief sought could only be granted by the exclusive remedy of an RPTL Article 7 challenge. Plaintiffs moved for re-argument based on the court's ruling that evidence of financial hardship could be a mitigating factor in determining damages. Decisions on the parties' motions for re-argument are pending, with a trial on damages expected to take place in 2018. 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, 2016 as described earlier in this section.

(ii) On April 27, 2018, the County was served with two summonses and complaints filed in January 2018 challenging the manner in which the County calculated current base proportions ("CBPs"), adjusted base proportions ("ABPs") and special district annual adjustments beginning in 2014 under Article 18 of the RPTL as a result of certain demolition of a power plant in Glenwood Landing, New York between 2012 and 2015. In one action, National Grid Generation LLC and Keyspan Gas East Corporation d/b/a National Grid allege that in 2014 the County calculated the CBPs, ABPs and special district annual adjustments in a manner that failed to reflect the demolition of the plant and thereby caused the plaintiffs' class three utility property to pay an excessive amount of taxes and a disproportionate share of the tax burden as compared to class one, class two and class four properties. The complaint further alleges that based on the 2014 error, all calculations for subsequent tax years were made in error. In the second action, New York American Water Company Inc. makes substantially similar allegations. In each action, plaintiffs seek, among other forms of relief, tax refunds in the amount of the alleged overpayment of taxes. Neither complaint specifies the amount of the tax refunds or damages sought. At this time the County's ultimate potential liability cannot be determined and the County is in the process of investigating the allegations made in the complaints. The County will continue to defend itself vigorously in these actions and proceedings.

Other Litigation

(i) In 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, the State Supreme Court ruled in this and related lawsuits that NIFA "did not exceed its authority to impose wage freezes in 2011, 2012 and 2013." In August 2016, the Appellate Division upheld the Supreme Court's decision, and in December 2016, the State Court of Appeals denied the plaintiffs' motions seeking leave to appeal the Appellate Division decision. On April 26, 2018, the U.S. District Court denied plaintiffs' motions for summary judgment and granted the County and NIFA defendants' cross-motions for summary judgment on the federal questions raised by the plaintiffs. Plaintiffs' time to appeal such decision has not expired. In 2014, the County and the unions respectively agreed (among other things) to settle in part this and certain related cases, and such unions respectively released the County and NIFA from liability for the parts of the lawsuits that were settled. 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 2018-2021 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, 2016 as described earlier in this section.

(ii) In March 2014, plaintiffs in Boening v. Nassau County Department of Assessment and the County of Nassau brought an action to have County Local Law 8-2013 declared invalid on the grounds that the County did not have the authority to require commercial property owners to submit annual income and expense statements to the County Department of Assessment. In May 2015, the State Supreme Court upheld the validity of the law while reserving a decision on the ability of the County to enforce its penalty provisions. Appellate arguments were held in May 2017 on the plaintiffs' appeal of that decision. In 2015 and in early 2017, the court granted temporary restraining orders ("TROs") in this and similar actions preventing the County from enforcing the law's penalty provisions with respect to litigants and non-litigants pending litigation. In April 2017, the court lifted the TROs except with respect to the plaintiffs in this and similar actions (approximately 1,500) challenging enforcement of the law. The 2018 Budget includes $5.2 million in projected revenues from enforcement of the law. The County has collected approximately $900,000 of penalties to date but has not recognized such revenue. In December 2017, the State Supreme Court ruled that the law's penalties constitute an illegal tax in view of the manner in which the funds are utilized. As such, the County may not impose the penalties. The County has reargued the court's decision and filed an appeal of the decision. If the decision is not reversed, the County would be required to refund any penalties collected. The County will continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition.

(iii) In January 2017, plaintiff Jeffrey Falk, on behalf of himself and others similarly situated, brought a lawsuit in State Supreme Court challenging the County's tax map verification fee alleging that the fee is excessive of costs and constitutes an illegal tax enacted for general revenue purposes. The fee is charged for the verification of a tax map of real property that must accompany the recordings of mortgages, satisfactions, and other real property transactions. The plaintiff sought an injunction of the fee, a declaration that the fee is unlawful and money damages. The court granted the County's motion to dismiss the request for injunctive relief, conversion and money damages. The court, however, did not dismiss the plaintiff's claim for declaratory judgment on the legality of the fee. The County will continue to defend itself vigorously in these actions and proceedings. If the fee is declared illegal in its entirety, the County would forego annual collections of approximately $43 million.

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

(v) In 2009, plaintiff Nicolette Iacone filed a lawsuit against the County and others including Salvatore Passanisi for injuries she sustained when her vehicle was struck by a vehicle driven by Mr. Passanisi in Oceanside, New York in 2007. In 2008, Mr. Passanisi plead guilty to driving while intoxicated and vehicular assault. Plaintiff Iacone claimed certain shrubbery obscured Mr. Passanisi's vision of the intersection where the accident occurred, and that despite curve and speed warning signs, this alleged design defect by the County was a cause of the accident. In December 2017, the jury found the County 86% liable and Mr. Passanisi 14% liable. The County is appealing the liability verdict. A trial to determine the amount of damages is scheduled for May 2018. The County will continue to defend itself vigorously in these proceedings. It is not possible to predict the ultimate outcome of these proceedings or their ultimate impact on the County's financial condition; however, the County estimates that, in the event of a final adverse decision, the amount of damages for which the County may be liable could be as high as $75 million.

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.

PROPERTY TAX RATES AND LEVIES

Property Tax Rates

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

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

	Town of Hempstead					Town of North Hempstead					Town of Oyster Bay				
	1/1/2018	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2018	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2018	1/1/2017	1/1/2016	1/1/2015	1/1/2014
General County[a]															
I	11.943	12.169	17.056	24.008	18.711	11.943	12.169	17.056	24.002	18.699	11.943	12.169	17.066	24.000	18.702
II	5.730	5.864	2.322	6.370	3.318	5.730	5.864	2.322	6.364	3.306	5.730	5.864	2.332	6.362	3.309
III	8.249	8.524	9.774	14.599	9.620	8.249	8.524	9.774	14.593	9.608	8.249	8.524	9.784	14.592	9.612
IV	6.469	6.356	.922	4.587	1.872	6.469	6.356	.922	4.581	1.861	6.469	6.356	.933	4.579	1.864
Community College															
I	11.272	11.024	10.343	10.043	9.820	11.272	11.024	10.343	10.043	9.820	11.272	11.024	10.343	10.043	9.820
II	5.408	5.313	5.429	5.457	5.298	5.408	5.313	5.429	5.457	5.298	5.408	5.313	5.429	5.457	5.298
III	7.786	7.722	7.915	7.596	7.150	7.786	7.722	7.915	7.596	7.150	7.786	7.722	7.915	7.596	7.150
IV	6.106	5.759	4.963	4.994	4.873	6.106	5.759	4.963	4.994	4.873	6.106	5.759	4.963	4.994	4.873
Police Headquarters															
I	84.112	78.485	72.925	66.184	65.989	84.110	78.486	72.925	66.184	65.989	84.110	78.483	72.925	66.184	65.989
II	30.541	29.561	38.279	35.962	35.601	30.539	29.562	38.279	35.962	35.601	30.529	29.560	38.279	35.962	35.601
III	52.264	50.201	55.802	50.063	48.043	52.262	50.202	55.802	50.063	48.043	52.252	50.200	55.802	50.063	48.043
IV	36.908	33.379	34.988	32.906	32.748	36.906	33.380	34.988	32.906	32.748	36.896	33.378	34.998	32.906	32.748
Fire Prevention															
I	3.330	3.403	3.301	3.087	3.036	3.330	3.403	3.301	3.087	3.036	3.330	3.403	3.301	3.087	3.036
II	1.598	1.640	1.733	1.677	1.637	1.598	1.640	1.733	1.677	1.637	1.598	1.640	1.733	1.677	1.637
III	2.300	2.383	2.526	2.335	2.210	2.300	2.383	2.526	2.335	2.210	2.300	2.383	2.526	2.335	2.210
IV	1.804	1.778	1.584	1.535	1.506	1.804	1.778	1.584	1.535	1.506	1.804	1.778	1.584	1.535	1.506
Environmental Bond															
I	1.694	0	0	1.881	1.851	1.694	0	0	1.881	1.851	1.694	0	0	1.881	1.851
II	.813	0	0	1.022	.998	.813	0	0	1.022	.998	.813	0	0	1.022	.998
III	1.170	0	0	1.423	1.347	1.170	0	0	1.423	1.347	1.170	0	0	1.423	1.347
IV	.917	0	0	.935	.918	.917	0	0	0.935	.918	.917	0	0	.935	.918

[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				
	1/1/2018	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2018	1/1/2017	1/1/2016	1/1/2015	1/1/2014
	General County(a)									
I	11.943	12.169	17.048	24.012	18.730	11.943	12.169	31.013	38.624	33.425
II	5.730	5.864	2.314	6.374	3.337	5.730	5.864	16.279	20.986	18.032
III	8.249	8.524	9.766	14.604	9.639	8.249	8.524	23.730	29.216	24.335
IV	6.469	6.356	.915	4.591	1.892	6.469	6.356	14.879	19.203	16.587
	Community College									
I	11.272	11.024	10.343	10.043	9.820	11.272	11.024	10.343	10.043	9.820
II	5.408	5.313	5.429	5.457	5.298	5.408	5.313	5.429	5.457	5.298
III	7.786	7.722	7.915	7.596	7.150	7.786	7.722	7.915	7.596	7.150
IV	6.106	5.759	4.963	4.994	4.873	6.106	5.759	4.963	4.994	4.873
	Police Headquarters									
I	84.117	78.489	72.925	66.184	65.989	102.984	94.435	72.925	66.184	65.989
II	30.545	29.565	38.279	35.962	35.601	49.412	45.512	38.279	35.962	35.601
III	52.269	50.205	55.802	50.063	48.043	71.136	66.151	55.802	50.063	48.043
IV	36.913	33.383	34.988	32.906	32.748	55.780	49.329	34.988	32.906	32.748
	Fire Prevention									
I	3.330	3.403	3.301	3.087	3.036	3.330	3.403	3.301	3.087	3.036
II	1.598	1.640	1.733	1.677	1.637	1.598	1.640	1.733	1.677	1.637
III	2.300	2.383	2.526	2.235	2.210	2.300	2.383	2.526	2.335	2.210
IV	1.804	1.778	1.584	1.535	1.506	1.804	1.778	1.584	1.535	1.506
	Environmental Bond									
I	1.694	0	0	1.881	1.851	1.694	0	0	1.881	1.851
II	.813	0	0	1.022	.998	.813	0	0	1.022	.998
III	1.170	0	0	1.423	1.347	1.170	0	0	1.423	1.347
IV	.917	0	0	.935	.918	.917	0	0	.935	.918

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

Figure 25 shows tax rates for County special districts.

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

	1/1/2018	1/1/2017	1/1/2016	1/1/2015	1/1/2014
	Police District				
I	85.237	83.749	82.423	75.532	72.229
II	63.508	62.298	61.789	58.757	57.600
III	208.364	219.205	130.533	123.148	120.750
IV	90.461	86.204	76.545	69.812	66.803
	Sewer and Storm Water Resources District				
	Storm Water Resources Zone of Assessment				
I	2.486	2.413	2.978	2.917	3.202
II	1.192	1.163	1.563	1.585	1.727
III	1.717	1.690	2.279	2.207	2.331
IV	1.346	1.261	1.429	1.450	1.589
	Sewer Collection & Disposal Zone of Assessment				
I	22.488	22.15	20.954	23.421	20.804
II	17.071	16.505	15.971	19.158	17.020
III	170.284	170.246	158.235	69.323	61.582
IV	24.695	24.214	20.356	22.608	20.085
	Sewer Disposal Zone of Assessment				
I	49.195	27.661	26.94	19.411	21.602
II	6.476	3.623	3.475	2.600	2.821
III	186.754	103.855	95.476	36.049	39.116
IV	40.860	22.542	19.904	14.424	15.652

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)

	2015		2014		2013		2012	
	Tax Levy	% of Total	Tax Levy	% of Total	Tax Levy	% of Total	Tax Levy	% of Total
Nassau County Government	$884,484	13.75%	$859,257	13.71%	$856,996	14.00%	$856,539	14.28%
Sewer & Storm Water Consolidated	123,494	1.92	117,271	1.87%	117,271	1.92%	117,271	1.96%
Environmental Bond Fund	9,607	0.15	9,671	0.15%	11,250	0.18%	11,250	0.19%
Town & City Governments	320,740	4.99	298,138	4.76%	288,718	4.72%	288,795	4.82%
Incorporated Villages	461,889	7.18	451,152	7.20%	439,677	7.18%	428,901	7.15%
School Districts	$4,041,334	62.83%	$3,951,434	63.04%	$3,841,766	62.77%	$3,746,069	62.46%
Special Districts:								
Fire	115,293	1.79	$113,417	1.81%	$111,346	1.82%	$108,892	1.82%
Fire Protection	19,914	0.31	19,981	0.32%	19,579	0.32%	19,113	0.32%
Garbage, Refuse & Sanitary	226,019	3.51	220,218	3.51%	213,956	3.50%	209,324	3.49%
Lighting	19,016	0.30	17,044	0.27%	16,216	0.26%	17,497	0.29%
Park	90,840	1.41	92,373	1.47%	90,620	1.48%	86,288	1.44%
Parking & Improvement	55,726	0.87	52,659	0.84%	50,351	0.82%	50,048	0.83%
Sewer Special	18,933	0.29	18,698	0.30%	16,295	0.27%	15,649	0.26%
Water	44,892	0.70	47,102	0.75%	46,363	0.76%	41,837	0.70%
Total Special Districts	590,633	9.18%	581,492	9.28%	564,726	9.23%	548,648	9.15%
Total	**$6,432,181**	**100.00%**	**$6,268,415**	**100.00%**	**$6,120,404**	**100.00%**	**$5,997,473**	**100.00%**

Data extracted from County of Nassau, Comprehensive Annual Financial Report of the Comptroller for the Fiscal Year ended December 31, 2016.

APPENDIX B

BASIC AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2016

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, 2016, 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, 2016 have been filed with the MSRB through its EMMA system.

Copies of the County's financial statements for the fiscal year ended December 31, 2016 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

FORMS OF BOND COUNSEL OPINIONS

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FORM OF BOND COUNSEL OPINION

[Letterhead of Orrick, Herrington & Sutcliffe LLP]

May 9, 2018

County of Nassau,
State of New York

Re: County of Nassau, New York

$90,840,000 GENERAL IMPROVEMENT BONDS, 2018 SERIES A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the County of Nassau, New York (the "County") of $90,840,000 principal amount of General Improvement Bonds, 2018 Series A (the "Bonds"). The Bonds are dated the date of delivery. The interest rates, maturity dates and price or yield of the Bonds are set forth on the inside cover of the Official Statement. The Bonds are issued pursuant to the Constitution and statutes of the State of New York and proceedings of the finance board of the County.

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

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

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

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

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

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

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

FORM OF BOND COUNSEL OPINION

[Letterhead of Orrick, Herrington & Sutcliffe LLP]

May 9, 2018

County of Nassau,
State of New York

Re: County of Nassau, New York

$59,605,000 BOND ANTICIPATION NOTES, 2018 SERIES A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the County of Nassau, New York (the "County"), of $59,605,000 aggregate principal amount of Bond Anticipation Notes, 2018 Series A, 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 excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 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 February 28, 2018

County General Improvement Bonds

Dated Date	Series	Original Issue Size	Original Interest Rates	Maturity	Principal Outstanding as of 2/28/18
12/21/2017	General Improvement Refunding Series 2017C	$338,205,000	2.00-5.00%	2018-2039	$ 338,205,000
6/13/2017	General Improvement Series 2017B	90,080,000	3.00-5.00	2018-2037	90,080,000
1/26/2017	General Improvement Series 2017A	45,110,000	3.00-5.00	2018-2031	42,940,000
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	272,770,000
2/9/2016	General Improvement Series 2016B	120,140,000	5.00	2017-2030	114,405,000
6/2/2015	General Improvement Series 2015B	168,895,000	5.00	2017-2035	154,905,000
1/29/2015	General Improvement Series 2015A	29,640,000	2.00-5.00	2015-2033	24,625,000
12/10/2014	General Improvement Series 2014A	237,755,000	5.00	2016-2030	195,325,000
12/11/2013	General Improvement Series 2013C	90,710,000	5.00	2015-2043	70,540,000
8/15/2013	General Improvement Series 2013B	127,920,000	4.00-5.00	2014-2043	97,340,000
2/28/2013	General Improvement Series 2013A	152,430,000	3.00-5.00	2014-2043	133,605,000
5/2/2012	General Improvement Series 2012A	196,630,000	4.00-5.00	2012-2034	129,180,000
6/2/2011	General Improvement Series 2011A	82,045,000	2.00-5.00	2012-2036	14,280,000
12/16/2010	General Improvement Series 2010F	71,745,000	6.65-7.40	2026-2035	71,745,000
12/16/2010	General Improvement Series 2010E	53,255,000	3.00-5.00	2012-2025	20,355,000
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	45,295,000
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	2,340,000
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	7,300,000
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	8,410,000
8/19/2009	General Improvement Refunding Series 2009E	50,875,000	3.00-5.00	2010-2018	675,000
7/21/2009	General Improvement Series 2009C	135,300,000	5.00-5.25	2010-2039	6,520,000
5/5/2009	General Improvement Series 2009A	99,000,000	2.50-5.00	2011-2029	9,685,000
7/8/2008	General Improvement Refunding Series 2008D	22,285,000	4.00-5.00	2009-2019	120,000
7/8/2008	General Improvement Series 2008C	149,525,000	4.00-5.00	2010-2028	11,875,000
12/1/2010	General Improvement Series 2007B Remarketing	40,000,000	2.50-5.00	2011-2024	7,815,000
12/1/2010	General Improvement Series 2007A Remarketing	35,000,000	2.50-5.00	2011-2023	18,105,000
Total					$2,176,545,000

County Sewer and Storm Water Resources District Bonds

Dated Date	Series	Original Issue Size	Original Interest Rates	Maturity	Principal Outstanding as of 2/28/18
7/21/2009	Sewers Series 2009D	$ 14,700,000	5.00-5.50%	2010-2039	$ 670,000
5/5/2009	Sewers Series 2009B	15,000,000	4.00-6.00	2011-2034	1,020,000
Total					$1,690,000

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

Dated Date	Series	Issue Size	Interest Rates	Maturity	Principal Outstanding as of 2/28/18
5/15/2015	EFC Series 2015D(1)	$ 1,168,949	3.808-4.569%	2016-2034	$ 1,054,000
5/15/2014	EFC Series 2014B(1)	2,210,000	4.061-4.595	2017-2028	2,050,000
7/15/2013	EFC Series 2013B(1)	3,185,419	0.263-4.756	2014-2043	2,820,000
7/15/2013	EFC Series 2013B(1)	5,218,233	3.363-4.612	2014-2029	4,100,686
11/15/2012	EFC Series 2012F(1)	56,518,000	4.49-6.182	2013-2024	32,591,000
6/15/2012	EFC Series 2012C(1)	26,070,000	4.70-6.181	2013-2029	19,000,000
6/01/2011	EFC Series 2011C(1)	5,395,000	.836-4.80	2012-2028	3,830,000
Total					$65,445,686

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

Nassau County Interim Finance Authority ("NIFA") Bonds

Dated Date	Series	Original Issue Size	Original Interest Rates	Maturity	Principal Outstanding as of 2/28/18
10/22/2015	NIFA Series 2015A	$116,310,000	4.00-5.00%	2016–2025	$107,385,000
10/4/2012	NIFA Series 2012A	141,580,000	3.00-5.00	2015–2025	77,360,000
10/4/2012	NIFA Series 2012B	176,133,000	1.00-5.00	2014–2023	66,394,000
4/21/2009	NIFA Series 2009A	303,100,000	1.00-5.00	2009–2025	29,920,000
5/16/2008	NIFA Series 2008C	150,000,000	VRDB	2017–2019	122,925,000
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					$653,984,000

Total County and NIFA Bonds	**$2,897,664,686**

Variable Rate Demand Bonds - Letters of Credit and Liquidity Facilities
(as of February 28, 2018)

Series	Outstanding Principal Amount	Provider	Facility Type	Expiration or Optional Termination by Provider
NHCC				
2009A	$15,195,000	JPMorgan Chase Bank, N.A.	LOC(1)	May 15, 2018(3)
2009B-1	35,590,000	TD Bank, N.A.	LOC	June 30, 2018(3)
2009B-2	35,515,000	TD Bank, N.A.	LOC	June 30, 2018(3)
2009C-1	31,780,000	Wells Fargo Bank N.A.	LOC	July 6, 2018(3)
2009C-2	30,080,000	Wells Fargo Bank N.A.	LOC	July 6, 2018(3)
2009D-1	27,935,000	JPMorgan Chase Bank, N.A.	LOC	May 15, 2018(3)
2009D-2	26,190,000	JPMorgan Chase Bank, N.A.	LOC	May 15, 2018(3)
Total NHCC	$202,285,000			
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	122,925,000	BMO Harris Bank, N.A.	SBPA	November 15, 2019
Total NIFA	$372,925,000			

(1) Letter of Credit
(2) Standby Bond Purchase Agreement
(3) LOC agreements are expected to be extended for a one year period.

Interest Rate Exchange Agreements
(as of February 28, 2018)

	Current Notional Amount	Counterparty	Pays	Receives	Maturity Date	Associated Bonds
	NHCC					
	$ 62,976,666	JPMorgan Chase Bank, N.A.	3.457%	62.6% of USD-LIBOR + 0.23%	8/01/2029	NHCC 2009B,C,D
	62,811,667	Merrill Lynch Capital Services, Inc.	3.457%	62.6% of USD-LIBOR + 0.23%	8/01/2029	NHCC 2009B,C,D
	62,811,667	UBS AG	3.457%	62.6% of USD-LIBOR + 0.23%	8/01/2029	NHCC 2009B,C,D
Total NHCC	$188,600,000					
	NIFA					
	$56,200,000	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.146%	60.0% of USD-LIBOR + 0.16%	11/15/2024	NIFA 2008A,B,C(1)
	56,200,000	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.146%	60.0% of USD-LIBOR + 0.16%	11/15/2024	NIFA 2008A,B,C(1)
	56,200,000	UBS AG	3.146%	60.0% of USD-LIBOR + 0.16%	11/15/2024	NIFA 2008A,B,C(1)
	56,200,000	UBS AG	3.146%	60.0% of USD-LIBOR + 0.16%	11/15/2024	NIFA 2008A,B,C(1)
	49,375,000	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.432%	61.5% of USD-LIBOR + 0.20%	11/15/2025	NIFA 2008A,B,C(1)
	49,375,000	Morgan Stanley Capital Services Inc.	3.432%	61.5% of USD-LIBOR + 0.20%	11/15/2025	NIFA 2008A,B,C(1)
	49,375,000	UBS AG	3.432%	61.5% of USD-LIBOR + 0.20%	11/15/2025	NIFA 2008A,B,C(1)
Total NIFA	$372,925,000					

(1) NIFA 2008D and E bonds have matured.

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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)

	2017	2016	2015	2014	2013
OVERLAPPING DEBT, TOWNS AND CITIES					
Town of Hempstead					
Bonds		$298,450	$335,243	$306,769	$301,431
Other Debt Obligations		24,803	57,034	80,035	0
Total		$323,253	$392,277	$386,804	$301,431
Town of North Hempstead:					
Bonds	$354,162	$288,722	$232,990	$254,020	$233,290
Other Debt Obligations	12,084	45,798	101,486	89,768	116,365
Total	$366,246	$334,520	$334,476	$343,788	$349,655
Town of Oyster Bay:					
Bonds	$578,430	$609,060	$662,465	$717,421	$451,421
Other Debt Obligations	192,980	231,610	190,965	126,920	353,150
Total	$771,410	$840,670	$853,430	$844,341	$804,571
City of Glen Cove:					
Bonds	$39,404	$35,689	$36,770	$41,595	$42,052
Other Debt Obligations	12,381	21,788	23,056	17,995	21,821
Total	$51,785	$57,477	$59,826	$59,590	$63,873
City of Long Beach:					
Bonds	$68,643	$71,482	$61,525	$59,729	$40,372
Other Debt Obligations	37,751	41,210	47,427	45,479	10,227
Total	$106,394	$112,692	$108,952	$105,208	$50,599
Total Overlapping Debt, Towns and Cities:					
Bonds	$1,040,639	$1,303,403	$1,328,993	$1,379,534	$1,068,566
Other Debt Obligations	255,196	365,209	419,968	360,197	501,563
Total	$1,295,835*	$1,668,612	$1,748,961	$1,739,731	$1,570,129

(*) SOURCE: Most recent official statement for each town and city. 2017 information for the Town of Hempstead is not available. The total amount for 2017 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.

In March 2018, the County brought five separate actions against its major unions in Nassau Supreme Court to invalidate the provisions of purported memoranda of understanding signed by the then-Chief Deputy County Executive in September 2017 and such unions, respectively, related to longevity pay and related matters. If the County is unsuccessful in these actions, it would result in additional longevity pay expenditures of approximately $11.8 million annually in the aggregate beginning in 2018.

County Employees

As of February 28, 2018, the full-time County workforce totaled 7,068 in the Major Operating Funds.

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 February 28, 2018
(Major Operating Funds)

Labor Organization	Full-Time Employees
CSEA	3,322
PBA	1,786
DAI	329
COBA	791
IPBA	34
SOA	309
NON UNION	497
Total	**7,068**

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.

On August 28, 2017, an arbitrator determined that IPBA members were entitled to certain benefits retroactive to March 23, 2015 related to the lifting of the NIFA wage freeze.

APPENDIX G

ECONOMIC AND DEMOGRAPHIC PROFILE

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 2016 was $105,870, up from $101,830 in 2015, and significantly higher than that of the State ($62,909) and the United States ($57,617). Moreover, the County continues to have a smaller percentage of families below the poverty level (3.9%) than the State (10.9%) and the United States (10.0%).

TABLE 2

MEDIAN HOUSEHOLD INCOME IN THE COUNTY IN COMPARISON TO THE STATE AND THE U.S., 2016 AND 2015

	2016		**2015**	
Area	**Median Household Income**	**Families Below Poverty (%)**	**Median Household Income**	**Families Below Poverty (%)**
County	$105,870	3.9	$101,830	4.1
State	62,909	10.9	60,850	11.6
United States	57,617	10.0	55,775	10.6

U.S. Census, 2015 and 2016 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 2008 and 2017.

In 2017, the CPI in the CMSA rose by 1.54%, which was slightly less than the 2017 U.S. city average CPI increase of 2.11%.

TABLE 3

CONSUMER PRICE INDEX

Year	U.S. City Average (1,000s)	Percentage Change	NY-NJ-CT-PA CMSA (1,000s)	Percentage Change
2017	246.5	2.11%	269.5	1.54%
2016	241.4	1.86	265.4	1.84
2015	237.0	0.13	260.6	0.15
2014	236.7	1.60	260.2	1.30
2013	233.0	1.50	256.8	1.70
2012	229.6	2.09	252.6	1.98
2011	224.9	3.12	247.7	2.82
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

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, Home Depot, Lowe'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

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 678,600 in 2017. The unemployment rate in the County has decreased from a recent high of 7.1% in 2012 to 4.1% in 2017. 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**	
	Employment	Unemployment Rate	Employment	Unemployment Rate	Employment	Unemployment Rate	Employment	Unemployment Rate	Employment	Unemployment Rate
2017	678.6	4.1%	747.1	4.5%	4,032	4.5%	9,249	4.7%	153,337	4.4%
2016	671.8	3.9	743.9	4.3	3,924	5.2	9,121	4.8	151,436	4.9
2015	665.8	4.3	739.1	4.8	3,960	5.7	9,166	5.3	148,834	5.3
2014	652.2	4.8	725.9	5.3	3,826	7.2	8,964	6.3	146,305	6.2
2013	655.2	5.9	792.8	6.4	3,702	8.7	8,898	7.7	143,929	7.4
2012	642.5	7.1	728.8	7.6	3,632	9.2	8,773	8.5	142,469	8.1
2011	635.9	6.7	721.3	7.4	3,592	9.0	8,683	8.2	139,869	8.9
2010	638.4	7.1	726.7	7.6	3,625	9.3	8,553	8.6	148,250	9.6
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

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 2008 to 2017 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	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Goods Producing										
Natural Resources, Construction & Mining	73.1	65.0	60.8	60.3	61.4	67.0	70.5	73.5	76.7	80.2
Manufacturing	81.3	75.1	73.0	72.8	74.0	73.8	71.9	71.7	71.6	71.7
Total – Goods Producing	**154.4**	**140.1**	**133.8**	**133.1**	**135.4**	**140.8**	**142.3**	**145.2**	**148.4**	**151.9**
Service Providing										
Trade, Transportation & Utilities	272.4	257.2	256.2	258.7	264.0	267.0	272.4	273.6	276.0	276.1
Financial Activities	75.0	70.8	69.8	70.5	72.4	72.6	72.6	73.5	72.2	72.4
Information	27.1	27.3	25.4	24.3	24.0	23.9	22.0	20.4	19.3	18.5
Educational & Health Services	215.7	220.6	225.8	230.8	237.1	238.4	241.7	248.5	260.2	265.0
Leisure & Hospitality	99.4	98.4	100.9	102.9	110.6	115.3	118.5	121.0	122.3	126.6
Other Services	53.6	52.7	52.9	54.4	54.9	56.0	57.6	57.9	58.8	60.1
Professional & Business Services	163.1	153.6	152.8	159.3	163.3	167.4	169.0	171.9	175.7	175.2
Government	203.2	206.7	208.9	205.3	199.9	195.1	193.7	194.5	195.7	195.3
Total - Service Providing	**1,109.5**	**1,087.2**	**1,092.6**	**1,106.2**	**1,126.1**	**1,135.7**	**1,147.4**	**1,161.2**	**1,180.2**	**1,189.2**
Total Non-Farm	**1,264.0**	**1,227.4**	**1,226.5**	**1,239.3**	**1,261.5**	**1,276.5**	**1,289.8**	**1,306.4**	**1,328.5**	**1,341.1**

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, 2017

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)]	5	6
Assorted Services	48	45
Government	15	15
Total Service Providing / Producing	**89**	**85**

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, 2017

Company	Type of Business	Employees
Northwell Health (formerly North Shore – LIJ Health System)	Health care	31,153
Catholic Health Services	Health care	17,000
Altice Corp. (formerly Cablevision)	Cable and pay television	13,000
NYU Winthrop Hospital	Health care	7,700
United Parcel Service (UPS)	Package delivery	3,100
South Nassau Hospital	Health care	3,000

SOURCES: Newsday "Long Island's Largest Employers", corporate websites and human resource departments.

Residential Construction Activity and Existing Home Sales

Table 9 is a list of construction activity in the County for residential buildings for the years 2012 through 2015 by building 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 were no large single-family residential subdivisions created during such period.

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

SOURCE: 2012-2015 U.S. Bureau of the Census, Privately-owned Building Permit Estimates.

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

Table 10 shows the value of new residential construction activity in the County from 2012 through 2015.

TABLE 10

VALUE OF COUNTY NEW RESIDENTIAL CONSTRUCTION

Year	Value of New Residential Construction (in thousands)
2015	$393,115
2014	333,008
2013	291,260
2012	222,851

SOURCE: 2012 – 2015 U.S. Census Bureau, Construction Statistics Division-Building Permit Branch based on estimates with imputation.

Table 11 shows the breakdown of new housing units by size category.

TABLE 11

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

Year	1 Family	2 Family	3-4 Family	5 or more Family	Total
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

SOURCE: 2012 – 2015 U.S. Census Bureau New Privately-owned Building Permits – reported units only.

Table 12 shows County existing home sales. In 2017, the median sales price rose 4.7% from 2016, and the number of homes sold increased by more than 60%.

TABLE 12

COUNTY EXISTING HOME SALES

Year	Median Sales Price	No. of Homes Sold
2017	$500,000	3,609
2016	477,500	2,237
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

SOURCES: Compiled by the County from: New York State Association of Realtors, 2008; New York State Department of Taxation and Finance, 2009-2017

Commercial Construction Activity

Table 13 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 2008 through 2017. Class 4 property includes commercial, industrial and institutional buildings, and vacant land. Table 13 indicates that in 2017 municipalities issued 36 building permits for Class 4 properties with an aggregate value of $317,611,184.

TABLE 13

HIGH-VALUE BUILDING PERMITS* FOR COUNTY CLASS 4 PROPERTIES

Year	Number of Permits	Value of Permits
2017	36	$317,611,184
2016	72	322,599,530
2015	70	431,153,868
2014	39	246,233,991
2013	19	119,347,464
2012	56	154,210,056
2011	88	262,515,969
2010	57	211,534,203
2009	38	151,318,375
2008	39	91,992,908

SOURCE: Nassau County Department of Assessment

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

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

The LIRR carried approximately 89.4 million passengers in 2016. 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, Atlantic Terminal in Brooklyn, as well as Jamaica and Hunters Point/Long Island City in Queens. Completion of the East Side Access project, which began tunneling work in 2007, will add a new hub in Grand Central Terminal, bringing LIRR customers directly to Manhattan's East Side. On weekdays, about 80% of the system's passenger trips occur during peak morning and evening travel periods.

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

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

The LIRR maintains tracks, ties, and switches and renovates its facilities as needed on an ongoing basis. 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. In March 2018, the State Comptroller issued a report indicating that, in 2017, the LIRR had its worst on-time performance in eighteen years. The report stated that an estimated 9.2 million riders in the region were inconvenienced by trains that were late, canceled at the terminal before departing, or terminated en route before reaching their destinations and that such delays and cancellations had an estimated cost in the region of nearly $75 million in lost productivity.

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

The County is located within close proximity to JFK and LaGuardia Airport ("LaGuardia"), both located in Queens County, and to Islip Long Island MacArthur Airport ("Islip MacArthur"), located in

Suffolk County. JFK and LaGuardia are easily accessible to County residents by all major east-west roadways as well as airport shuttle service. Islip MacArthur is accessible by the Long Island Expressway and Sunrise Highway, as well as the LIRR.

To help eliminate delays, congestion and trouble spots on its highway network, the County receives federal and State funding through the federal Transportation Improvement Program ("TIP"), and is a voting member of the Nassau-Suffolk Transportation Coordinating Committee. The TIP is a compilation of transportation improvement projects, such as preserving and upgrading bridges and highways and making system-wide capacity and safety improvements scheduled to take place during a five-year period. The current TIP, adopted in September 2016, covers the federal fiscal years 2017-2021.

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. The North Shore University Hospital is the recipient of the Joint Commission on Accreditation of Healthcare Organizations Codman Award, the first health system to attain this distinction. The Codman Award recognizes excellence in performance measurement.

Other hospitals of note in the County include the Nassau University Medical Center in East Meadow, which is a public hospital, St. Francis Hospital in Roslyn, NYU Winthrop Hospital in Mineola, Mercy Medical Center in Rockville Centre, and South Nassau Communities Hospital in Oceanside. Additionally, the Memorial Sloan Kettering Cancer Center is building a state-of-the-art outpatient cancer treatment center on part of the Coliseum (as defined below) parking area.

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 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.

Educational Facilities

There are 56 public school districts in the County, with a preliminary total 2016-2017 enrollment (PK-Grade 12) of approximately 202,000 students according to the State Education Department. Individual school boards and the Board of Cooperative Educational Services are the primary managers of these school districts and provide services such as career training for high-school students and adults, special education, alternative schools, technology education, and teacher training. Various public and private organizations manage the County's other educational facilities. The County's non-public schools, which are located in a number of municipalities, provide education in the State Regents program, as well as in special and technical programs. Many County public schools have received national recognition.

The County is home to many colleges and universities, some of which are highly specialized and have garnered nationwide attention for their programs. These institutions include Long Island University/LIU Post College, Adelphi University, Hofstra University, New York Institute of Technology, the U.S. Merchant Marine Academy, Nassau Community College, Webb Institute, Molloy College, and the State University of New York/Old Westbury. In 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. 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. The Bethpage Black Golf Course, located in Bethpage State Park, hosted the U.S. Open in 2002 and 2009 and the Barclay's Tournament in 2012 and 2016. 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. Pursuant to a long-term lease with the County, Nassau Events Center operates the renovated Nassau Veterans Memorial Coliseum (the "Coliseum") in Uniondale as a state-of-the-art destination for sporting events, concerts and family entertainment, which re-opened in April 2017 as NYCB Live: Nassau Veterans Memorial Coliseum. NYCB Live: Nassau Veterans Memorial Coliseum is contractually expected to generate approximately

$334 million in rental income over a term of up to 49 years, inclusive of the exercise of options by the County. 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, it is expected to play sixty games over three seasons at the facility beginning with the 2018-19 season.

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

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

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

Six villages in the County (Freeport, Garden City, Hempstead, Mineola, Rockville Centre, and Roslyn) own and operate their own sewage collection systems, which discharge sewage to either Bay Park or Cedar Creek. The City of Long Beach owns and operates its own sewage collection system and treatment plant. 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 jurisdiction of the Nassau County Department of Public Works 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. The County has been in contact with the New York City Department of Environmental Protection regarding its 2017 application to the New York State Department of Environmental Conservation to renew a permit to pump groundwater beneath the Borough of Queens. The County has been coordinating with the New York City Department of Environmental Protection and the New York State Department of Environmental Conservation to ensure that there are no adverse impacts to the Long Island aquifer system.

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APPENDIX H

SPECIMEN BOND INSURANCE POLICY

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ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

SPECIMEN

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

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

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

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

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

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

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

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

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

SPECIMEN

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

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

Form 500NY (5/90)

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