

PRELIMINARY OFFICIAL STATEMENT DATED JULY 30, 2024

NEW AND RENEWAL ISSUE

S&P RATING: SP-1+

MOODY'S RATING: “ ”

BOND ANTICIPATION NOTES

SEE “RATINGS” HEREIN

In the opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Notes will be excludable from gross income for federal income tax purposes under existing law, and interest on the Notes will not be subject to the alternative minimum tax on individuals. In the further opinion of Bond Counsel, under existing law interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See “TAX MATTERS” herein for a description of the opinion of Bond Counsel and certain other tax consequences.



**TOWN OF OYSTER BAY
NASSAU COUNTY, NEW YORK**

\$185,240,000 BOND ANTICIPATION NOTES, 2024

Dated: August 22, 2024

Due: August 21, 2025

The Bond Anticipation Notes, 2024 (the “Notes”) are general obligations of the Town of Oyster Bay, Nassau County, New York (the “Town”), for the payment of which the Town has pledged its faith and credit. All real property subject to taxation within the Town is subject to the levy of ad valorem taxes, without limitation as to rate or amount, subject to the statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended, to pay the principal of and interest on the Notes. See “*TAX LEVY LIMIT LAW*” herein.

Interest on the Notes will be payable at maturity. The Notes are not subject to redemption prior to maturity. See “*THE NOTES – Description of the Notes*” herein.

The Notes will be issued as registered Notes and, when issued, will be registered in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Notes, except, at the option of the purchaser of the Notes, the Notes may be issued in registered form registered in the name of the successful bidder. Interest on the Notes will be calculated based upon a 360-day year of 30-day months and will be payable at maturity in Federal Funds. The Town Clerk will be the fiscal and paying agent for the Notes while the Notes are in registered form.

If the Notes are in book-entry form, individual purchases may be made in denominations of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Notes purchased. Payment of the principal of and interest on the Notes to the beneficial owners of the Notes will be paid by the Town to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Notes, as described herein. See “*BOOK-ENTRY-ONLY SYSTEM*” herein.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the unqualified legal opinion as to the validity of the Notes of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel. Certain legal matters in connection with preparation of this Official Statement will be passed upon for the Town by Norton Rose Fulbright US LLP, New York, New York, in its role as Special Disclosure Counsel. Certain legal matters will be passed upon for the Town by the Town Attorney. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey on or about August 22, 2024.

THE TOWN DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 (THE “RULE”), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE NOTES HEREIN DESCRIBED. THE TOWN WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN EVENTS WITH RESPECT TO THE NOTES, AS REQUIRED BY THE RULE (SEE “*DISCLOSURE UNDERTAKING*” HEREIN).

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisor’s Auction website (“Fiscal Advisors Auction”) accessible via www.FiscalAdvisorsAuction.com, on August 8, 2024 between 10:00 A.M. and 10:30 A.M. EDT, unless extended in accordance with the two-minute rule as set forth in the Notice of Sale. No other form of electronic bidding services will be accepted. No phone bids will be accepted. No bid will be received after the time for receiving bids specified above. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

Dated: August , 2024

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NO PERSON HAS BEEN AUTHORIZED BY THE TOWN OF OYSTER BAY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY ANY OF THE NOTES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. THE INFORMATION, ESTIMATES 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 TOWN OF OYSTER BAY SINCE THE DATE HEREOF.

No dealer, broker, salesman or other person has been authorized by the Town 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 foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town 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 Town since the date hereof.

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TOWN OF OYSTER BAY, NASSAU COUNTY, NEW YORK



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OFFICIAL STATEMENT
of the
TOWN OF OYSTER BAY
NASSAU COUNTY, NEW YORK
relating to
\$185,240,000 BOND ANTICIPATION NOTES, 2024

INTRODUCTION

This Official Statement, which includes the front cover page and the appendices annexed hereto, has been prepared by the Town of Oyster Bay, Nassau County, New York (the “Town”, “County”, and “State”, respectively) in connection with the sale and issuance of its \$185,240,000 Bond Anticipation Notes, 2024 (the “Notes”).

This Official Statement contains specific information relating to the Notes including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Town from its records, except for information expressly attributed to other sources. The presentation of the information is intended to show recent historic information and, but only to the extent specifically provided herein, certain projections into the immediate future, and is not necessarily indicative of future or continuing trends in the financial position of the Town.

The factors affecting the Town’s financial condition, operations, and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Town’s tax base, revenues, expenditures and ability to market debt securities, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement. For information relating to litigation involving the Town, see “*LITIGATION*” herein.

THE NOTES

Description of the Notes

The Notes are general obligations of the Town, for the payment of which the Town has pledged its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and the laws of the State. All real property subject to taxation within the Town is subject to the levy of ad valorem taxes, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011, as amended, to pay the principal and interest on the Notes. See “*TAX INCREASE PROCEDURAL LIMITATION LEGISLATION*” herein.

Each Note when duly issued and paid for will constitute a contract between the Town and the owner thereof for the payment of such indebtedness. An owner of the Notes would be entitled to enforce certain remedies against the Town if the Town were to fail to perform its obligations under the Notes. See “*Enforcement of Remedies*” herein.

The Notes will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as partnership nominee of DTC. Interest on the Notes will be calculated based upon twelve thirty day months, and will be payable at maturity. The Town Clerk will be the fiscal and paying agent for the Notes while the Notes are in registered form. DTC will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry form, in denominations of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Notes.

No Optional Redemption of the Notes

The Notes will NOT be subject to redemption, in whole or in part, prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State, including among others, the Town Law and the Local Finance Law and various bond resolutions adopted on various dates to provide funds to pay the cost of the following:

Resolution Date	Purpose	Notes Outstanding	Payment	Renewal Amount	New Money	Note Amount
2/8/2022	Parks Special Improvements	\$ 930,000	\$ 70,000	\$ 860,000	-	\$ 860,000
1/25/2022	Parks General Improvements	20,400,000	1,500,000	18,900,000	-	18,900,000
1/25/2022	Highway Improvements	19,750,000	1,500,000	18,250,000	-	18,250,000
2/8/2022	Public Parking Improvements	620,000	70,000	550,000	-	550,000
2/8/2022	Lighting Improvements	470,000	20,000	450,000	-	450,000
2/8/2022	Solid Waste Improvements	730,000	30,000	700,000	-	700,000
1/25/2022	5 Year Equipment	8,650,000	2,200,000	6,450,000	-	6,450,000
1/25/2022	15 Year Equipment	7,750,000	560,000	7,190,000	-	7,190,000
1/25/2022	3 Year Equipment	820,000	410,000	410,000	-	410,000
1/25/2022	General Building Improvements	3,520,000	400,000	3,120,000	-	3,120,000
1/24/2023	Parks Special Improvements	930,000	-	930,000	-	930,000
1/10/2023	Parks General Improvements	16,450,000	-	16,450,000	-	16,450,000
1/10/2023	Highway Improvements	27,705,000	-	27,705,000	-	27,705,000
1/24/2023	Lighting Improvements	310,000	-	310,000	-	310,000
1/10/2023	5 Year Equipment	5,000,000	-	5,000,000	-	5,000,000
1/10/2023	15 Year Equipment	7,950,000	-	7,950,000	-	7,950,000
1/10/2023	3 Year Equipment	215,000	-	215,000	-	215,000
1/10/2023	General Building Improvements	2,800,000	-	2,800,000	-	2,800,000
1/23/2024	Parks Special Improvements	-	-	-	1,750,000	1,750,000
1/9/2024	Parks General Improvements	-	-	-	13,400,000	13,400,000
1/9/2024	Highway Improvements	-	-	-	15,000,000	15,000,000
1/23/2024	Solid Waste Improvements	-	-	-	620,000	620,000
1/9/2024	5 Year Equipment	-	-	-	5,400,000	5,400,000
1/9/2024	15 Year Equipment	-	-	-	9,940,000	9,940,000
1/9/2024	3 Year Equipment	-	-	-	340,000	340,000
1/9/2024	General Building Improvements	-	-	-	7,700,000	7,700,000
1/9/2024	Class A Building	-	-	-	6,000,000	6,000,000
1/9/2024	Beach Erosion	-	-	-	1,850,000	1,850,000
1/9/2024	Dredging Improvements	-	-	-	5,000,000	5,000,000
Total		\$125,000,000	\$6,760,000	\$118,240,000	\$67,000,000	\$185,240,000

The proceeds of the Notes, along with \$6,760,000 in available funds, will redeem and renew in part \$118,240,000 principal portion of the Town's \$125,000,000 Bond Anticipation Notes, 2023, maturing August 23, 2024 and provide \$67,000,000 in new monies for the above-mentioned purposes.

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each Note bearing the same rate of interest and CUSIP number, in the aggregate principal amount of such issue, and will be deposited with DTC. One fully-registered Note certificate will be issued for each of the Notes.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments

(from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, Obligation certificates are required to be printed and delivered. The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and the Town takes no responsibility for the accuracy thereof.

Source: *The Depository Trust Company, New York, New York.*

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE NOTES; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTE-HOLDERS; (IV) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE NOTES; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS NOTE-OWNER.

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry system transfers through DTC at any time. In the event that such book-entry system is discontinued, the following provisions will apply: (i) the Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, and (ii) principal of and interest on the Notes will be payable at the office of the Town Clerk, as fiscal and paying agent for the Notes while the Notes are in registered form. The Notes will remain not subject to redemption prior to their stated final maturity date.

MARKET AND RISK FACTORS

In making a decision as to whether to purchase the Notes, potential investors should consider certain risks and investment considerations which could affect the ability of the Town to pay debt service on the Notes and which could affect the marketability of or the market price for the Notes. These risks and investment considerations are discussed throughout this Official Statement. Certain of these risks and considerations are set forth in this section, but this section is not intended to be comprehensive or to be a compilation of all possible risks and investment considerations, nor a substitute for an independent evaluation of the information set forth in and presented in this Official Statement, which each investor should read in its entirety in order to make an informed investment decision.

Additional risks and uncertainties not currently known by the Town, or that the Town does not currently consider to be material, or that are generally applicable to all municipalities and their ability to repay obligations, may exist. Any one or more of the factors discussed herein, and other factors not described herein, could lead to a decrease in the market value or liquidity of the Notes. There can be no assurance that other risk factors not discussed below will not become material in the future. Prospective investors are advised to consider the following risk factors, among others, and to review the other information incorporated by reference into this Official Statement in evaluating an investment in the Notes:

1. Outstanding bond anticipation notes may be subject to default if the Town cannot access capital markets through public competitive sale of bonds as required by New York law. If the Town were unable to access capital markets through the competitive public sale of its bonds, access to capital markets through a negotiated sale of bonds would require approval by the State Comptroller or may require special state legislation.
2. The Town does not employ formal multi-year budgeting and financial planning.

Any estimates described in this Official Statement are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. The information contained in this Official Statement is provided as of the respective dates and for the periods specified herein and is subject to change without notice, and the posting of this Official Statement does not, under any circumstances, imply that there has been no change in the affairs of the Town since the specified date as to which such information was provided.

Market Factors Affecting Municipalities and State Aid Risk

The financial condition of the Town as well as the market price of and the market for the Notes could be affected by a variety of factors, many of which are beyond the Town's control, including, for example: (i) certain adverse events in the domestic and world economy; (ii) a significant default or other financial crisis occurring in the affairs of the State or its agencies or political subdivisions; and (iii) a seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code. These events may affect the acceptability of obligations issued by borrowers within the State or the ability of the Town to arrange for additional borrowings.

In addition, the market for and the market value of the Notes could be adversely affected if the Town encountered real or perceived difficulty in marketing notes or bonds to pay principal on outstanding notes or bonds at maturity. In the past, the Town has elected to issue bond anticipation notes without converting those notes to long-term bonds. As of July 30, 2024, the Town has \$290,857,495 of bond anticipation notes outstanding. If for any reason market access or the Town's ability to market its bonds or notes is disrupted and the Town is unable to refinance such notes through the issuance of renewal notes or bonds, the Town may not be able to pay principal and interest on such notes at maturity in accordance with their terms.

Although the faith and credit of the Town have been pledged for the payment of the principal of and interest on the Notes, the financial condition of the Town is dependent in part on State aid that has been and is expected to be received from the State in the future. However, the State is not constitutionally obligated to maintain or continue State aid to municipalities and school districts in the state, including the Town and, as a result, no assurance can be given that present State aid levels will be maintained in the future, particularly if the State should experience financial difficulty of its own. Furthermore, if the financial condition of the State should cause the State to delay making payments of State aid to municipalities and school districts in the State in any

year, the Town may be adversely affected by such a delay. The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to public health emergencies or other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available.

Under the Local Finance Law, if for any reason the Town anticipates not receiving payment of such State aid as needed, the Town is permitted to provide operating funds by borrowing in anticipation of the receipt of any uncollected State aid. However, there can be no assurance that the Town will have market access for any such borrowing on a cost effective basis if such need should arise. The elimination of or any substantial reduction in State aid would likely have a materially adverse effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. See also "*TOWN OF OYSTER BAY - State Aid*" herein.

COVID-19 Pandemic

The outbreak of the coronavirus disease (COVID-19), referred to herein as "COVID-19," was declared a pandemic by the World Health Organization. While public health conditions related to COVID-19 have improved, there can be no assurances against a resurgence of the disease and an imposition of public health restrictions in response. Variants of the coronavirus responsible for COVID-19 could lead to greater disease rates. A resurgence of COVID-19 in the region could have a material adverse effect on the Town and the State. Any future impact of COVID-19 and its variants to the Town's operations and finances cannot be predicted at this time due to the dynamic nature of COVID-19. The Town continues to monitor the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act ("ARPA")

On May 11, 2021, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds ("Fiscal Recovery Funds"), established by the American Rescue Plan Act of 2021, to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. The Fiscal Recovery Funds are intended to provide support to state, local and Tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents and businesses. The Town's allocation of Fiscal Recovery Funds is \$24,365,065, which is being provided to the Town through the New York State Division of the Budget through two 50% payments. The first payment was received on July 22, 2021 and the remaining payment was received in July of 2022. The Town intends to spend its allocation of Fiscal Recovery Funds as follows: approximately \$5 million on supporting local businesses in the Town, approximately \$9 million on water quality improvement projects, and approximately \$10 million on road and drainage improvement projects.

Cybersecurity

The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial. As the result of an operational anomaly in the Town's email system on December 3, 2021, the Town reviewed activity logs and performed scans of network servers, programs, hard drives and PCs. Subsequently, the Town has reconfigured the security protocols of the Town's cyber defense to incorporate additional layers of protection and intrusion detection.

ENFORCEMENT OF REMEDIES

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

Potential purchasers of the Notes should be aware, nonetheless, that under certain circumstances the obligations of the Town to the owners of the obligations might not be enforced precisely as written. Following is a brief review of certain general factors governing the enforcement of remedies against New York municipalities, such as the Town. Potential purchasers of the Notes should consult their own professional advisors for more complete and detailed information on the factors reviewed below.

General Municipal Law Contract Creditors' Provision. Each general obligation issued by a New York municipality when duly issued and paid for will constitute a contract between the issuer of the general obligation (the "Obligor") and the purchaser. Such contracts, if not honored, would generally be enforceable through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Obligor upon any judgment or accrued

claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment.

Unavailability of Remedies of Levy and Attachment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. Under the general rule with respect to municipalities, judgments against an Obligor may not be enforced by levy and execution against property owned by the Obligor. The faith and credit pledge securing the Notes requires a tax on real property to be levied to pay the principal of and interest on the Notes, which levy may be enforced by mandamus under Article 78 of the Civil Practice Law and Rules.

Constitutional Non-Appropriation Provision. The Constitution of the State, Article VIII, Section 2, contains the following provision relating to the annual appropriation of monies for the payment of principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any owner of obligations issued for any such indebtedness." If the Obligor were to fail to make a required appropriation, however, the ability of affected owners of the Obligor's indebtedness to enforce this provision as written could be compromised or eliminated as described below under "*Bankruptcy*", "*State Debt Moratorium Law*" and "*Possible Priority of Continuation of Essential Public Services*".

Article VIII, Section 2 of the State Constitution providing for first revenue set asides applies to the payment of interest on all indebtedness and to the payment of principal payments on bonds and certain notes, but does not apply to payment of principal due on tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Bankruptcy. The Federal Bankruptcy Code allows municipalities, such as the Town, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Should the Town file for relief under the Federal Bankruptcy Code there could be adverse effects on the owners of the Notes.

The State, in Section 85.80 of the Local Finance Law, has authorized any municipality in the State to file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Congress has enacted such a law in the form of the Federal Bankruptcy Code. Given the authority established in the aforesaid Section 85.80 of the Local Finance Law, the Federal Bankruptcy Code, under certain circumstances, can provide municipalities with easier access to judicially approved adjustment of debt and can permit judicial control over identifiable and unidentifiable creditors.

Under the United States Constitution, Federal law is supreme and may be enforced irrespective of contrary state law. Accordingly, proceedings in accordance with the Federal Bankruptcy Code could result in an allocation of funds that fails to honor the faith and credit pledge required by the State Constitution.

No current State law purports to create any collateral or priority for owners of the Notes should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. The Notes could be deemed unsecured obligations of the Town in a bankruptcy case.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality that is insolvent, which generally means the municipality is unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors. Any plan of adjustment can be confirmed by the court over the objections of creditors if the plan is found to be "fair and equitable" and in the "best interests of creditors." The Town may be able, without the consent and over the objection of owners of the Notes, to impair and alter the terms and provisions of the Notes, including the payment terms, interest rate, maturity date, and payment sources, as long as the bankruptcy court finds that the alterations are "fair and equitable." If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

The rights of the owners of Notes to receive interest and principal from the Town and the enforceability of the Town's faith and credit pledge to pay such interest and principal could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of owners of debt obligations issued by the Town (including the Notes) to payment from monies retained in any fund or from other sources would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code. Such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally, or might even be directed to satisfy other claims instead of being paid to the owners of the Notes.

Regardless of any specific adverse determinations in a bankruptcy proceeding of the Town, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Notes.

State Debt Moratorium Law. Unless the Federal Bankruptcy Code or other Federal Law applies, as described above, enforcement of the rights of Note owners will generally be governed by State Law. In 1975, a general State law debt service moratorium statute was enacted.

Under that legislation, the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York was suspended. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such Town of its faith and credit for the payment of obligations.

Accordingly, State legislation materially limiting the timing or manner of actions to enforce the faith and credit pledge against an issuer of general obligation debt (including that portion of Title 6-A of Article 2 of the Local Finance Law enacted in 1975 authorizing any municipality in a State-declared financial emergency period to petition to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality) could be determined to conflict with the State Constitution and may not be enforceable.

Possible Priority of Continuation of Essential Public Services. In prior years, litigation has resulted from certain events and legislation affecting the remedies of owners of municipal bonds or notes upon default. While courts of final jurisdiction have upheld and sustained the rights of note or bond owners, such courts might hold that future events, including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

RECENT FINANCIAL OPERATIONS

2019 Audited Year End Results

The Town's Audited Financial Statements for fiscal year ended December 31, 2019 were released on June 30, 2020. Audited figures for 2019 show an overall operating surplus of approximately \$19.2 million. The breakdown by fund is as follows: the operations of the General Fund had a surplus of \$18.6 million, the Highway Fund had a surplus of \$3.4 million, the Garbage Collection Districts Fund had a surplus of \$180,000, the Solid Waste Disposal District Fund had a deficit of \$460,000, the Debt Service Fund finished exactly even and Other Governmental Funds had a deficit of \$2.6 million. The breakdown of the cumulative fund balance by fund was as follows: the General Fund had a cumulative operating surplus of \$8.2 million, the Highway Fund had a cumulative operating surplus of \$6.1 million, the Garbage Collection Districts Fund had a cumulative operating surplus of \$3.5 million, the Solid Waste Disposal District Fund had a cumulative operating deficit of \$6.9 million, the Debt Service Fund had a cumulative operating surplus of \$100,000, and the Non Major Governmental Funds had a cumulative operating surplus of \$16.4 million.

The Town improved its overall position by more than \$71 million between 2016 and 2019. As of December 31, 2019, the Town reported a cumulative surplus of \$27.4 million.

2020 Audited Year End Results

The Town's Audited Financial Statements for fiscal year ended December 31, 2020 were released on June 29, 2021. Audited figures for 2020 show an overall operating surplus of approximately \$20.2 million. The breakdown by fund is as follows: the operations of the General Fund had a surplus of \$12.8 million, the Highway Fund had a surplus of \$3.8 million, the Garbage Collection Districts Fund had a deficit of \$3.2 million, the Solid Waste Disposal District Fund had a surplus of \$7.5 million, the Debt Service Fund finished exactly even and Other Governmental Funds had a deficit of \$677,000. The breakdown of the cumulative fund balance by fund was as follows: the General Fund had a cumulative operating surplus of \$21.0 million, the Highway Fund had a cumulative operating surplus of \$9.9 million, the Garbage Collection Districts Fund had a cumulative operating surplus of \$262,000, the Solid Waste Disposal District Fund had a cumulative operating surplus of \$581,000, the Debt Service Fund had a cumulative operating surplus of \$100,000, and the Non Major Governmental Funds had a cumulative operating surplus of \$15.7 million.

2021 Audited Year End Results

The Town's Audited Financial Statements for fiscal year ended December 31, 2021 were released on June 29, 2022. Audited figures for 2021 show an overall operating surplus of approximately \$14.6 million. The breakdown by fund is as follows: the operations of the General Fund had a surplus of \$737,000, the Highway Fund had a surplus of \$4.5 million, the Garbage Collection Districts Fund had a surplus of \$6.2 million, the Solid Waste Disposal District Fund had a surplus of \$1.1 million, the Debt Service Fund finished exactly even and Other Governmental Funds had a surplus of \$1.9 million. The breakdown of the cumulative fund balance by fund was as follows: the General Fund had a cumulative operating surplus of \$21.7 million, the Highway Fund had a cumulative operating surplus of \$14.4 million, the Garbage Collection Districts Fund had a cumulative operating surplus of \$6.4 million, the Solid Waste Disposal District Fund had a cumulative operating surplus of \$1.7 million, the Debt Service Fund had a cumulative operating surplus of \$100,000, and the Non Major Governmental Funds had a cumulative operating surplus of \$17.6 million.

The Town improved its overall position by more than \$106 million between 2016 and 2021. As of December 31, 2021, the Town reported a cumulative surplus of \$62.2 million.

2022 Audited Year End Results

The Town's Audited Financial Statements for fiscal year ended December 31, 2022 were released on June 29, 2023. Audited figures for 2022 show an overall operating surplus of approximately \$26.7 million. The breakdown by fund is as follows: the operations of the General Fund had a surplus of \$12.4 million, the Highway Fund had a surplus of \$4.1 million, the Garbage Collection Districts Fund had a surplus of \$1.2 million, the Solid Waste Disposal District Fund had a surplus of \$2.3 million, the Debt Service Fund finished exactly even and Other Governmental Funds had a surplus of \$6.7 million. The breakdown of the cumulative fund balance by fund was as follows: the General Fund had a cumulative operating surplus of \$34.2 million, the Highway Fund had a cumulative operating surplus of \$18.5 million, the Garbage Collection Districts Fund had a cumulative operating surplus of \$7.6 million, the Solid Waste Disposal District Fund had a cumulative operating surplus of \$4.0 million, the Debt Service Fund had a cumulative operating surplus of \$100,000, and the Non Major Governmental Funds had a cumulative operating surplus of \$24.4 million.

The Town improved its overall position by more than \$133 million between 2016 and 2022. As of December 31, 2022, the Town reported a cumulative surplus of \$88.9 million.

2023 Audited Year End Results

The Town's Audited Financial Statements for fiscal year ended December 31, 2023 were released on June 26, 2024. Audited figures for 2023 show an overall operating surplus of approximately \$11.1 million. The breakdown by fund is as follows: the operations of the General Fund had a surplus of \$7.4 million, the Highway Fund had a surplus of \$588,232, the Garbage Collection Districts Fund had a deficit of \$46,960, the Solid Waste Disposal District Fund had a surplus of \$1.8 million, the Debt Service Fund finished exactly even and Other Governmental Funds had a surplus of \$1.4 million. The breakdown of the cumulative fund balance by fund was as follows: the General Fund had a cumulative operating surplus of \$41.6 million, the Highway Fund had a cumulative operating surplus of \$19.1 million, the Garbage Collection Districts Fund had a cumulative operating surplus of \$7.6 million, the Solid Waste Disposal District Fund had a cumulative operating surplus of \$5.9 million, the Debt Service Fund had a cumulative operating surplus of \$100,628, and the Non Major Governmental Funds had a cumulative operating surplus of \$25.7 million. See "*APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT – DECEMBER 31, 2023.*"

The Town improved its overall position by more than \$144 million between 2016 and 2023. As of December 31, 2023, the Town reported a cumulative surplus of \$100.2 million.

2024 Budget

The 2024 budget was adopted on October 24, 2023 with no increase to the tax levy. Overall spending is projected to be at \$338 million. The budget contains no one-shot revenues and does not include the use of any fund balance. As has been recent practice, certain revenues and expenses have been conservatively estimated and the Town expects to generate a moderate surplus in 2024 under the assumption that nothing extraordinary occurs during the year.

TOWN OF OYSTER BAY

General Information

The Town of Oyster Bay, located in the easternmost section of Nassau County, was originally settled in 1653. The Town encompasses an area of approximately 114.6 square miles.

According to the U.S. Census Bureau, the population of the Town was as follows:

<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>
1960	290,055	2000	293,925
1970	333,342	2010	293,214
1980	305,750	2020	301,332
1990	292,657	2023 ⁽¹⁾	297,782

⁽¹⁾ The most recent U.S. Census Bureau estimate of the Town's population.

The Town, particularly in the northern section, has a number of incorporated villages in addition to unincorporated residential areas. There are many types of diversified industries throughout the central and southern portion of the Town. The southern section of the Town adjoins the Great South Bay and Jones Beach and is basically a residential community with a substantial commuting population.

Primary roads include the Northern State Parkway, the Southern State Parkway, the Long Island Expressway, Jericho Turnpike, Old Country Road, Sunrise Highway, Merrick Road and Route 25A, all of which run in an east-west direction. Routes 106, 107 and 135 are the primary north-south routes. Many commuters use the Long Island Rail Road (Metropolitan Transit Authority) which has, in addition to the main lines, several branches serving the Town.

Fire protection in the Town is provided by a number of volunteer fire companies which have a total of about 2,500 volunteers. They have available to them modern equipment and several fire houses. Some areas in the Town are served by contract fire companies, but the bulk of the Town is served by organized fire districts which adopt their own budgets and levy their own taxes.

Police protection in the Town is furnished by the Nassau County Police Department. A few villages have their own police departments. Even in these areas, the Nassau County Police Department supplies technical facilities to the smaller forces.

Public school facilities located throughout the Town are under the jurisdiction of several school districts located therein (See "*Form of Town Government*" herein). In addition to public schools, there are a number of private and parochial schools. Higher education institutions located within or near the Town include Adelphi University in Garden City, Hofstra University in Hempstead, Long Island University C.W. Post Center in Brookville, the State University in Farmingdale and in Old Westbury, Nassau Community College in Garden City, Briarcliffe College in Bethpage and The New York Institute of Technology in Old Westbury.

Recreational facilities throughout the Town include public and private beaches on both the north and south shores. The Town maintains four community parks, which include swimming pools and ice-skating facilities, and an 18-hole golf course with clubhouse. Cantiague Park, a County park, is located in the Hamlet of Hicksville and includes a variety of recreational facilities. Most of Bethpage State Park is located within the Town.

Hospital facilities in the Town include Plainview Hospital, Syosset Hospital and St. Joseph's Hospital in Bethpage.

Major shopping facilities available to Town residents include the Sunrise Mall in Massapequa. This center covers approximately 1.5 million square feet and includes a 200,000 square foot Macy's department store and a Sears store. Other large shopping centers are located throughout the Town and include the Broadway Mall in Hicksville where department stores such as Macy's, IKEA home furnishings and Target anchor this 140 store complex.

Considerable industrial expansion has taken place within the Town during the last four decades. Industrial parks have provided employment for many thousands of persons who settled in the Town over this span of time.

The Nassau County Industrial Development Agency was named 2010 Industrial Development Agency of the Year by the Long Island Business News for the conversion of Lunar Module Park into the largest movie production studio in the State. The massive structures that once housed the building of the lunar modules that traversed the moon's surface 40 years ago have been redeveloped into a fully functioning movie production studio. Grumman Studios, located within the Town, is comprised of a 500,000 square foot facility with seven expansive sound stages with massive storage capacity, surrounded by thirty acres of paved outdoor space for set construction and parking. Grumman Studios is a qualified New York State production facility, the largest in the greater New York area, and is only minutes from midtown Manhattan. Productions shot at Grumman are eligible

for tax incentives through the State.

Source: *Town officials*.

Form of Town Government

The Town is classified under the State Town Law as a suburban town and as such enjoys greater autonomy than a first class town. Located within the Town are eighteen incorporated villages, three of which are partially located in neighboring towns. The villages all have independent forms of government, but real property located in villages in the Town is subject to taxation by the Town for certain Town purposes. In addition, there are fourteen independently governed school districts and eight fire districts, which rely upon their own taxing powers, granted by the State, to raise revenues. Eight of these school districts are located entirely within the Town, while parts of the other six districts are located in neighboring towns. See “*Other Information*” for a chart of entities which levy taxes on real property in the Town.

The Chief Executive Officer and Chief Fiscal Officer of the Town is the Supervisor, who is elected for a term of two years and is eligible to succeed himself. The Supervisor is a member and the presiding officer of the Town Board. In addition to the Supervisor, there are six members of the Town Board who are elected at-large for four year terms. The terms are staggered so that every two years the Supervisor and three Councilpersons are elected. There is no limitation as to the number of terms which may be served by the Supervisor or other members of the Town Board.

The Town Board appoints the Town Attorney, Comptroller and Commissioner of Public Works, whose terms are fixed by Town Law. The Town Clerk and the Receiver of Taxes are elected and serve for two years and four years, respectively. The Director of Finance is appointed by the Supervisor. The Town Board appoints the following eight Commissioners: Environmental Resources, Public Safety, General Services, Human Resources, Community and Youth Services, Intergovernmental Affairs, Parks, and Planning and Development.

On January 17, 2017, a bill was introduced in the State Senate to authorize the appointment of a state monitor by the State Comptroller to provide direct oversight of the fiscal policies, practices and decisions of the Town. In January 2019, state legislators reintroduced a bill to impose a state fiscal monitor on the Town. The Town cannot predict whether this bill will be enacted into law or, if enacted, what its effect would be.

SEC Settlement

On November 21, 2017, the SEC filed a civil complaint against the Town and former Town Supervisor, John Venditto, alleging violations of various provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, and the rules promulgated thereunder. In the complaint, the SEC alleged that the Town’s disclosures, made in connection with various note and bond sales dating between June 2010 through December 2015, omitted information regarding certain agreements with a former Town concessionaire to operate concessions at certain Town facilities and that such omission was material to investors.

On February 26, 2019, the Town Board approved an agreement with the SEC staff to settle the SEC’s case against the Town. Pursuant to that agreement, the SEC agreed to dismiss its claims against the Town under Section 17(a)(1) of the Securities Act of 1933 (the “Securities Act”) and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. Under the agreement, without admitting or denying any of the SEC’s allegations, the Town consented to the court entering a final judgment in the case permanently enjoining the Town from violating Sections 17(a)(2) and (3) of the Securities Act and ordering certain undertakings by the Town, including that the Town retain an independent consultant appointed by the Court for a period of three years to review the Town’s policies, procedures, and internal controls regarding its disclosures for securities offerings, and to recommend improvements to those policies, procedures, and internal controls with a view to assuring compliance with the Town’s disclosure obligations under federal securities laws. The agreement does not impose any monetary penalty on the Town. On October 24, 2019, the Court approved the proposed settlement and entered a consent judgment reflecting the terms of the settlement agreement reached between the SEC and the Town. On January 27, 2020, the Court appointed Marc-Phillip Ferzan of Ankura as the Independent Consultant pursuant to its final judgment. Pursuant to the settlement, Ankura prepared and filed its First Report on May 26, 2020 and its Second Report on January 29, 2022. The Third and Final Report was filed on October 24, 2022.

Economic Development

The Town of Oyster Bay is in the midst of a number of important economic development initiatives involving regionally significant projects conforming to the Town's goals for preserving its suburban character. A key project which is expected to contribute substantial financial stimulus in the near-term future is Country Pointe at Plainview, which is described briefly below.

Country Pointe at Plainview: is a mixed use development on 143 acres on Old Country Road in Plainview-Old Bethpage. The change of zone/site plan application was approved by the Town Board in May 2015. The project build-out period began in 2016 and the commercial areas have been completed with various tenancies still being constructed. The residential construction is just past 95% completed and the residential construction is expected to continue until 2024.

As approved, Country Pointe at Plainview consists of:

- 750 multi-family residential units, including 420 condominium units (anticipated unit sale price \$650,000), 134 flats (\$600,000), 106 townhouses (\$950,000), and 90 senior price-controlled units (\$250,000); and
- Commercial development totaling 118,450 square feet, including a 71,450-square foot supermarket, 3,000-square foot bank, and 44,000 square feet of other retail space.

It is estimated that this project will create approximately 600 construction jobs and approximately 500 permanent jobs at build-out, along with appreciable secondary economic activity associated with those jobs.

The total sales price of the 750 residential units in Country Pointe at Plainview is projected at approximately \$477 million and is expected to provide substantial income to the Town in mortgage taxes. Other significant revenue streams expected to be generated by this project include building permit fees and the Town's portion of sales taxes for the supermarket and other retail space.

Source: Town officials.

Selected Listing of Major Employers Located in or within close proximity to the Town

<u>Employment Code</u>	<u>Approx. Number of Employees</u>		
A	More than 10,000		
B	5,000 to 9,999		
C	1,000 to 4,999		

<u>Employer</u>	<u>Type of Business</u>	<u>Employment Code</u>
Gate Gourmet Inc	Airport Services	A
North Shore Univ. Hosp. Med.	Hospitals	B
North Shore Hospital Pharmacy	Pharmacies	B
NYU Langone Hospital – Long Island	Hospital	B
Long Island Jewish Medical Center	Hospital	B
Pro Health ENT	Otorhinolaryngology Ear Nose Physician	B
Adelphi University	Schools-Universities & Colleges	C
Commercial Building Mntnc.	Cleaners	C
CSEA Local 881	Labor Organization	C
Dealer Track Technologies	Publishers-Computer Software (Mfrs)	C
Hofstra University	University-College Dept./Facility/Office	C
Hofstra University Law School	Law Schools	C
Landauer Medstar	Hospital Equipment & Supplies (Mfrs)	C
Lightpath	Internet Service	C
Long Island Jewish Valley Stream	Hospitals	C
Long Island University-Post	Schools-Universities & Colleges A	C
Mercy Medical Ctr.	Hospitals	C
Mt. Sinai South Nassau	Health Facilities	C
Nassau Community College	Junior-Community College-Tech Inst.	C
Nassau County Police Department	Police Departments	C
NASSAU Inter-County Express	Bus Lines	C
Nassau University Medical Ctr.	Hospitals	C
North Shore Court Reporters	Court & Convention Reporters	C
Plainview Hospital	Hospitals	C
Simonette & Assoc.	Attorneys	C

Source: Data Axle Reference Solutions – U.S. Businesses Database Verified Employers, Nassau County, New York (accessed June 14, 2024).

Unemployment Rates

Unemployment statistics are available for the Town, the County and the State. The information set forth below are included for informational purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the figures for the County, and/or the State are necessarily representative of the Town.

Annual Average

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Oyster Bay Town	3.8%	3.3%	3.1%	7.5%	4.1%	2.7%	2.9%
Nassau County	4.1	3.5	3.3	8.0	4.5	2.9	3.1
New York State	4.6	4.1	3.9	9.8	7.1	4.3	4.2

2023-2024 Monthly Figures

	<u>2023</u>						<u>2024</u>					
	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Oyster Bay Town	3.0%	3.3%	3.1%	3.2%	3.1%	3.2%	3.1%	3.3%	3.1%	2.8%	3.1%	3.1%
Nassau County	3.2	3.5	3.3	3.4	3.3	3.4	3.5	3.6	3.4	3.0	3.3	3.2
New York State	4.2	4.5	4.2	4.4	4.2	4.4	4.3	4.5	4.2	3.9	4.2	4.3

Note: Unemployment rates for July of 2024 are not available as of the date of this Official Statement.

Source: State of New York, Department Source: State of New York, Department of Labor.

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Listing of Larger Taxable Properties

<u>Name</u>	<u>Type</u>	<u>2024 Assessed Value</u>
KeySpan Gas East	Public Utility – Public Franchise	\$3,837,468
Sunrise Mall LLC	Shopping Mall	1,221,147
LIPA	Utility	1,002,001
Verizon NY	Public Utility – Public Franchise	938,412
RXR 1000 Woodbury Road	Business Park	768,189
Broadway Mall (KRE Broadway Owner LLC)	Shopping Mall	637,084
JQ Associates	Office Buildings	611,581
Northrop Grumman Systems Co.	Aviation	537,549
Jericho Plaza LLC	Office Buildings	486,580
Norwich Gate Company LLC	Apartments	467,931
92 FHB LLC	Apartments	445,720
Sunrise Mass LLC	Shopping Center	396,834
Steel Hicksville Owner LLC	Warehouse	380,787
Fairfield Jericho Townhomes	Real Estate	365,152
TreeCo Centers Limited Partnership	Office Buildings	361,662
Hicksville Jericho	Commercial	317,860
100 Duffy Realty	Real Estate Company	312,770
Steel LLC	Storage & Warehouse Facilities	274,937
Seritage SRC Finance LLC	Real Estate Company	270,110
Hicksville Jericho	Commercial	269,853
RA 6800 Jericho Turnpike LLC	Office Buildings	265,786
Cold Spring Realty Acquis.	Commercial Nursing Home	265,030
Southgate Shopping Center A	Shopping Center	252,021
KK Southgate 2471 LLC	Shopping Center	252,021
Sunrise Promenade Associates	Shopping Mall	237,145
	Total	<u>\$15,175,630</u>

Note: The assessments for larger taxpayers listed above aggregate \$15,175,630 and represent approximately 14.55% of the Town's tax base (when utilizing the assessed values of the larger taxable properties for the 2024 fiscal year, and the total assessed valuation of the Town for the 2023 fiscal year).

Building Permits

<u>Year</u>	<u>Total Number of Permits</u>	<u>One Family Dwellings</u>	<u>Commercials</u>	<u>Other</u>
2014	5,616	117	866	4,633
2015	5,460	131	715	4,614
2016	5,140	143	1,161	3,836
2017	6,070	130	1,013	4,927
2018	6,262	176	997	5,089
2019	5,838	125	1,093	4,620
2020	5,247	123	688	4,436
2021	5,355	131	789	4,435
2022	5,686	147	806	4,733
2023	5,136	129	766	4,241

Source: Town officials.

See page 135 of “*APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT – DECEMBER 31, 2023*” for the amount of building fees collected for fiscal year 2023. Historical numbers included herein are not indicative of future results.

Financial Organization of the Town

The Supervisor is the treasurer and chief fiscal officer of the Town. The Director of Finance is responsible to the Supervisor and serves as the Town’s Budget Officer.

The Comptroller is the accounting officer and his duties include administration, direction and control of the divisions of Accounting, Accounts Payable, Electronic Data Processing, Internal Audit and Payroll.

Budgetary Procedures

The Supervisor is responsible for the preparation of the tentative annual operating and capital budgets. The Town Board receives the tentative budgets and prepares preliminary operating and capital budgets and a public hearing is held thereon. Subsequent to the public hearing, revisions can be made, and the budgets are then adopted by the Town Board as final for the coming fiscal year. The budgets are not subject to referendum. See “*TAX LEVY LIMIT LAW*” herein.

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to temporarily invest moneys which are not immediately required for expenditures, but may invest only in the following investments: (1) special time deposit accounts in or certificates of deposits issued by a bank or trust company located and authorized to do business in the State of New York; (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 of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Town; (6) obligations of New York public benefits corporations which are made lawful investments by the Town pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and (8) in the case of Town moneys held in certain reserve funds established pursuant to law, obligations issued by the Town. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

The Town’s investments are governed by a formal investment policy. The Town’s monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Town is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies and investments made by the Cooperative Liquid Asset Security System (C.L.A.S.S.), which is a cooperative investment plan consisting of U.S. Treasury Obligations and repurchase agreements relating to treasury obligations.

It is the Town’s policy to require collateral for demand deposits and certificates of deposit for all deposits not covered by the federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Financial Statements

The Town complies with the Uniform System of Accounts as prescribed for Towns in the State by the State Comptroller. Except as set forth in the Independent Auditors' Report of Cullen & Danowski, LLP the financial statements of the Town for the fiscal year ended December 31, 2023 were prepared in conformity with generally accepted accounting principles as applied to governmental units. The financial statements for the fiscal year ended December 31, 2023 are in "APPENDIX B" attached hereto. The Government Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Town's audit is typically released on or prior to June 30th of the succeeding year as shown below:

<u>Fiscal Year Ending December 31,</u>	<u>Audit Release Date</u>
2019	June 30, 2020
2020	June 30, 2021
2021	June 29, 2022
2022	June 29, 2023
2023	June 24, 2024

GASB 34. Since the fiscal year ended December 31, 2003, the Town has been required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The Town is in compliance with GASB Statement No. 34.

GASB 54. Beginning with fiscal year ended December 31, 2011, the Town has implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions (GASB 54). GASB 54 changed the terminology and classification of fund balance to reflect spending constraints on resources rather than availability for appropriation.

GASB 87. Beginning with fiscal year ended December 31, 2022, the Town has implemented GASB Statement No. 87, "Leases." GASB Statement No. 87 enhances the relevance and consistency of information of the Town's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financing of the right-to-use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

New York State Comptroller Audits

The Office of the State Comptroller periodically performs a compliance review to ascertain whether the Town has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

On July 30, 2019, the Town received notice that the Division of Local Government and School Accountability of the Office of the State Comptroller has selected the Town for an audit. The audit focused on policies and procedures related to internal controls at the Town. Upon the conclusion of the audit, the State Comptroller reported on the audit's results and provided recommendations to help improve the Town's operations. The auditors examined the policies and procedures of several departments of the Town and did not find any major issues that required a full audit. In late 2019, the State Comptroller's office notified the Town that it had decided to audit the Town's financial condition to determine whether the Town Board and Town officials effectively manage the Town's financial condition. The audit was released in September 2020. The report concluded that the Town Board and Town officials need to continue to improve their management and oversight of the Town's financial condition.

Key findings of the report include:

- The fund balance was not properly managed. Three of the Town's funds have carried repeated fund balance deficits, while two other funds have repeated surpluses. No reserve funds were established.
- The Town has significantly more debt than neighboring towns.
- The Town Board did not develop and adopt several comprehensive written plans and policies, including a multiyear financial plan, fund balance policy and reserve policy.

In the report, OSC recommended that the Town: (i) develop a comprehensive written multiyear financial plan and written policies establishing reasonable fund balance levels for each fund, (ii) reduce excessive fund balances and eliminate deficit fund balances, and (iii) re-evaluate use of debt and consider other means, such as establishing reserves, to pay for long-term infrastructure needs, and (iv) and take other actions detailed in the report. A copy of the report is available on OSC's website.

The Division of Local Government and School Accountability of the Office of the State Comptroller (“DLGSA”) conducted a state-wide audit on ethics oversight. The Town of Oyster Bay was one of the twenty municipalities selected throughout the state for this audit. This was not a financial audit. The audit period covered January 1, 2017 – September 30, 2018.

On or about December 30, 2021, DLGSA notified the Town that it would be conducting an audit of the Town’s information technology controls. As of the date of this Official Statement, that audit has not yet begun.

Source: *Website of the Office of the New York State Comptroller and Letter from State Comptroller dated July 30, 2019.*

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

The State Comptroller’s Fiscal Stress Monitoring System

The State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “Significant Fiscal Stress”, in “Moderate Fiscal Stress,” as “Susceptible Fiscal Stress” or “No Designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “No Designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for previous fiscal years of the Town are as follows:

<u>Fiscal Year Ending</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2018	Significant Fiscal Stress	70.0
2019	No Designation	36.3
2020	No Designation	22.1
2021	No Designation	20.4
2022	No Designation	0.0

Source: *Website of the Office of the New York State Comptroller.*

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

State Aid

The Town receives financial assistance from the State and the County. Some State Aid is paid to the Town by the State, but most is paid to the Town by the County pursuant to State Law. The County collects mortgage and sales tax pursuant to State Law and is required to periodically remit the Town’s portion to the Town. See “*State and Federal Aid Revenues*” table below. If the financial condition of the State should cause the State to delay making payments of State aid to municipalities and school districts in the State in any year, the Town may be adversely affected by such a delay. The State’s Annual Information Statement is updated quarterly by the State and may be obtained from the New York State Division of the Budget, which makes this and other financial information available through its website.

The State is not constitutionally obligated to maintain or continue State aid to municipalities and school districts in the state, including the Town. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid would likely have a material adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. See also “*BONDHOLDER RISKS*” herein.

The Town is dependent in part on financial assistance from the State, most of which is passed through to the Town by the County. If the Town’s receipt of State aid is delayed as a result of the County’s delay in distributing State aid to towns within its borders, the Town may be affected by such a delay. In the past, the Town has issued revenue anticipation notes as a result of the Town not receiving timely payment due to the Town by the County.

State and Federal Aid Revenues

The Town receives financial assistance from the State and the County. A portion of the aid received from the County includes mortgage tax. The following table illustrates the percentage of General Fund revenue (“Total Revenues”) of the Town comprised of mortgage tax and other State and Federal aid revenues of the Town for each of the following fiscal years:

Fiscal Year Ending December 31st	Mortgage Tax	Total Mortgage Tax and Other State & Federal Aid	Total Revenues ⁽¹⁾	Percentage of Total Revenues Consisting of Mortgage Tax and Other State & Federal Aid ⁽¹⁾
2014	\$8,645,289	\$10,580,072	\$109,699,028	9.64%
2015	10,629,188	12,600,655	114,687,448	10.99
2016	11,997,472	14,001,428	116,416,593	12.03
2017	12,444,217	14,332,879	144,788,857	9.90
2018	11,406,809	13,319,621	138,688,411	9.60
2019	12,654,751	12,966,257	148,233,745	8.75
2020	15,482,645	17,456,458	138,894,201 ⁽²⁾	12.57
2021	21,996,374	22,193,522	147,179,467	15.07
2022	17,451,770	20,298,143	150,851,295	13.46
2023	9,658,932	18,157,445	161,014,030	11.28
2024 (Budgeted)	14,000,000	15,782,422	152,643,168	10.34

⁽¹⁾ General Fund only.

⁽²⁾ 2020 Total Revenue figure excludes a \$30 million Special Item for the issuance of Serial Bonds for a legal settlement.

Source: Town audited financial reports for fiscal years 2014 through and including 2023 and the Town’s 2024 Adopted Budget. This table is not audited.

Sales Tax Revenues

The following table illustrates the total Sales Tax revenues of the Town for each of the following fiscal years:

Fiscal Year Ending	Sales Tax Revenues	Percentage of Total Revenues Consisting of Sales Tax ⁽¹⁾
2014	\$13,942,484	12.71%
2015	14,258,755	12.43
2016	14,556,122	12.50
2017	14,959,916	10.33
2018	15,497,649	11.17
2019	16,049,873	10.83
2020	15,343,744	11.00
2021	18,506,471	12.57
2022	19,948,308	13.22
2023	20,006,313	12.43
2024 (Budgeted)	21,000,000	13.76

The total Sales Tax revenues of the Town for each of the fiscal years shown above may be found in “APPENDICES A1 and A2” to this Official Statement as well as in the referenced audited financial reports of the Town.

Source: Town audited financial reports for fiscal years 2014 through and including 2023, and the Town’s 2024 Adopted Budget. This table is not audited.

Employees

The following table illustrates the number of full-time Town employees at the beginning of each of the following fiscal years:

January	Number of Employees
2018	998
2019	993
2020	1,011
2021	1,025
2022	1,012
2023	1,059
2024	1,039

As of January 1, 2024, the Town provides services through approximately 1,039 employees, 958 of which are represented by the Nassau County Chapter of the Civil Service Employees Association. The collective bargaining agreement between the Town and the Town of Oyster Bay Unit of the Nassau County Chapter of the Civil Service Employees Association (the “Union”), the sole bargaining agent for full-time Town employees was approved by the Town Board on December 7, 2021. The length of the contract is seven years (2022-2028) and includes a no layoff clause for the duration of the contract. In this contract, the Town and the Union agreed to flat dollar amount raises as opposed to the percentage based system that had been used previously. In 2022, all employees on the step chart were rounded up to the next highest step on the new graded salary plan and then given an additional step valued at \$1,500. In 2023, all employees on the step chart will receive a base increase of \$500 and also a step valued at \$1,500. In 2024, all employees on the step chart will receive a step valued at \$1,500. In 2025, all employees will receive a base increase of \$1,500. In 2026, all employees on the step chart will receive a step valued at \$1,500. In 2027, all employees will receive a base increase of \$1,500. In 2028, all employees on the step chart will receive a step valued at \$1,500. In 2024, 2026 and 2028, all employees who are off of the step chart will receive a base salary increase of \$1,000.

In 2023, the total health care benefits paid for by the Town of all employees including retirees was \$40,026,426. In addition to providing pension benefits, the Town provides health insurance coverage for retired employees. Substantially all of the Town’s employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through the Empire Plan whose premiums are based on the benefits paid throughout the State during the year. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. During the following fiscal years, the Town paid the following amounts on behalf of retirees, which were recorded as an expenditure in the various funds.

Year	Retirees	Amount Paid
2018	845	\$11,565,832
2019	840	11,299,190
2020	826	10,538,116
2021	868	10,779,674
2022	875	10,712,935
2023	851	11,901,059

The Town changed its method of accounting for the provision of such benefits pursuant to GASB 75, as defined below under the heading “*Other Post-Employment Benefits*”.

Employees of the Town may elect to participate in the Town of Oyster Bay Employee Deferred Compensation Plan created in accordance with Section 457 of the Internal Revenue Code of 1986. The plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement. These assets are held in trust for the exclusive benefit of plan participants and their beneficiaries. The Town has no further future liability to pay for the deferred compensation.

Pension Systems

Substantially all employees of the Town are members of the New York State and Local Employees’ Retirement System (“ERS”). ERS is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law” or “NYSRSSL”). ERS offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. Benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate

in ERS. ERS is non-contributory with respect to members who joined prior to July 27, 1976. All members who joined on or after July 27, 1976, but before January 1, 2010 with respect to ERS, with less than ten years of service, must contribute 3% of gross annual salary toward the cost of retirement programs.

The investment of monies, and assumptions underlying same, of the ERS covering the Town’s employees is not subject to the direction of the Town. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the ERS (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Town which could affect other budgetary matters.

Concerned investors should contact the ERS administrative staff for further information on the latest actuarial valuations of the ERS.

On December 10, 2009, then Governor Patterson signed into law pension reform legislation. The legislation created a new Tier V pension level, the most significant reform of the state’s pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilian employees can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian employee who retires prior to age 62.
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which was subsequently decreased to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, then Governor Cuomo signed into law the new Tier VI pension program, effective for new ERS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after five years of employment and will continue to make employee contributions throughout employment.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of ERS in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% of payroll for the employees. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS rates (2021 through 2025) is shown below:

Fiscal Year Ending	ERS
2021	14.6%
2022	16.2
2023	11.6
2024	13.1
2025	15.2

In 2013, a pension smoothing option was introduced in the State Legislature that would let municipalities and school districts amortize over seven years some of the upcoming pension cost spikes precipitated by the 2008 financial crash and high pension costs in general for employees across the State. The pension smoothing option, which was approved as part of the State’s 2013-14 budget, authorizes municipalities and school districts to contribute 14.13% of employee costs toward pensions for the 2014-15 year, rather than the 16.25% otherwise required without using the pension smoothing option. The Town did not pursue this option and does not anticipate doing so for the foreseeable future.

The following table presents the amount of payments by the Town to the New York State Retirement Systems for the following fiscal years:

Fiscal Year Ending	ERS
2018	\$14,894,447
2019	15,227,487
2020	15,003,515
2021	17,026,522
2022	14,192,934
2023	13,436,610
2024 (Budgeted)	15,970,000

Note: The table above is not audited.
 Source: Town of Oyster Bay.

Amortization of Pension Payments. Pursuant to Chapter 57 of the Law of 2010 and to Chapter 57 of the Laws of 2013, the New York State Legislature authorized local governments to amortize a portion of their retirement bill for up to ten years and twelve years, respectively. This law requires participating governments to make payments on a current basis, while amortizing existing unpaid amounts relating to the New York State and Local Employees’ Retirement System’s fiscal years when the local employer opts to participate in the program. The Town opted to utilize these programs in its 2012 through 2017 fiscal years. Similar to many other jurisdictions in the State, the Town may amortize its pension payments for future years to the extent allowable under law. The Total Unpaid Liability for the fiscal years 2013 through 2016 can be found below on this page and on the following pages.

The Total Unpaid Liability as of December 31, 2013 was \$6,157,543. Payments are billed and paid over a period of twelve years beginning in 2015.

2013 Nominal Annual Rate: 3.000%		
Payment Due		
December 31st	Principal	Interest
2015	\$ 415,472	\$ 231,524
2016	431,094	215,902
2017	447,303	199,693
2018	464,122	182,874
2019	481,572	165,424
2020	499,680	147,316
2021	518,468	128,528
2022	537,962	109,034
2023	558,189	88,807
2024	579,177	67,819
2025	600,954	46,042
2026	623,550	23,446
Totals	\$ 6,157,543	\$ 1,606,409

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The Total Unpaid Liability as of December 31, 2014 was \$4,525,561. Payments are billed and paid over a period of twelve years beginning in 2016.

2014 Nominal Annual Rate: 3.150%

Payment Due		
December 31st	Principal	Interest
2016	\$ 309,928	\$ 158,395
2017	320,776	147,547
2018	332,003	136,320
2019	343,623	124,700
2020	355,650	112,673
2021	368,098	100,225
2022	380,981	87,342
2023	394,315	74,008
2024	408,116	60,207
2025	422,400	45,923
2026	437,185	31,138
2027	452,486	15,837
Totals	\$ 4,525,561	\$ 1,094,315

The Total Unpaid Liability as of December 31, 2015 was \$4,773,405. Payments will be billed and paid over a period of twelve years beginning in 2017.

2015 Nominal Annual Rate: 3.310%

Payment Due		
December 31st	Principal	Interest
2017	\$ 330,464	\$ 158,000
2018	341,402	147,062
2019	352,703	135,761
2020	364,377	124,087
2021	376,438	112,026
2022	388,898	99,566
2023	401,771	86,694
2024	415,069	73,395
2025	428,808	59,656
2026	443,002	45,463
2027	457,665	30,799
2028	472,814	15,651
Totals	\$ 4,773,405	\$ 1,088,154

The Total Unpaid Liability as of December 31, 2016 was \$2,002,208. Payments of \$196,729 annually will be billed and paid over a period of twelve years beginning in 2018 and included therein is interest at 2.63%.

The Town has not amortized the allowable portion of its ERS payment since 2018, and does not intend to amortize any portion for the foreseeable future.

Source: *Town of Oyster Bay*.

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Other Post-Employment Benefits

Other post-employment benefits (“OPEB”) refers to benefits other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. The Town is subject to GASB 75 (defined below), which requires state and local governments to account for and report their costs associated with OPEB. The Town recognizes the costs of OPEB in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town’s future cash flows.

GASB 75. The Governmental Accounting Standards Board (“GASB”) has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), effective for the year ending May 31, 2019, which replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, with OPEB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishing new accounting and financial reporting requirements for OPEB plans. Beginning fiscal year ended December 31, 2018, the Town is required to adopt the provisions of Statement No. 75. Additional information about GASB 75 and the accounting rules applicable to municipalities and school districts may be obtained from GASB.

Total OPEB Liability. The Town contracts with USI Consulting Group, an actuarial firm, to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2022 and 2023 fiscal years, by source.

	Balance beginning at:	December 31, 2021	December 31, 2022
		<u>\$688,387,382</u>	<u>\$546,582,396</u>
<u>Changes for the year:</u>			
Service cost		26,425,156	10,317,924
Interest		14,548,353	18,120,552
Differences between expected and actual experience		0	(83,426,003)
Changes in assumptions and other inputs		(165,526,923)	59,271,258
Benefit payments		<u>(17,251,572)</u>	<u>(13,516,589)</u>
Net Changes		<u>(141,804,986)</u>	<u>(9,232,858)</u>
	Balance ending at:	December 31, 2022	December 31, 2023
		<u>\$546,582,396</u>	<u>\$537,349,538</u>

Note: The above table is not audited.

The Town’s total OPEB liability of \$537,349,538 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023, with updated procedures used to roll forward the OPEB liability to the measurement date. Changes in assumptions and other inputs reflect a change in the discount rate from 3.72% in 2022 to 3.26% in 2023. See actuarial assumptions for fiscal year 2023 on page 101 of “APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT – DECEMBER 31, 2023 - Notes to Financial Statements.”

Actuarial valuation is required every two years for all OPEB plans, except the alternative measurement method continues to be available for plans with less than 100 members.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The Town has not reserved any funds towards its OPEB liability. The Town funds this liability on a pay-as-you-go basis.

If the Town is ever mandated to fund its OPEB liability, on an upfront basis, the Town’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Town’s finances over time and could, in the future, force the Town to reduce services, raise taxes or both.

Real Property Tax Collection Procedure

Town and County taxes are due in two installments, 50% on January 1 and 50% on July 1, payable without penalty to February 10 and August 10, respectively. Penalties are imposed thereafter at the rate of 1% per month from January 1 and July 1 until August 31, after which taxes are payable to the County Treasurer. The Town retains the total amount of Town, Highway, Town Special District and Water Arrears levies from the amount collected, and forwards the balance collected to the County, which assumes collection responsibility and holds annual tax sales. The Town and the Town’s Special Districts therefore realize annually the 100% collection of Real Property Taxes. See “*Real Property Tax Collection Record*” below.

School district property taxes in the Town and County are levied on October 1st and are due in two installments, 50% on October 1st and 50% on April 1st payable, without penalty to November 10th and May 10th, respectively. School district property taxes are not included in the table set forth below. The County also assumes responsibility for uncollected school taxes.

Real Property Tax Collection Record

The Town derives a major portion of its revenues from a tax on real property. Real property taxes accounted for approximately 72.82% of the Town’s total revenues for the fiscal year ended December 31, 2023.

The total real property tax levy payable to the Town Receiver of Taxes, including County, County Police, General Town, Town Highway and Town Special Districts, and the amounts uncollected during the warrant period and returned to the County Treasurer for collection, for the following fiscal years:

<u>Year</u>	<u>Real Property Tax Levy of the Town ⁽¹⁾</u>	<u>Real Property Tax Levy for Town and County Purposes ⁽²⁾</u>	<u>% Uncollected During Warrant Period</u>	<u>Returned to County Treasurer As Uncollected ⁽³⁾</u>
2014	\$197,316,231	\$520,088,937	1.95%	\$10,164,845
2015	214,731,402	546,278,970	3.54	19,312,575 ⁽⁴⁾
2016	210,115,692 ⁽⁵⁾	530,914,139	1.82	9,676,246
2017	234,243,826	585,999,573	1.73	10,114,620
2018	233,010,484	587,165,927	1.71	10,066,186
2019	233,000,469	575,411,446	1.87	10,741,496
2020	232,996,671	589,712,183	2.75	16,196,953
2021	232,993,774	592,380,906	1.74	10,323,003
2022	232,989,776	580,597,518	1.82	10,571,717
2023	232,988,160	590,333,761	1.70	10,039,207
2024	232,987,943	N/A	N/A	N/A

- (1) Consists of: Town of Oyster Bay, Discretely Presented Component Units.
- (2) Consists of: Town of Oyster Bay, Discretely Presented Component Units and Nassau County tax levies apportioned within the Town. The Town does not levy or collect the taxes for the Incorporated Villages or the Fire Districts within the Town.
- (3) The Town retains the total amount of Town, Highway, Town Special District and Water Arrears levies from the amount collected, and forwards the balance collected to the County which assumes collection responsibility and holds annual tax sales.
- (4) The increase in the Town’s uncollected taxes from the 2014 to 2015 fiscal year is a result of all of the Long Island Power Authority’s (“LIPA”) properties taxes being returned as uncollected for the year. The amount is substantially the entire difference between 2015 and prior years.
- (5) The Town’s 2016 levy was also reduced due to LIPA properties being returned as uncollected for the year. Additionally, in the middle of December 2015, Nassau County informed the Town that State law mandates that all LIPA properties are to be removed from the assessment rolls and their tax payments be converted to PILOT payments. The reduction of the Town’s total tax levy was offset by the increase in PILOTs paid by LIPA to the Town, making the net effect to revenues neutral. If the above figure included the PILOT payment of \$4,636,294 the total Real Property Tax Levy of the Town would have totaled \$214,751,986 for 2016.

**FIVE YEAR TREND OF ASSESSED AND FULL VALUATIONS
AND REAL PROPERTY TAX RATES**

Following are recent assessed and full valuations of taxable real property in the Town and real property tax rates of the Town for the following fiscal years:

Taxable Assessed Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed Valuation	\$134,800,551	\$130,642,237	\$86,560,570 ⁽¹⁾	\$95,967,415	\$104,291,597
New York State					
Equalization Rate	0.21%	0.17%	0.17%	0.15%	0.15%
Total Taxable Full Valuation	\$64,190,738,571	\$76,848,374,706	\$50,917,982,353	\$63,978,276,667	\$69,527,731,333

⁽¹⁾ The Assessed Valuation decreased in 2021 as compared to 2020 due to a reassessment.

Real Property Tax Rates Per \$1,000 of Assessed Valuation ⁽¹⁾

<u>Fiscal Year Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021⁽¹⁾</u>	<u>2022</u>	<u>2023</u>
<u>Town Wide -</u>					
General Town Purpose	\$516.23	\$529.82	\$1,039.87	\$975.58	\$872.45
<u>Part Town -</u>					
General Town Purpose ⁽²⁾	10.92	1.06	2.72	2.10	1.87
Highway Purpose ⁽³⁾	570.55	626.20	1,175.25	1,060.71	948.75

⁽¹⁾ The increase in real property tax rates is a result of tax increases implemented by the Town and a change in the process of property valuation by Nassau County.

⁽²⁾ Additional rate applicable in unincorporated areas.

⁽³⁾ Town highway tax applicable in unincorporated areas only.

County Reassessment

The valuation of real property for Town property tax purposes is the responsibility of the Nassau County Board of Assessors. In May 2015, the County announced its move to reassess every residential and commercial property in the County for the first time since property values were frozen in 2011. The County released a tentative assessment for every property as of January 2, 2019 and such assessment went into effect beginning with the 2020-2021 tax year.

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TAX LEVY LIMIT LAW

Although the State Legislature is limited 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”, the State Legislature may from time to time impose additional limitations on the ability to issue new indebtedness or to raise taxes therefor.

Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limit Law” or the “Law”), applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities to levy certain year-to-year increases in real property taxes.

The Town became subject to the Tax Levy Limit Law beginning with the Town’s budget for its fiscal year beginning January 1, 2012. Pursuant to the Tax Levy Limit Law, additional procedural requirements are imposed if a municipality seeks to increase the tax levy by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index, over the amount of the Town’s prior year’s tax levy (the “Tax Levy Increase Limit”). In the event the Town seeks to adopt a budget requiring a tax levy exceeding the Tax Levy Increase Limit, a favorable vote of at least five members of the seven-member Town Board of the Town would be required. The Town Board would also be required to act by Local Law rather than simply by resolution, and a public hearing would be required.

The Law permits certain exceptions to the Tax Levy Increase Limit. The Town may levy taxes exceeding the Tax Levy Increase Limit, if necessary, to support the following expenditures: (i) funds needed to pay judgments arising out of tort actions that exceed five percent of the total tax levied by the Town in the prior fiscal year and (ii) required pension payments (but only that portion of such payments attributable to the average actuarial contribution rate exceeding two percentage points). Taxes necessary for these expenditures will not be included in the calculation of the Tax Levy Increase Limit.

The Law also provides for adjustments to be made to the Town’s Tax Levy Increase Limit based upon changes in the assessed value of the taxable real property in the Town. Additionally, the Town will be permitted to carry forward a certain portion of its unused tax levy capacity from the prior year.

In 2014 and 2015, the Town unanimously passed a Local Law allowing the Town to exceed the Tax Levy Increase Limit. This Local Law allowed the Town to raise taxes 8.8% in both 2014 and 2015. For the 2016 fiscal year, the Town did not exceed the tax cap and maintained a tax levy equal to that of 2015. For the 2017 fiscal year the Town passed a Local Law allowing the Town to exceed the Tax Levy Increase Limit. This Local Law allowed the town to increase its tax levy by approximately 11.5% in 2017. The Town decreased taxes by 0.5% in 2018. There has been no material change to the tax levy since 2018.

The State, in Chapter 59 of the Laws of 2014 (“Chapter 59”) provided for a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. The credit was available only to real property taxpayers in school districts or units of government operating under their Tax Levy Increase Limits for at least two consecutive fiscal years.

Although the program established by Chapter 59 ended in 2016 and during the period Chapter 59 was available the Town exceeded the Tax Levy Increase Limit, incentives similar to or more compelling than those credited by Chapter 59 may be established by the State in the future.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The State Constitution limits the power of the Town (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the Town and the Notes, include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, the Town shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness (PPU) of the object or purpose as determined by statute or the weighted average PPU thereof; no installment may be more than fifty per centum in excess of the smallest prior installment unless the Town Board authorizes and utilizes the issuance of bonds with substantial level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is to take the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and divide the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the Town is calculated by taking 7% of the latest five year average of the full valuation of all taxable real property.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Town to borrow and incur indebtedness through the enactment of the Local Finance Law, subject to the provisions set forth above. The power to spend money generally derives from other law, including specifically the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Customarily, the Town Board has delegated to the Town Supervisor, as chief fiscal officer of the Town, the power to sell bonds and bond anticipation notes in anticipation of the sale of authorized bonds pursuant to the Local Finance Law.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of 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 Town is not authorized to expend money, or
- (2) there has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action 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.

Except on rare occasions the Town complies with this estoppel procedure by issuing its bond or notes more than 20 days after the publication of the related resolution. It is a procedure that is recommended by Bond Counsel but is not an absolute legal requirement.

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

Statutory law in New York permits bond anticipation notes to be renewed each year, provided that 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 issuance of such notes, and provided, in most cases, that such renewals do not exceed five years beyond the original date of borrowing. See “*Payment and Maturity*” under “*Constitutional Requirements*” herein.

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

Debt Outstanding

Following is indebtedness of the Town for the following fiscal years:

<u>Years Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bonds	\$601,290,000	\$552,430,000	\$589,175,000	\$573,405,000	\$508,905,000
Bond Anticipation Notes ⁽¹⁾	101,035,000	200,504,534	163,437,867	215,535,735	287,039,500
Tax Anticipation Notes ⁽²⁾	-	-	-	-	-
Revenue Anticipation Notes ⁽²⁾	-	-	-	-	-
Total Debt Outstanding	<u>\$702,325,000</u>	<u>\$752,934,534</u>	<u>\$752,612,867</u>	<u>\$788,940,735</u>	<u>\$795,944,500</u>

⁽¹⁾ Excludes outstanding bond anticipation notes that were retired at maturity from available bond proceeds.

⁽²⁾ See “*Cash Flow Borrowings*” herein.

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Details of Outstanding Indebtedness

The Town, as of July 30, 2024, has outstanding indebtedness of \$471,755,000 serial bonds and \$290,857,495 bond anticipation notes. The bond anticipation notes were issued for the following purposes:

<u>Purpose</u>	<u>Maturity Date</u>	<u>Amount</u>	
Parks Special Improvements	August 23, 2024	\$930,000	(1)
Parks General Improvements	August 23, 2024	20,400,000	(1)
Highway Improvements	August 23, 2024	19,750,000	(1)
Public Parking Improvements	August 23, 2024	620,000	(1)
Lighting Improvements	August 23, 2024	470,000	(1)
Solid Waste Improvements	August 23, 2024	730,000	(1)
5 Year Equipment	August 23, 2024	8,650,000	(1)
15 Year Equipment	August 23, 2024	7,750,000	(1)
3 Year Equipment	August 23, 2024	820,000	(1)
General Building Improvements	August 23, 2024	3,520,000	(1)
Parks Special Improvements	August 23, 2024	930,000	(1)
Parks General Improvements	August 23, 2024	16,450,000	(1)
Highway Improvements	August 23, 2024	27,705,000	(1)
Lighting Improvements	August 23, 2024	310,000	(1)
5 Year Equipment	August 23, 2024	5,000,000	(1)
15 Year Equipment	August 23, 2024	7,950,000	(1)
3 Year Equipment	August 23, 2024	215,000	(1)
General Building Improvements	August 23, 2024	2,800,000	(1)
Bethpage WD	March 7, 2025	4,040,000	(2)
Bethpage WD	March 7, 2025	3,180,000	(2)
Bethpage WD	March 7, 2025	1,870,000	(2)
Bethpage WD	March 7, 2025	580,000	(2)
Bethpage WD	March 7, 2025	8,470,000	(2)
Bethpage WD	March 7, 2025	2,810,000	(2)
Bethpage WD	March 7, 2025	11,030,000	(2)
Jericho WD	March 7, 2025	795,000	(2)
Jericho WD	March 7, 2025	2,520,000	(2)
Jericho WD	March 7, 2025	4,900,000	(2)
Jericho WD	March 7, 2025	655,000	(2)
Jericho WD	March 7, 2025	205,000	(2)
Jericho WD	March 7, 2025	2,700,000	(2)
Jericho WD	March 7, 2025	600,000	(2)
Jericho WD	March 7, 2025	530,000	(2)
Jericho WD	March 7, 2025	530,000	(2)
Jericho WD	March 7, 2025	6,230,000	(2)
Jericho WD	March 7, 2025	5,710,000	(2)
Jericho WD	March 7, 2025	10,385,000	(2)
Jericho WD	March 7, 2025	4,043,000	(2)
Jericho WD	March 7, 2025	13,940,000	(2)
Jericho WD	March 7, 2025	255,000	(2)
Jericho WD	March 7, 2025	3,230,000	(2)
Jericho WD	March 7, 2025	12,550,000	(2)
Jericho WD	March 7, 2025	1,000,000	(2)
Jericho WD	March 7, 2025	1,800,000	(2)
Jericho WD	March 7, 2025	6,000,000	(2)
Locust Valley WD	March 7, 2025	2,290,000	(2)
Locust Valley WD	March 7, 2025	4,470,000	(2)
Locust Valley WD	March 7, 2025	1,500,000	(2)
Locust Valley WD	March 7, 2025	3,100,000	(2)
Locust Valley WD	March 7, 2025	3,060,000	(2)
Massapequa WD	March 7, 2025	1,560,000	(2)
Massapequa WD	March 7, 2025	1,001,215	(2)
Massapequa WD	March 7, 2025	3,560,000	(2)

<u>Purpose</u>	<u>Maturity Date</u>	<u>Amount</u>	
Oyster Bay WD	March 7, 2025	2,786,780	(2)
Plainview WD	March 7, 2025	3,200,000	(2)
Plainview WD	March 7, 2025	769,000	(2)
Plainview WD	March 7, 2025	6,242,500	(2)
Plainview WD	March 7, 2025	2,600,000	(2)
South Farmingdale WD	March 7, 2025	1,260,000	(2)
South Farmingdale WD	March 7, 2025	8,320,000	(2)
South Farmingdale WD	March 7, 2025	9,580,000	(2)
<i>Total Bond Anticipation Notes</i>		290,857,495	
<i>Total Bonds</i>	Various Maturities	471,755,000	
<u>TOTAL INDEBTEDNESS</u>		<u>\$762,612,495</u>	

- (1) To be redeemed and partially renewed with a portion of the proceeds of the Notes.
(2) To be redeemed with the proceeds of a future bond anticipation note and/or serial bond issue.

BONDED DEBT OF OVERLAPPING POLITICAL SUBDIVISIONS

The estimated gross bonded debt of governmental entities that overlap the Town is as follows:

14 School Districts.....	\$	284,577,176	(1)
8 Fire Districts.....		17,746,171	
18 Villages.....		63,739,115	
County of Nassau - General Purpose & Sewer Districts (24.86%).....		776,154,082	
<u>Gross Total.....</u>	\$	<u>1,142,216,544</u>	(2)

The estimated deductible bonded debt (3) included in the gross total above is as follows:

State Aid - Supported School Bonds.....	\$	100,440,041	(4)
Excludable Fire Districts' Debt.....		280,000	(5)
Excludable Villages' Debt.....		25,278,390	(5)
Excludable County Debt (24.84%).....		72,504,600	(5)
<u>Total Deductions.....</u>	\$	<u>198,503,031</u>	(6)
<u>Net Overlapping.....</u>	\$	<u>943,713,512</u>	

- (1) For those school districts and villages that lie partially in other towns only the amount allocable to properties within the Town has been included.
(2) Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.
(3) Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.
(4) Estimated State Building aid.
(5) Sewer and water debt, and/or appropriations and cash on hand for debts.
(6) Information regarding excludable debt not available for all municipalities.

Note: The 24.84% of gross and excludable County indebtedness was determined by taking the full taxable valuation of the Town and dividing it by the full taxable valuation of the County for the 2023 fiscal year.

Source: Local government data reports provided by the State Comptroller's office for the fiscal year ending 2022 for fire districts, fiscal year end 2023 for school district and villages or where available annual financial information & operating data filings and/or official statements obtained from EMMA or the respective municipality.

DEBT STATEMENT SUMMARY

STATEMENT OF INDEBTEDNESS, DEBT LIMIT AND NET DEBT-CONTRACTING MARGIN OF THE TOWN OF OYSTER BAY, NEW YORK AS OF JULY 30, 2024:

Five Year Average Full Valuation of Taxable Real Property		\$ 65,092,620,726
Debt Limit (7%).....		4,556,483,451
 <u>Indebtedness:</u>		
Bonds	\$ 471,755,000	
Bond Anticipation Notes.....	125,000,000	
Water District Notes.....	<u>165,857,495</u>	
Total		<u>\$ 762,612,495</u>
 <u>Exclusions:</u>		
Water Indebtedness - Bonds ⁽¹⁾	\$ 49,111,744	
Water Indebtedness - Notes ⁽¹⁾	165,857,495	
Appropriations	<u>34,543,754</u>	
Total		<u>\$ 249,512,993</u>
 Total Net Indebtedness Subject to Debt Limit		 <u>\$ 513,099,502</u>
Net Debt Contracting Margin.....		<u>4,043,383,949</u>
Percentage of Debt Contracting Power Exhausted.....		11.26%

⁽¹⁾ Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Notes: See page 182 of “APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT – DECEMBER 31, 2023” for a historical chart of Indebtedness, Debt Limit and Net Debt-Contracting Margin of the Town.

Debt Ratios

The following table sets forth certain ratios relating to the Town’s Gross and Net Indebtedness as of July 30, 2024:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Gross Indebtedness ^(c)	\$ 762,612,495	\$ 2,560.98	1.10%
Net Indebtedness ^(c)	513,099,502	1,723.07	0.74
Gross Indebtedness Plus Net Overlapping Indebtedness ^(d)	1,706,326,007	5,730.12	2.45
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	1,456,813,014	4,892.21	2.10

- ^(a) The 2023 estimated population of the Town is 297,782. See “*THE TOWN*” herein.
- ^(b) The Town’s full value of taxable real estate for the 2023 fiscal year is \$69,527,731,333. See “*Taxable Assessed Valuations*” herein.
- ^(c) See “*Debt Statement Summary*” herein for the calculation of Gross and Net Indebtedness.
- ^(d) The Town’s applicable share of Net Overlapping Indebtedness is estimated to be \$943,713,512. See “*Bonded Debt of Overlapping Political Subdivisions*” herein.

General Obligation Bond Principal and Interest

The following is a summary of the principal and interest payments for the Town's outstanding general obligation bonds as of July 30, 2024:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Gross Interest⁽¹⁾</u>	<u>Total Outstanding Principal And Interest</u>
2024	\$ 29,895,000	\$ 8,457,399.62	\$ 38,352,399.62
2025	63,970,000	15,107,988.46	79,077,988.46
2026	66,260,000	12,684,559.24	78,944,559.24
2027	58,215,000	10,359,330.99	68,574,330.99
2028	49,915,000	8,185,174.82	58,100,174.82
2029	37,915,000	6,591,531.62	44,506,531.62
2030	39,280,000	5,219,815.24	44,499,815.24
2031	40,705,000	3,793,099.99	44,498,099.99
2032	29,145,000	2,309,095.26	31,454,095.26
2033	30,045,000	1,371,048.45	31,416,048.45
2034	17,025,000	628,948.00	17,653,948.00
2035	8,325,000	136,927.43	8,461,927.43
2036	120,000	23,549.24	143,549.24
2037	125,000	20,725.93	145,725.93
2038	130,000	17,787.38	147,787.38
2039	130,000	14,743.60	144,743.60
2040	135,000	11,592.75	146,592.75
2041	135,000	8,382.45	143,382.45
2042	140,000	5,112.70	145,112.70
2043	145,000	1,724.05	146,724.05
Totals	<u>\$ 471,755,000</u>	<u>\$74,948,537.22</u>	<u>\$546,703,537.22</u>

⁽¹⁾ Gross interest does not include certain interest subsidies on New York State Environmental Facilities Corporation loans.

Note: This table excludes principal and interest on: bonds refunded and/or advance refunded, bond anticipation notes, tax anticipation notes, and revenue anticipation notes.

Authorized but Unissued Obligations

Upon the issuance of the Notes, the Town (excluding the water districts) will have approximately \$5 million authorized but unissued for various projects.

Anticipated Borrowings

The Town anticipates issuing the following obligations in the near term:

- March 2025: The Town plans to renew the \$165,857,495 Water District Notes, 2024, less required principal reductions, and issue additional bond anticipation notes for its water district purposes.
- August 2025: The Town plans to issue bond anticipation notes and/or serial bonds for its ongoing capital program, which may renew and/or permanently finance the Notes scheduled to mature on August 21, 2025, less required principal reductions.

Cash Flow Borrowings

The Town has not issued tax anticipation notes, revenue anticipation notes or other forms of cash flow borrowing since 2018 and does not plan on issuing such obligations for the 2024 fiscal year or the foreseeable future.

Capital Planning

The Town has continually undertaken the planning and execution of a capital program during its budget process each year. The adoption of such program is not, in the case of the Town, subject to referendum. At any time after the adoption thereof, the Town Board, by the affirmative vote of two-thirds of its total membership, may amend such program by adding, modifying or abandoning the projects or by modifying the methods of financing. As adopted the projects included in the capital plan are expected to be financed with debt issuance.

The elimination of the Town's operational deficit was largely due to a sharp reduction in capital borrowing and spending between 2017 and 2020. Total debt issued for Town purposes (not including component unit debt) was reduced by \$165 million from January 1, 2017 to December 31, 2020. Moving forward, each year the Town intends to continue to pay down more debt than it issues.

Capital projects when duly authorized by a resolution of the Town Board may be financed by the issuance of bonds. Bonds, which are at times preceded by the issuance of bond anticipation notes, are issued for varying periods of time depending upon the period of probable usefulness of the project and the desires of the Town Board.

Other Information

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes, for which the Notes are to be issued is the Town Law, the General Municipal Law and the Local Finance Law.

No principal or interest upon any obligation of the Town is past due.

The fiscal year of the Town is from January 1st to December 31st.

The political subdivisions below have the power to levy taxes upon property within the Town:

COUNTY OF NASSAU, INCLUDING COUNTY POLICE DISTRICT, COUNTY SEWAGE DISPOSAL DISTRICT #3 AND COUNTY SEWAGE COLLECTION DISTRICT #3.

INCORPORATED VILLAGES OF:

Bayville	Lattingtown	Old Brookville
Brookville	Laurel Hollow	Old Westbury (Part)
Centre Island	Massapequa Park	Oyster Bay Cove
Cove Neck	Matinecock	Roslyn Harbor (Part)
East Hills (Part)	Mill Neck	Sea Cliff
Farmingdale	Muttontown	Upper Brookville

SCHOOL DISTRICTS:

	North Shore Central (Glenwood, Glen Head & Sea Cliff) ⁽¹⁾	
	Syosset Central (Syosset, Woodbury, Locust Grove)	
	Brookville - Locust Valley - Bayville Central	
	Plainview - Old Bethpage Central	
	Oyster Bay - East Norwich Central	
Jericho Union Free ⁽¹⁾		Bethpage Union Free
Hicksville Union Free		Farmingdale Union Free ⁽¹⁾
Plainedge Union Free		Massapequa Union Free
	Amityville Union Free ⁽¹⁾	
	Cold Spring Harbor Central ⁽¹⁾	
	Roslyn Union Free ⁽¹⁾	

⁽¹⁾ These school districts are partially located in other towns.

FIRE DISTRICTS:

Bethpage	Locust Valley
Farmingdale	Massapequa
Hicksville	North Massapequa
Jericho	Syosset

TAX MATTERS

Tax Exemption

The delivery of the Notes is subject to the opinion of Bond Counsel to the effect that interest on the Notes for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the “Code”), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be an item of tax preference for purposes of the alternative minimum tax on individuals. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the Town made in a certificate (the “Tax Certificate”) dated the date of delivery of the Notes pertaining to the use, expenditure, and investment of the proceeds of the Notes and will assume continuing compliance by the Town with the provisions of the Tax Certificate subsequent to the issuance of the Notes. The Tax Certificate contains covenants by the Town with respect to, among other matters, the use of the proceeds of the Notes and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Notes are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage “profits” from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Notes to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Town described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Notes is commenced, under current procedures the IRS is likely to treat the Town as the “taxpayer,” and the owners of the Notes would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Notes, the Town may have different or conflicting interests from the owners of the Notes. Public awareness of any future audit of the Notes could adversely affect the value and liquidity of the Notes during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, under existing law interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Notes. Prospective purchasers of the Notes should be aware that the ownership of tax-exempt obligations such as the Notes may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (FASIT), corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change so as to reduce or eliminate the benefit to holders of the Notes of the exclusion of interest thereon from gross income for federal income tax purposes. Proposed legislative or administrative action, whether or not taken, could also affect the value and marketability of the Notes. Prospective purchasers of the Notes should consult with their own tax advisors with respect to any proposed changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Notes

The initial public offering price of certain Notes (the “Discount Notes”) may be less than the amount payable on such Notes at maturity. An amount equal to the difference between the initial public offering price of a Discount Note (assuming that a substantial amount of the Discount Notes of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Note. A portion of such original issue discount allocable to the holding period of such Discount Note by the initial purchaser will, upon the disposition of such Discount Note (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Notes described above under “Tax Exemption.” Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Note, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Note and generally will be allocated to an initial purchaser in a different amount from the amount of the payment

denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Note by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Note in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Note was held) is includable in gross income. Owners of Discount Notes should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Notes.

The purchase price of certain Notes (the “Premium Notes”) paid by an owner may be greater than the amount payable on such Notes at maturity. An amount equal to the excess of a purchaser’s tax basis in a Premium Note over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Note in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Note. The amount of premium which is amortizable each year by a purchaser is determined by using such purchaser’s yield to maturity. Purchasers of the Premium Notes should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Notes.

Notice 94-84, 1994-2 C.B. 559, states that the IRS is studying whether the stated interest portion of the payment at maturity on a short-term debt obligation (such as the Notes), that matures not more than one year from the date of issue, bears a stated fixed rate of interest and is described in section 103(a) of the Code, is (i) qualified stated interest that is excluded from the stated redemption price at maturity of the obligation (within the meaning of section 1273 of the Code) but is excluded from gross income pursuant to section 103(a) of the Code, or (ii) is not qualified stated interest and, therefore, is included by the taxpayer in the stated redemption price at maturity of the obligation, creating or increasing (as to that taxpayer) original issue discount on the obligation that is excluded from gross income pursuant to section 103(a) of the Code. Notice 94-84 states that until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, a taxpayer holding such obligations may treat the stated interest payable at maturity either as qualified stated interest or as included in the stated redemption price at maturity of the obligation. However, the taxpayer must treat the amounts to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Notice 94-84 does not address various aspects necessary to the application of the latter method (including, for example, the treatment of a holder acquiring its Notes other than in the original public offering or at a price other than the original offering price). Each person considering acquiring the Notes should consult its own tax advisor with respect to the tax consequences of ownership of and of the election between the choices of treatment of the stated interest payable at maturity on the Notes.

LITIGATION

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Town, threatened against or affecting the Town to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay the same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the Town taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the Town.

The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. The Town does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town. See “Environmental Issues” and the “Litigation” sections of the “NOTES TO FINANCIAL STATEMENTS” in “APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT – DECEMBER 31, 2023” for additional information regarding the litigation described in this section and information regarding other litigation involving the Town.

Bethpage Litigation – Grumman counterclaim

The Town is pursuing litigation against Grumman for reimbursement of certain remediation expenses of the Town incurred in the performance of its obligations under the DEC Agreement. The court, however, granted Grumman summary judgement, dismissing the Town's claims. Grumman's counterclaim against the Town is pending; Grumman alleges the Town contributed to the contamination of the site and seeks a contribution by the Town toward the cost of remediation. Outside counsel to the Town has assessed that the Town can be found up to 30% contributorily liable on the theory that the Town has knowledge of the environmental hazards. The aggregate cost of the remediation for which contribution is being sought is unknown but has been estimated to be as high as \$80 million. Since the federal court does not permit an interlocutory appeal in this instance, the Town must wait on its appeal of the summary judgment decision until the matter is final, when the trial on the counterclaims are adjudicated.

At the request of the parties (the Town and Grumman), the court has allowed for a lengthy adjournment of the trial so that settlement may be explored. The Town and Grumman, with input from NYSDEC, have discussed the potential of a discontinuance of all claims, a less costly clean-up and either no contribution by the Town or a reduced fixed payment by the Town in furtherance of the remediation.

Tax Assessment Litigation

This action was served upon the Town on April 27, 2018, and seeks, among other forms of relief, that the named defendants, which includes the County of Nassau and the Town, make an unspecified refund to the plaintiff, New York American Water Company, Inc., for plaintiff's alleged overpayment in taxes resulting from the County's allegedly erroneous method by which certain property was assessed for taxation purposes. Because the County is responsible for the assessment of properties within the County, the Town believes at this early juncture that the complaint does not state a cause of action against the Town. Several of the defendants have moved to dismiss plaintiff's complaint. On February 15, 2019, the assigned justice rendered a decision granting, in part, the County of Nassau's motion to dismiss and granting, in full, the North Shore Central School District's motion to dismiss. Based upon the reasoning contained in the justice's decision, the Town made a similar motion to dismiss. On May 21, 2019, Justice Jeffrey Brown granted the Town's motion to dismiss in full.

Separately, New York American Water served similar actions in 2019 through 2024 to challenge Nassau County's assessments. However, because the Court granted the motions to dismiss in the 2018 action, the parties have agreed to hold each of the 2019 through 2024 actions in abeyance pending resolution of any appeals of the 2018 motions to dismiss. In late 2022, the entire action was dismissed, a decision which is presently before the Court for reargument and for appeal.

Sanitation Assessment Matters

For several years, there has been litigation involving the assessment of property owned by utilities and telephone carriers by various sanitation districts. In short, the courts found such assessments to be improper, as the infrastructure (i.e., phone lines, gas lines, water pipes, utility poles) of said entities did not generate garbage, and should have therefore been exempt from the related assessments. The Courts have held that the Town was obligated to first compensate the utilities for the amounts paid by them, but that the County of Nassau, pursuant to the "County Guaranty" provision of the Nassau County Administrative Code, must then compensate the Town.

There are two actions pending in Nassau County Supreme Court, *MCImetro v. Town of Oyster Bay, et al.* and *New York American Water v. Town of Oyster Bay, et al.*, wherein the plaintiffs seek, respectively, reimbursement for taxes paid in certain Sanitation and Solid Waste Districts over a period of several years. The exposure on the MCImetro case is approximately \$150,000, and the New York American Water matter is approximately \$25,000.

Once the Town pays the judgment and/or settlement, it can seek payment from the County of Nassau for the same amounts.

DISCLOSURE UNDERTAKING

The Town has agreed to provide, at the time of delivery of the Notes, an executed disclosure undertaking in substantially the form attached hereto as "APPENDIX C – EVENT NOTICES CERTIFICATE."

The Town currently retains Fiscal Advisors & Marketing, Inc. as a dissemination agent to assist the Town with filings required under Rule 15c2-12. Such dissemination agent works with the Town to help ensure that proper information is filed as required under the Town's disclosure undertakings. Policies and procedures were established with Town officials on June 17, 2016 to prevent inadvertent administrative errors and ensure that the Town remains in compliance with the requirements of Rule 15c2-12. The Town has updated its policies and procedures to ensure compliance with the new amendments to Rule 15c2-12.

RATINGS

The Notes are rated “SP-1+” by S&P Global Ratings (“S&P”). The Town has applied for a rating on the Notes from Moody’s Investors Service (“Moody’s”) and such rating is pending at this time.

On July 30, 2024, S&P affirmed a long-term underlying rating of “AA-” with a stable outlook on the Town’s outstanding bonds and a short-term rating of “SP-1+” on the Town’s outstanding notes.

These ratings reflect only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from Moody’s, 7 World Trade Center, 250 Greenwich St, New York, NY 10007, Phone: (212) 553-0038, Fax: (212) 553-1390; S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

Generally, rating agencies base their ratings on the information and materials furnished to them and on their investigations, studies and assumptions. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the Town’s outstanding obligations may have an adverse effect on the market price of the outstanding obligations.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel. Such legal opinion will be delivered in substantially the form attached hereto as “APPENDIX D”. Norton Rose Fulbright US LLP is also acting as Special Disclosure Counsel to the Town in connection with the sale of the Notes. Certain legal matters will be passed upon for the Town by the Town Attorney.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the “Municipal Advisor”), serves as independent municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Town to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the Town provided, however; the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

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

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 beliefs of the Town's management, as well as assumptions made by, and information currently available to, the Town'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 Town files with the Municipal Securities Rulemaking Board. When used in Town documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

Norton Rose Fulbright US LLP, Bond Counsel and Disclosure Counsel to the Town, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Notes, including, but not limited to, the financial or statistical information in this Official Statement.

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

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

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

This Official Statement is not to be construed as a contract or agreement between the Town and the holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

TOWN OF OYSTER BAY

APPENDIX A

GENERAL FUND - Balance Sheets

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSETS						
Cash	\$ 1,771,485	\$ 5,515,547	\$ 60,269,240	\$ 53,895,036	\$ 56,719,172	\$ 84,336,764
Receivables:						
Accounts	5,273,582	2,517,948	2,492,718	2,462,455	2,508,721	2,617,416
State and Federal	2,271,894	2,742,461	4,390,440	4,131,445	10,491,347	2,213,663
Service concession arrangement	-	-	-	-	124,705	57,389
Other Receivable	-	-	-	229,318	-	-
Accrued Interest	-	-	-	-	-	627,199
Lease Receivables	-	-	-	-	20,880,906	22,204,733
Due from Other Funds	100,000	3,450,000	-	-	-	-
Due from Other Governments	4,583,499	5,232,997	4,715,853	5,252,563	7,217,492	5,642,735
Inventory of Material and Supplies	2,314,736	2,226,843	2,236,252	2,817,744	3,525,227	3,334,601
Other Assets	-	-	-	154,186	68,210	-
Prepaid Expenses	-	-	-	-	1,000,000	-
TOTAL ASSETS	\$ 16,315,196	\$ 21,685,796	\$ 74,104,503	\$ 68,942,747	\$ 102,535,780	\$ 121,034,500
LIABILITIES AND FUND BALANCES						
Accounts Payable	\$ 10,666,973	\$ 9,099,159	\$ 8,737,890	\$ 28,243,827	\$ 16,177,590	\$ 16,263,216
Accrued Liabilities	4,206,826	3,049,781	2,657,897	2,067,751	-	-
Bond Anticipation Notes Payable	-	-	-	-	1,190,000	-
Revenue Anticipation Notes Payable	10,000,000	-	-	-	-	-
Grant Advances	-	-	-	12,232,271	-	-
Deposits Payable	-	-	1,040,908	1,046,068	942,657	965,597
Due to Other Funds	-	-	-	-	-	16,102,703
Due to Other Governments	146,942	176,730	231,317	264,287	292,634	508,914
Due to Component Units	-	-	39,727,411	2,740,700	5,131,148	6,371,216
Unearned Revenues	18,350	19,175	70,000	70,000	23,595,319	17,206,573
TOTAL LIABILITIES	\$ 25,039,091	\$ 12,344,845	\$ 52,465,423	\$ 46,664,904	\$ 47,329,348	\$ 57,418,219
DEFERRED INFLOWS OF RESOURCES						
Lease Related	\$ -	\$ -	\$ -	\$ -	\$ 20,512,042	\$ 21,482,345
Unearned revenue - service concession arrangement	1,183,575	649,082	98,555	-	-	-
Unavailable revenue from rental property	493,000	493,000	493,000	493,000	493,000	493,000
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 1,676,575	\$ 1,142,082	\$ 591,555	\$ 493,000	\$ 21,005,042	\$ 21,975,345
FUND BALANCES						
Nonspendable	\$ 2,314,736	\$ 2,226,843	\$ 2,236,252	\$ 3,103,795	\$ 5,081,079	\$ 3,334,601
Restricted	31,287	616,890	4,549,966	4,549,966	4,716,227	4,549,966
Assigned	-	3,109,711	605,531	2,715,382	2,203,019	2,619,459
Unassigned	(12,746,493)	2,245,425	13,655,776	11,415,700	22,201,065	31,136,910
TOTAL FUND BALANCES	\$ (10,400,470)	\$ 8,198,869	\$ 21,047,525	\$ 21,784,843	\$ 34,201,390	\$ 41,640,936
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES and FUND BALANCES	\$ 16,315,196	\$ 21,685,796	\$ 74,104,503	\$ 68,942,747	\$ 102,535,780	\$ 121,034,500

Source: Audited financial reports of the Town. This Appendix is not itself audited.

APPENDIX A1

GENERAL FUND – Revenues, Expenditures and Changes in Fund Balance

GENERAL FUND
Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	2017	2018	2019	2020	2021	2022
REVENUES						
Real Property Taxes	\$ 68,419,564	\$ 55,437,214	\$ 64,001,350	\$ 62,139,034	\$ 55,942,340	\$ 60,137,274
Real Property Tax Items	3,104,749	3,441,056	3,576,089	3,569,169	4,119,273	3,654,054
Non-Property Tax Items	5,705,925	5,642,122	5,561,876	5,310,815	5,741,717	5,113,254
Departmental Income	6,297,238	7,054,583	7,386,514	7,131,247	9,060,194	8,833,962
Intergovernmental Charges	14,969,179 ⁽¹⁾	15,505,185 ⁽²⁾	16,350,501 ⁽³⁾	5,568,794	9,189,298	10,565,994
Use of Money & Property	766,200	1,057,858	2,121,177	1,532,805	2,173,429	3,662,266
Licenses and Permits	292,778	345,030	295,485	259,040	313,034	383,009
Fines and Forfeitures	443,751	490,845	381,233	172,105	235,276	353,876
Sale of Property and Compensation for Loss	255,946	549,550	354,499	188,443	981,642	1,649,098
Miscellaneous	1,128,222	1,004,480	2,946,614	3,249,878	3,795,733	2,116,853
Interfund Revenues	29,955,070	32,771,175	32,292,150	34,048,092	33,434,009	34,083,512
Revenues from State Sources	14,332,879	13,304,300	12,954,775	15,763,749	22,188,553	19,353,993
Revenues from Federal Sources	20,668	10,321	11,482	10,287	4,969	944,150
Total Revenues	\$ 145,692,169	\$ 136,613,719	\$ 148,233,745	\$ 138,943,458	\$ 147,179,467	\$ 150,851,295
EXPENDITURES						
General Government Support	\$ 37,828,684	\$ 40,589,215	\$ 40,893,083	\$ 42,352,842	\$ 56,383,100	\$ 45,697,864
Public Safety	4,583,610	4,913,202	5,403,977	5,705,319	5,911,337	6,666,165
Transportation	903,269	940,562	805,116	832,055	-	-
Economic Assistance and Opportunity	201,411	35,916	22,878	67,919	31,289	18,730
Culture and Recreation	16,680,047	17,823,349	18,578,473	18,343,482	20,155,018	22,772,990
Home and Community Services	1,446,063	1,728,282	1,912,628	1,933,505	2,460,578	2,888,335
Employee Benefits	26,549,407	25,745,834	26,614,900	28,293,280	30,145,085	30,009,833
Debt Service	2,104,650	2,174,394	327,269	725,438	3,873,156	1,510,629
Total Expenditures	\$ 90,297,141	\$ 93,950,754	\$ 94,558,324	\$ 98,253,840	\$ 118,959,563	\$ 109,564,546
Excess of Revenues Over (Under) Expenditures	55,395,028	42,662,965	53,675,421	40,689,618	28,219,904	41,286,749
Other Financing Sources (Uses):						
Operating Transfers In	-	-	1,350,353	7,056,324	435,110	2,648,309
Operating Transfers Out	-	(25,910,846)	(33,951,435)	-	(27,917,696)	(31,518,511)
Debt Service Fund	-	(8,241,292)	-	(33,397,460)	-	-
Capital Projects Fund	(32,236,661)	-	-	(883,750)	-	-
Issuance of Debt	(5,238,239)	-	(2,475,000)	-	-	-
Other Funds	-	-	-	(166,376)	-	-
Premiums on obligations	-	-	-	-	-	-
Proceeds from sale of bonds for settlement	-	-	-	30,000,000	-	-
Proceeds from Sale of Land	-	3,122,789	-	(30,450,000)	-	-
Total Other Financing	\$ (37,474,900)	\$ (31,029,349)	\$ (35,076,082)	\$ (27,841,262)	\$ (27,482,586)	\$ (28,870,202)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	17,920,128	11,633,616	18,599,339	12,848,356	737,318	12,416,547
FUND BALANCE						
Fund Balance - Beginning of Year	(39,954,214)	(22,034,086)	(10,400,470)	8,198,869	21,047,225	21,784,543
Prior Period Adjustments (net)	-	-	-	-	-	-
Fund Balance - End of Year	\$ (22,034,086)	\$ (10,400,470)	\$ 8,198,869	\$ 21,047,225	\$ 21,784,543	\$ 34,201,090

(1) Includes \$14,959,916 in sales tax.

(2) Includes \$15,497,649 in sales tax.

(3) Includes \$16,049,873 in sales tax.

Note: See "General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual" of the Town's audited financial statements.

Source: Audited financial reports of the Town. This Appendix is not itself audited.

APPENDIX A2

GENERAL FUND – Revenues, Expenditures And Changes In Fund Balance - Budget and Actual

GENERAL FUND
Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:

	2023			2024
	Original Budget	Final Budget	Actual	Adopted Budget
REVENUES				
Real Property Taxes	\$ 59,180,168	\$ 59,180,168	\$ 59,656,843	\$ 57,530,132
Real Property Tax Items	3,500,328	3,500,328	3,614,101	5,500,000
Non-Property Tax Items	5,300,000	5,300,000	5,126,148	5,000,000
Departmental Income	8,681,000	8,681,000	9,269,992	9,595,000
Intergovernmental Charges	16,005,200	16,055,200	16,175,414	16,000,200
Use of Money & Property	1,535,505	9,200,705	10,951,976	6,804,805
Licenses and Permits	262,450	262,450	360,566	262,450
Fines and Forfeitures	150,500	150,500	521,249	300,100
Sale of Property and Compensation for Loss	81,169	581,169	1,006,220	200,500
Miscellaneous	3,715,422	1,758,590	1,895,245	1,912,422
Interfund Revenues	32,379,334	32,531,321	34,278,831	35,437,559
Revenues from State Sources	14,165,000	16,157,422	11,748,742	14,100,000
Revenues from Federal Sources	-	6,388,745	6,408,703	-
Total Revenues	\$ 144,956,076	\$ 159,747,598	\$ 161,014,030	\$ 152,643,168
EXPENDITURES				
General Government Support	\$ 48,815,550	\$ 54,518,587	\$ 50,397,234	\$ 51,363,426
Public Safety	6,111,910	7,352,073	7,213,188	6,844,876
Transportation	-	-	-	-
Economic Assistance and Opportunity	35,000	62,000	50,067	25,000
Culture and Recreation	22,081,174	23,981,537	23,613,093	23,032,366
Home and Community Services	3,228,455	6,322,008	6,001,070	3,680,250
Employee Benefits	31,000,000	33,191,341	31,744,018	28,175,000
Debt Service	25,000	3,237,000	3,220,709	25,000
Total Expenditures	\$ 111,297,089	\$ 128,664,546	\$ 122,239,379	\$ 113,145,918
Excess of Revenues Over (Under) Expenditures	33,658,987	31,083,052	38,774,651	39,497,250
Other Financing Sources (Uses):				
Operating Transfers In - Debt Service Fund	-	2,700,000	2,704,000	-
Operating Transfers Out	-	-	-	(39,497,250)
Debt Service Fund - Transfers Out	(34,025,599)	(32,649,664)	(32,539,105)	-
Capital Projects Fund - Transfers Out	-	(1,500,000)	(1,500,000)	-
Other Funds	-	-	-	-
Proceeds from sale of bonds for settlement	-	-	-	-
Proceeds from Sale of Land	-	-	-	-
Total Other Financing	\$ (34,025,599)	\$ (31,449,664)	\$ (31,335,105)	\$ (39,497,250)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(366,612)	(366,612)	7,439,546	-
FUND BALANCE				
Fund Balance - Beginning of Year	366,612	366,612	34,201,390	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 41,640,936	\$ -

Source: 2023 Audited Financial Statements and the adopted budgets of the Town. This Appendix is not itself audited.

APPENDIX A3
CHANGES IN FUND EQUITY

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>GENERAL FUND - TOWN-WIDE</u>						
Fund Equity - Beginning of Year	\$ (22,034,086)	\$ (10,400,470)	\$ 8,198,869	\$ 21,047,525	\$ 21,784,843	\$ 34,201,390
Prior Period Adjustments (net)	-	-	-	-	-	-
Revenues & Other Sources	136,613,719	149,584,098	176,000,082	147,614,577	153,499,604	163,718,030
Expenditures & Other Uses	124,980,103	130,984,759	163,151,426	146,877,259	141,083,057	156,278,484
Fund Equity - End of Year	\$ (10,400,470)	\$ 8,198,869	\$ 21,047,525	\$ 21,784,843	\$ 34,201,390	\$ 41,640,936
<u>GENERAL FUND - PART-TOWN</u>						
Fund Equity - Beginning of Year	\$ 4,288,389	\$ 5,749,640	\$ 6,140,509	\$ 2,473,532	\$ 1,681,786	\$ 2,327,317
Prior Period Adjustments (net)	-	-	-	-	-	-
Revenues & Other Sources	14,811,072	12,996,885	9,741,217	12,879,550	13,853,329	13,874,101
Expenditures & Other Uses	13,349,821	12,606,016	13,408,194	13,671,296	13,207,798	13,864,129
Fund Equity - End of Year	\$ 5,749,640	\$ 6,140,509	\$ 2,473,532	\$ 1,681,786	\$ 2,327,317	\$ 2,337,289
<u>HIGHWAY FUND</u>						
Fund Equity - Beginning of Year	\$ (4,169,057)	\$ 2,674,949	\$ 6,136,983	\$ 9,909,132	\$ 14,477,587	\$ 18,570,063
Prior Period Adjustments (net)	-	-	-	-	-	-
Revenues & Other Sources	55,628,585	59,114,781	63,107,931	52,511,313	57,387,658	58,041,249
Expenditures & Other Uses	48,784,579	55,652,747	59,335,782	47,942,858	53,295,182	57,453,017
Fund Equity - End of Year	\$ 2,674,949	\$ 6,136,983	\$ 9,909,132	\$ 14,477,587	\$ 18,570,063	\$ 19,158,295
<u>SPECIAL DISTRICTS FUND *</u>						
Fund Equity - Beginning of Year	\$ 9,247,978	\$ 9,476,559	\$ 6,136,173	\$ 13,300,522	\$ 23,197,459	\$ 32,954,347
Prior Period Adjustments (net)	-	-	3,566,101	-	-	-
Revenues & Other Sources	139,389,895	135,036,308	145,532,169	155,188,303	150,443,760	145,896,496
Expenditures & Other Uses	139,161,314	138,376,694	141,933,921	145,291,366	140,686,872	142,636,255
Fund Equity - End of Year	\$ 9,476,559 ⁽¹⁾	\$ 6,136,173 ⁽²⁾	\$ 13,300,522	\$ 23,197,459 ⁽³⁾	\$ 32,954,347	\$ 36,214,588

⁽¹⁾ See pages 56 and 57 of the 2018 Audit for breakout and explanation of deficits.

⁽²⁾ See pages 60 and 61 of the 2019 Audit for breakout and explanation of deficits.

⁽³⁾ See pages 70 and 71 of the 2021 Audit for breakout and explanation of deficits.

* Includes Drainage, Fire Protection, Lighting, Park Districts, Solid Waste, Refuse and Garbage, Public Parking District, and Water Districts.

Source: Audited financial reports of the Town. This Appendix is not itself audited.

APPENDIX B

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

Can be accessed on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board at the following link:

<https://emma.msrb.org/P11763400-P11354936-P11791646.pdf>

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

Such Financial Statements and opinion are intended to be representative only as of the date thereof. PKF O'Connor Davies, the Town's accountants, and Cullen & Danowski, LLP, the Town's auditors have not been requested by the Town to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.

APPENDIX C
EVENT NOTICES CERTIFICATE

**EVENT NOTICES CERTIFICATE
PURSUANT TO RULE 15c2-12 OF THE
SECURITIES AND EXCHANGE COMMISSION**

On the date hereof, the Issuer is issuing its Notes (as defined herein) and hereby undertakes, in accordance with the requirements of the Rule (as defined herein), as follows:

A. Definitions. As used in this Undertaking, the following terms have the meanings ascribed to such terms below:

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii); provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“*Issuer*” means the Town of Oyster Bay, Nassau County, New York.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Notes*” means the Issuer’s \$185,240,000 Bond Anticipation Notes, 2024, dated August 22, 2024.

“*Rule*” means SEC Rule 15c2-12, as amended from time to time.

“*SEC*” means the United States Securities and Exchange Commission.

“*Undertaking*” means this Event Notices Certificate.

B. Event Notices. With respect to the Notes, the Issuer shall electronically file with the MSRB notice of any of the following events in a timely manner and not more than ten business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (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-exempt status of the Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to rights of holders of the Notes, if material;
- (8) Bond or note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its

terms, if material;

- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States 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 Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

C. Filings with the MSRB. All notices, and other documents provided to the MSRB in accordance with this Undertaking shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

D. Limitations, Disclaimers, and Amendments. The Issuer shall be obligated to observe and perform the covenants specified in this Undertaking for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Notes within the meaning of the Rule.

The provisions of this Undertaking are for the sole benefit of the holders and beneficial owners of the Notes, and nothing in this Undertaking, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the notices which it has expressly agreed to provide pursuant to this Undertaking and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Undertaking or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Notes at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY NOTE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS UNDERTAKING, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Undertaking shall constitute a breach of or default on the Notes.

Nothing in this Undertaking is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Undertaking may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Undertaking, as so amended, would have permitted an underwriter to purchase or sell Notes in the primary offering of the Notes in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Notes consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Notes. The Issuer may also repeal or amend the provisions of this Undertaking if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are

invalid, and the Issuer also may amend the provisions of this Undertaking in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Notes in the primary offering of the Notes, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand this August 22, 2024.

Supervisor

APPENDIX D

FORM OF BOND COUNSEL'S OPINION

APPENDIX D

FORM OF BOND COUNSEL'S OPINION

August 22, 2024

Town of Oyster Bay,
County of Nassau,
State of New York

Re: Town of Oyster Bay, Nassau County, New York
\$185,240,000 Bond Anticipation Notes, 2024

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$185,240,000 Bond Anticipation Notes, 2024 (the "Obligation"), of the Town of Oyster Bay, Nassau County, New York (the "Obligor"), dated the date hereof.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder;
- (3) a tax certificate (the "Tax Certificate") executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes; and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Tax Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights; and (ii) may be subject to the exercise of judicial discretion.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights.
- (c) Under existing law, interest on the Obligation (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, assuming continuing compliance after the date hereof by the Obligor with the provisions of the Tax Certificate, and (2) will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals. Under existing law, interest on the Obligation is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligation. Ownership of tax-exempt obligations such as the Obligation may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinion expressed herein. Such opinion is not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion herein as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,