PRELIMINARY OFFICIAL STATEMENT DATED JULY 14, 2022

SERIAL BONDS **RATING – MOODY'S INVESTOR SERVICE: " "**
See "Bond Rating", herein

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel to the Village, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivision, including The City of New York. See "Tax Matters" herein.

The Village will designate the Bonds as "qualified tax-exempt obligations" pursuant to the provision of Section 265 of the Code.

VILLAGE OF EAST HAMPTON
SUFFOLK COUNTY, NEW YORK
(the "Village")

$6,825,000* PUBLIC IMPROVEMENT SERIAL BONDS – 2022
(the "Bonds")

BOND MATURITY SCHEDULE
(See Inside Front Cover)

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

The Bonds maturing on August 15, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Village, on August 15, 2029 and thereafter on any date, in accordance with terms described herein. (See "*Optional Redemption*" under "*THE BONDS*," herein.)

At the option of the purchaser, the Bonds may be either (i) registered to the purchaser or (ii) registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds.

For bonds registered in the name of the purchaser, a single bond certificate shall be issued for each maturity and principal of and interest on such Bonds will be payable in Federal Funds by the Village, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder.

The Bonds issued in book-entry form will be registered in the name of Cede & Co., as the partnership nominee for DTC, which will act as securities depository for the Bonds. Beneficial owners will not receive certificates representing their respective interests in the Bonds. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. A single bond certificate will be issued for each maturity of any book-entry Bonds. Principal of and interest on book-entry Bonds will be paid in Federal Funds by the Village to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its Participants (as herein after defined) for subsequent distribution to the beneficial owners of the Bonds as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Village will not be responsible or liable for payments by DTC to its Participants or by Direct Participants (as hereinafter defined) to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. (See "*DESCRIPTION OF BOOK-ENTRY SYSTEM*" herein).

Sealed bids for the Bonds will be received at 11:00 A.M. (Prevailing Time) on August 2, 2022, in accordance with the Notice of Sale dated July 14, 2022.

The Bonds are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Village, and certain other conditions. It is expected that delivery of the Bonds will be made on or about August 17, 2022 in New York, New York.

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

**Preliminary, subject to change.*

VILLAGE OF EAST HAMPTON
SUFFOLK COUNTY, NEW YORK

$6,825,000* PUBLIC IMPROVEMENT SERIAL BONDS – 2022

BOND MATURITY SCHEDULE

Dated: August 17, 2022

Principal Due: **August 15, 2023-2037, inclusive**
Interest Due: **August 15, 2023 and semiannually thereafter on February 15 and August 15 in each year to maturity**

Year	Amount**	Rate	Yield or Price	CUSIP #
2023	$240,000			
2024	375,000			
2025	385,000			
2026	400,000			
2027	410,000			
2028	425,000			
2029	445,000			
2030	455,000			
2031	475,000			
2032	490,000			
2033	505,000			
2034	525,000			
2035	545,000			
2036	565,000			
2037	585,000			

*Preliminary, subject to change.
**Amounts are subject to adjustment by the Village following the sale, pursuant to the terms of the Notice of Sale relating to the Bonds, to achieve substantial level or declining annual debt service as provided in Section 21.00 of the Local Finance Law and to effectuate the Village's plan of refunding.

VILLAGE OF EAST HAMPTON
SUFFOLK COUNTY, NEW YORK

86 Main Street
East Hampton, New York 11937
Telephone: (631) 324-4150
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VILLAGE OFFICIALS

* * *

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

* * *

MUNICIPAL ADVISOR

Munistat
Municipal Financial Advisory Service
Since 1977

Municipal Finance Advisory Service

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

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OFFICIAL STATEMENT

VILLAGE OF EAST HAMPTON
SUFFOLK COUNTY, NEW YORK

$6,825,000* PUBLIC IMPROVEMENT SERIAL BONDS – 2022

This Official Statement and appendices thereto presents certain information relating to the Village of East Hampton, in the State of New York (the "Village" and "State," respectively) in connection with the sale of $6,825,000* Public Improvement Serial Bonds – 2022 (the "Bonds").

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the Village's overall economic situation and outlook (and all of the specific Village-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See "RISK FACTORS" and "IMPACTS OF COVID-19" herein.

THE BONDS

Description of the Bonds

The Bonds will be dated date of delivery, and will mature in the principal amounts on August 15, in each of the years 2023 to 2037, inclusive, as set forth on the inside cover page. Interest on the Bonds will be payable on August 15, 2023 and semi-annually thereafter on February 15 and August 15 in each year until maturity.

At the option of the purchaser, the Bonds may be either registered in the name of the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds. Individual purchases of the Bonds may be made in denominations of $5,000 or integral multiples thereof. For Bonds issued as book-entry bonds through DTC, Bondholders will not receive certificates representing their respective interests in the Bonds purchased (See "*DESCRIPTION OF BOOK-ENTRY SYSTEM,*" herein).

The Record Date of the Bonds will be the last day (whether or not a business day) of the calendar month immediately preceding each interest payment date.

The Village will act as Fiscal Agent for book-entry Bonds. The purchaser will act as Fiscal Agent for Bonds registered in the name of the purchaser. Paying agent fees, if any, will be paid by the purchaser. The Village's contact information is as follows: Dominique Cummings, Village Treasurer of the Village of East Hampton, 86 Main Street, East Hampton, New York 11937, telephone number (631) 324-4150, email: dcummings@easthamptonvillage.org.

Optional Redemption

The Bonds maturing on or before August 15, 2029 will not be subject to redemption prior to maturity. The Bonds maturing on August 15, 2030 and thereafter will be subject to redemption prior to maturity, at the option of the Village, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after August 15, 2029, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

If less than all of any of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Village by lot in any customary manner of selection as determined by the Village. Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

*Preliminary, subject to change.

Authorization and Purpose

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, and various bond resolutions duly adopted by the Board of Trustees of the Village. The projects that will be financed are as follows.

Date Authorized	Purpose	Amount
04/22/2022	Dominy Workshop Phase II	$ 500,000
04/22/2022	Dominy Workshop Septic	70,000
04/22/2022	Acquisition of Pierce Enforcer Pumper	825,000
04/22/2022	Acquisition of Pierce Enforcer Hose/Pumper	760,000
04/22/2022	Acquisition of Pierce Enforcer Heavy Duty Rescue	840,000
04/22/2022	Acquisition of Pierce Enforcer Tower Ladder	1,780,000
04/22/2022	Acquisition of Firematic BRAT	395,000
04/22/2022	Acquisition of Command Van	695,000
04/22/2022	Acquisition of Freightliner Dump Truck	205,000
04/22/2022	Acquisition of Freightliner Tree Truck	205,000
04/22/2022	Acquisition of Ford Super Duty F-550 Flatbed	90,000
04/22/2022	Acquisition of Ford Super Duty F-550 Dump Body (2)	210,000
04/22/2022	Acquisition of Dodge Ram Trucks (2)	120,000
04/22/2022	Acquisition of Dodge Ram 3500 4X4 Pickup W/Plow	55,000
04/22/2022	Acquisition of Dodge Ram 3500 4X4 Pickup	75,000
	Total	$6,825,000

Security and Source of Payment

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

The Bonds will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal of and interest thereon. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property in the Village subject to taxation subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011. (See "*The Tax Levy Limit Law*," herein.)

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the Village to levy taxes on real estate therefor. However, Chapter 97 of the New York Laws of 2011, as amended, (the "Tax Levy Limit Law") imposes a limitation on the power of local governments and school districts, including the Village, to increase their annual tax levy. (See "*Tax Levy Limit Law*," herein.)

DESCRIPTION OF BOOK-ENTRY SYSTEM

In the event the Bonds are issued as book-entry Bonds, DTC will act as securities depository for Bonds issued in book-entry form. The Bonds will be issued as fully-registered securities, in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds and deposited with DTC

DTC, the world's largest depository, is 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 facilities 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 certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Effective August 9, 2011, Standard & Poor's assigns a rating of "AA+" to DTC. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them or notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

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

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; OR (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Village and discharging its responsibilities with respect thereto under applicable law, or the Village may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, and a replacement book-entry securities depository is not appointed, the Bonds will be issued in registered form in denominations of $5,000, or integral multiples thereof. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the Village as the fiscal agent; certificated Bonds may be transferred or exchanged at no cost to the owner of such bonds at any time prior to maturity at the corporate trust office of the fiscal agent for bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the certificate of the Village Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law.

RISK FACTORS

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

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

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

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

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans expected to be received ("State Aid"). 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 the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefor. Should the Village fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys, the Village is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Village will have market access for any such borrowing on a cost effective basis. (See also "*State Aid*" herein.)

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

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

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Village's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the Village's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the Village. The Village is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*State Aid*" herein) (See "*Impact of COVID-19*" herein).

REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

MUNICIPAL BANKRUPTCY

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

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

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

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

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

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

Financial Control Boards

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

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

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

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

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

No Past Due Debt

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

THE VILLAGE

General Information

The Village is located on the south fork of eastern Long Island approximately 100 miles east of Manhattan. The population is estimated to be 1,130 as per the 2020 U.S. Census. The southern boundary of the Village is the Atlantic Ocean upon which the Village has frontage of approximately four miles, with five protected beaches. The area of the Village is approximately 8 square miles. The Village remains a secluded and quaint historic area despite the fact that its population triples during the summer season due to seasonal and second homes.

The Village is the location of artistic, cultural and historic points of interest including the John Drew Theater (professional summer theater); Guild Hall (permanent exhibits by famous artists, many of whom live in the area); Home Sweet Home (commemorated in a well-known song by John Howard Payne and now a museum); Mulford House Museum and Old Hook Mill (one of the most famous Village landmarks, built in 1806 and still operating).

Settled in 1648, the Village was incorporated in 1920. Police, fire and ambulance services are provided by the Village police department, with volunteer firefighters, ambulance personnel and two full-time paramedics.

The Village is one of the main shopping and commercial areas of eastern Long Island. Approximately two-thirds of the Village is zoned for two-acre minimum residential homes.

Governmental Organization

Subject to the provisions of the State Constitution, the Village operates pursuant to the Village Law, the Local Finance Law, other laws generally applicable to the Village, and any special laws applicable to the Village. Under such laws, there is no authority for the Village to have a charter, but pursuant to the Village Law and other laws generally applicable to home rule, the Village may from time to time adopt local laws.

The legislative power of the Village is vested in the Board of Trustees. The Board of Trustees consists of five members, including the Mayor, who is the chief executive officer of the Village and is, elected for a term of four years. The four other members of the Board of Trustees are elected to four-year terms, which terms are staggered such that two trustees are elected every other year. All the Board of Trustees members are elected at large and there is no limitation to the number of terms each may serve. The Village Administrator is appointed by the Board of Trustees and is responsible for implementing the policies of the Village as established by the Board of Trustees.

The Village Treasurer is appointed by the Board of Trustees and, as chief fiscal officer, is responsible for the overall financial operation of the Village.

Financial Organization and Budgetary Procedures

The Village Treasurer is also the chief fiscal officer of the Village. The duties of the Treasurer include, among other things, administration and general supervision of all Village accounting and bookkeeping functions and departmental operations.

The Village Treasurer also serves as the budget officer. The budget officer prepares a tentative budget and presents it to the Board of Trustees. Modifications to the tentative budget by the Board of Trustees result in the preliminary budget and a public hearing is held by the Board of Trustees thereon. Subsequent to the public hearing, revisions, if any, are made and the annual Village budget is then adopted by the Board of Trustees as its final budget for the coming fiscal year. Village budgets are not subject to referendum.

Employees

The Village provides services through approximately 88 full-time and 136 part-time and seasonal employees. The Police Benevolent Association represents 22 employees, under a contract which expires July 31, 2024. The East Hampton Village Public Safety Dispatcher Association represents 17 employees under a contract which expires July 31, 2023.

DEMOGRAPHIC AND STATISTICAL INFORMATION

The following tables present certain comparative demographic and statistical information regarding the Village, Suffolk County and New York State.

Population

Year	Village	Suffolk County	New York State
1990	1,402	1,321,864	17,990,455
2000	1,334	1,390,791	18,976,457
2010	1,083	1,482,548	19,378,102
2020	1,130	1,481,364	19,514,849

Source: U.S. Bureau of the Census.

Income Data

	Per Capita Money Income			
	1990	2000	2010	2020[a]
Village of East Hampton	$37,015	$51,316	$89,830	$114,613
County of Suffolk	18,481	26,577	35,755	46,466
State of New York	16,501	23,389	30,948	40,898

	Median Household Income			
	1990	2000	2010	2020[a]
Village of East Hampton	$46,771	$56,607	$84,234	$ 86,705
County of Suffolk	53,244	72,112	84,506	105,362
State of New York	32,965	43,393	55,603	71,117

Source: U.S. Bureau of the Census.
a. Based on American Community Survey 1-Year Estimates (2020).

Selected Listing of Larger Employers – Town of East Hampton[a]

Name of Employer	Nature of Business	Number of Employees[b]
Town of East Hampton	Municipality	665
Public Schools (4 Districts)	Education	533
Gurney's Inn	Restaurant & Hotel	250
Dune Management	Hotel	230
Village of East Hampton	Municipality	224
Riverhead Building Supply	Construction Supplies	59
United States Post Office	Government	38
East Hampton STAR Newspaper	Media	35

Source: Town of East Hampton most recent Official Statement
a. Largest employers are not necessarily located within the Village.
b. Includes seasonal and part-time employees.

Unemployment Rate Statistics

The information set forth below with respect to the County and the State is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the Village is necessarily representative of the County or the State.

Annual Averages:	Suffolk County (%)	New York State (%)
2016	4.4	4.9
2017	4.4	4.6
2018	3.8	4.1
2019	3.6	3.8
2020	8.1	9.9
2021	4.6	6.9
2022 (4 Month Average)	3.4	4.8

Source: Department of Labor, State of New York

INDEBTEDNESS OF THE VILLAGE

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Village has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the fiscal year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The Village is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Village so as to prevent abuses in the exercise of such powers; however, as has been noted under "*Security and Source of Payment*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Village's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

Statutory Procedure

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

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the Board of Trustees, except in the event that the Village determines to subject the bond resolution to voter approval by mandatory referendum, in which case only a three-fifths vote is required.

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

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

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

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

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

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the aggregate outstanding principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

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

Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of July 14, 2022)

Fiscal Year Ending July 31:	Assessed Valuation	State Equal. Rate (%)	Full Valuation
2019	$44,306,659	0.57	$7,773,098,070
2020	44,880,369	0.58	7,737,994,655
2021	45,266,320	0.56	8,083,271,429
2022	45,597,077	0.58	7,861,565,000
2023	45,948,614	0.58	7,922,174,828

Total Five Year Full Valuation	$39,378,103,982
Average Five Year Full Valuation	7,875,620,796
Debt Limit - 7% of Average Full Valuation	551,293,456
Inclusions:	
General Purpose Bonds	2,820,000
Bond Anticipation Notes	0
Total Inclusions	2,820,000
Exclusions:	
Appropriations	100,000
Total Exclusions	100,000
Total Net Indebtedness	2,720,000
Net Debt Contracting Margin	$548,573,456
Percent of Debt Contracting Margin Exhausted (%)	0.49

Source: Village Officials and Munistat Services, Inc.

Details of Short-Term Indebtedness Outstanding
(As of July 14, 2022)

As of the date of this Official Statement, the Village has no short-term Indebtedness outstanding.

Authorized but Unissued Indebtedness

Date Authorized	Purpose	Amount
04/22/2022	Dominy Workshop Phase II	$ 610,000
04/22/2022	Dominy Workshop Septic	70,000
04/22/2022	Acquisition of Pierce Enforcer Pumper	825,000
04/22/2022	Acquisition of Pierce Enforcer Hose/Pumper	760,000
04/22/2022	Acquisition of Pierce Enforcer Heavy Duty Rescue	840,000
04/22/2022	Acquisition of Pierce Enforcer Tower Ladder	1,780,000
04/22/2022	Acquisition of Firematic BRAT	395,000
04/22/2022	Acquisition of Command Van	695,000
04/22/2022	Acquisition of Freightliner Dump Truck	205,000
04/22/2022	Acquisition of Freightliner Tree Truck	205,000
04/22/2022	Acquisition of Ford Super Duty F-550 Flatbed	90,000
04/22/2022	Acquisition of Ford Super Duty F-550 Dump Body (2)	210,000
04/22/2022	Acquisition of Dodge Ram Trucks (2)	120,000
04/22/2022	Acquisition of Dodge Ram 3500 4X4 Pickup W/Plow	55,000
04/22/2022	Acquisition of Dodge Ram 3500 4X4 Pickup	75,000
	Total	$6,935,000*

*$6,825,000 of this total amount shall be financed by the issuance of the Bonds.

Debt Service Requirements - Outstanding Bonds[a]

Fiscal Year Ending July 31:	Principal	Interest	Total
2022	$ 820,000	$102,213	$922,213
2023	830,000	73,031	903,031
2024	210,000	54,500	264,500
2025	210,000	47,000	257,000
2026	210,000	39,500	249,500
2027	215,000	31,875	246,875
2028	160,000	25,500	185,500
2029	160,000	20,500	180,500
2030	160,000	15,800	175,800
2031	135,000	11,900	146,900
2032	130,000	8,600	138,600
2033	100,000	6,000	106,000
2034	100,000	4,000	104,000
2033	100,000	2,000	102,000
Totals	$3,540,000	$442,419	$3,982,419

a. Does not include payments made to date.

Capital Project Plans

The Village is generally responsible for providing services as required to the citizens on a Village-wide basis. The Village maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and, from time to time, equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. In addition, the Village owns, operates, maintains and improves recreation, police, and fire protection facilities. In general, needs for capital funding for the above described projects which the Village has responsibility are anticipated to continue and to be in approximately the same amounts or less than has prevailed in the past

Trend of Outstanding Debt

	Fiscal Year Ending July 31:				
	2017	2018	2019	2020	2021
Bonds	$5,740,000	$4,900,000	$4,050,000	$4,495,000	$3,540,000
BANs	-	-	-	-	-
Other	-	-	-	-	-
Total Debt Outstanding	$5,740,000	$4,900,000	$4,050,000	$4,495,000	$3,540,000

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable (%)	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Suffolk	07/27/2021	1.46	$20,908,335	$17,224,725
Town of East Hampton	08/10/2021	19.76	18,483,472	17,319,436
East Hampton UFSD	09/23/2021	42.60	17,996,370	16,196,733
Totals			$57,388,177	$50,740,894

Debt Ratios
(As of July 14, 2022)

	Amount	Per Capita[a]	Percentage of Full Value (%)[b]
Total Direct Debt	$ 2,820,000	$ 2,496	0.036
Net Direct Debt	2,720,000	2,407	0.034
Total Direct & Applicable Total Overlapping Debt	60,208,177	53,282	0.760
Net Direct & Applicable Net Overlapping Debt	53,460,894	47,311	0.675

a. The current estimated population of the village is 1,130.
b. The full valuation of taxable real property in the Village for 2020-21 is $7,922,174,828.

FINANCES OF THE VILLAGE

Financial Statements

The financial statements of the Village are audited each year by an independent public accountant. The latest year for which an audit report is available is the fiscal year ended July 31, 2021, which is attached as Appendix B. As required by law, the Village also prepares and Annual Financial Report Update Document (unaudited) for submission to the State.

Fund Structure and Accounts

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

There are two basic fund types: (1) governmental funds that are used to account for basic services and capital projects; and (2) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Village presently maintains the following governmental funds: General Fund, Special Revenue Fund, Capital Projects Fund and Employee Benefit Leave Reserve Fund. There are no proprietary funds. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The government-wide financial statements are reported on the accrual basis of accounting using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related case transaction takes place. Non-exchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, grants and donations. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the related expenditures are incurred.

The fund financial statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be a available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases and installment debt are reported as other financing sources.

Investment Policy

Pursuant to the statutes of the State of New York, the Village is generally permitted to 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, in tax anticipation notes and revenue anticipation notes issued by any New York municipality, school district, or district corporation, other than the Village; (6) obligations of New York public benefit corporations which are made lawful investments by the Village 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 Village moneys held in certain reserve funds established pursuant to law, in obligations issued by the Village. 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 Village's investments are governed by a formal investment policy. The Village's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Village is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies.

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

Fund Balance Policy

In recognition of sound fiscal policy, the Village has adopted a formal reserve policy to make all reasonable efforts to maintain an unreserved and unappropriated fund balance in its General Fund at the end of each fiscal year equal to no less than 10% of the total operating budget. Such unreserved/unappropriated fund balance will be exclusive of any reserve funds maintained by the Village. The Village believes that this threshold is a reasonable amount of unreserved/unappropriated fund balance to achieve at the end of each fiscal year as unanticipated circumstances during the course of a year, shortfalls in projected revenues, and adverse events can have negative effects on non-tax revenues or expenditures or both.

If an emergency or unanticipated need were to occur that necessitated the appropriation of fund balance that would result in reducing the unreserved/unappropriated fund balance below 10%, a resolution of the Village Board would be adopted to approve such appropriation. Subsequent to such appropriation, the Board of Trustees will commit to immediately begin the process of reducing expenditures or raising revenues in order to restore the unreserved/unappropriated fund balance in the General Fund to 10% of the total operating expenditures.

The unreserved/unappropriated fund balance in the General Fund above 10% may be appropriated for the purpose of reducing subsequent year's property tax levy, one-time capital expenditures and for emergencies cause by natural occurrences such as hurricanes and blizzards.

Financial Organization and Budgetary Procedures

The Village Treasurer functions as the chief fiscal officer as provided in Section 2 of the Local Finance Law; in this role, the Village Treasurer is responsible for the Village's accounting and financial reporting activities. In addition, the Village Treasurer is also the Village's budget officer and prepares the annual tentative budget for submission to the Village Board. Budgetary control during the year is the responsibility of the Village Treasurer. Pursuant to Section 30 of the Local Finance Law, the Village Treasurer has been authorized to issue or renew certain specific types of notes. As required by law, the Village Treasurer must execute an authorizing certificate which then becomes a matter of public record.

The Board of Trustees, as a whole, serves as the finance board of the Village and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt.

The Village Charter establishes the fiscal year as the twelve-month period beginning August 1st. The departments submit to the Village Administrator a budget of estimated expenditures for the ensuing fiscal year after which the Village Administrator subsequently submits a budget of estimated expenditures and revenues to the Board of Trustees by May 31st.

Upon receipt of the budget estimates, the Board of Trustees holds a public hearing on the proposed budget. Information about the budget resolution is then published in the official newspaper of the Village.

At least 41 days prior to August 1st, the budget is legally enacted through the adoption of the resolution. The Village Administrator is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.

Revenues

The Village receives most of its revenues from a real property tax on all non-exempt real property situated within the Village. Other main sources of revenues are Non-Property Taxes, Intergovernmental Charges, Departmental Income and State aid. A summary of such revenues for the five most recently completed fiscal years and estimated revenues for the current fiscal year may be found in Appendix A.

Real Property Taxes

See "*Tax Information*", herein. See also "*Tax Levy Limit Law*", herein.

State Aid

The Village receives financial assistance from the State. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in this year or future years, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained in the future. In 2020, due to the outbreak of COVID-19, the State declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it negatively impacted the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or the delay, elimination or substantial reduction in payments to municipalities, school districts or other recipients of State aid in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "IMPACT OF COVID" herein.)

In October 30, 2020, the New York State Division of the Budget released the fiscal year ending 2021 First Quarterly State Budget Financial Plan Update, which projects a $14.9 billion General Fund revenue decline and a 15.3% decline in tax receipts from prior budget forecasts. The State further projects a total revenue loss of $63 billion through the State's fiscal year ending 2024 as a direct consequence of the COVID-19 pandemic. The State had announced that in the absence of Federal funding to offset this revenue loss, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. According to the State, all or a portion of such temporary reductions in aid payments may be converted to permanent reductions, depending on the size and timing of any new Federal aid. Such reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State.

The State's revenue picture improved in the final quarter of fiscal year 2021, with tax collections exceeding expectations. On March 1, 2021 the Executive and Legislature reached consensus that cumulative tax receipts over fiscal year 2021 and fiscal year 2022 would be at least $2.5 billion higher than estimated in the Executive Budget Financial Plan. Collections through the end of fiscal year 2021 were even more favorable, providing the basis for the substantial upward revision to tax receipts. The State finished fiscal year 2021 in a stronger overall position in comparison to the Executive Budget Financial Plan. Results reflected both strong tax receipts and disbursements that fell substantially below budgeted levels.

On March 11, 2021 the Federal American Rescue Plan Act (ARPA) was enacted. The ARPA is a $1.9 trillion economic stimulus bill intended to contain the COVID-19 pandemic and accelerate the nation's economic recovery. The ARPA provides the State with $12.6 billion in general aid ("recovery aid"), as well as $17.2 billion in categorical aid for schools, universities, childcare, housing and other purposes. (See "Impact of COVID-19", herein). The enacted 2021-22 State budget provides for an increase in All Funds spending of 9.7% over 2020-21, relying on a combination of the new federal funding and revenue-raising initiatives to avoid cuts and support additional investments. According to the State, the budget deploys the first $5.5 billion of the $12.6 billion provided for under ARPA.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 pandemic.

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

The following table sets forth the percentage of the Village's General Fund revenue comprised of State aid for each of the fiscal years 2017 through 2021, and as budgeted for 2022.

Fiscal Year Ending July 31:	Total Revenue	State Aid	State Aid to Revenues (%)
2017	$22,008,657	$1,014,462	4.61
2018	22,704,969	1,030,530	4.54
2019	24,048,428	2,031,909	8.45
2020	23,894,764	845,919	3.54
2021	27,454,457	841,091	3.06
2022 (Budgeted)	24,652,457	951,091	3.86

Source: Audited Financial Statements (2017-2021), and the Adopted Budget for the fiscal year ended July 31, 2022.

The State Comptroller's Fiscal Stress Monitoring System and OSC Compliance Reviews

The New York 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 districts 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 ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the Office of the State Comptroller (OSC). 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 to 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 most current applicable report of OSC designates the Village as "No Designation" (Fiscal Score: 5.0%; Environmental Score: 10.0%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, OSC helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit was released on November 6, 2015. The purpose of the audit was to determine if computerized data and assets were properly safeguarded for the period August 1, 2013 through April 30, 2015. The complete report, along with the Village's response, may be found on the OSC's official website.

See the State Comptroller's official website for more information regarding the foregoing. References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Statement.

Expenditures

The major categories of expenditure for the Village are General Government Support, Transportation, Public Safety and Employee Benefits. A summary of the expenditures for the five most recently completed fiscal years and the estimated expenditures for the current fiscal year may be found in Appendix A.

Employee Pension System

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System (the "Retirement System" or "ERS") or the New York State and Local Police and Fire Retirement System (PFRS). The Retirement Systems are a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement Systems Law generally provides that all participating employers in the Retirement Systems are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. Generally, all members hired on or after July 27, 1976 through and including December 31, 2009 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement Systems, at which time contributions become voluntary. On December 10, 2009, the Governor signed into law the creation of a new Tier 5 employees, which is effective for ERS employees hired after January 1, 2010 through March 31, 2012. Tier 5 contribute 3% of their salaries and there is no provision for these contributions to cease for Tier 5 employees after a certain period of service. Additionally, on March 16, 2012, the Governor signed into law the new Tier 6 pension program, effective for ERS employees hired after April 1, 2012. The Tier 6 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.

As a result of significant capital market declines at certain times in the recent past, in certain years the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, it is anticipated that the employer contribution rate for the State's Retirement System in future years may be higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the Retirement System. However, although these options reduce near term payments, it will require higher than normal contributions in later years.

Under these laws, participating employers must make payments on a current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal year end of March 31st.

Payments to the Retirement Systems

Fiscal Year Ending July 31:	ERS/PFRS
2016	$1,719,310
2017	1,546,275
2018	1,635,651
2019	1,613,895
2020	1,657,318
2021	1,789,666
2022	2,158,506

Other Post-Employment Benefits

The Village provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. Accounting rules now require governmental entities, such as the Village, to account for post-retirement health care benefits as it accounts for vested pension benefits. GASB Statement No. 75 ("GASB 75") described below requires such accounting.

GASB 75 of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended July 31, 2018, the Village adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 75, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the employer's current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

The Village's net position at July 31, 2021 is as follows:

Changes in the Total OPEB Liability	Fiscal Year Ending July 31, 2021:
Total OPEB liability as of July 31, 2020	$23,634,771
Changes for the year:	
Service Cost	412,635
Interest	523,879
Effect of economic/Demographic Gains or Losses	(82,772)
Effect of Assumption Changes or Inputs	-
Benefit payments	(684,990)
Net Changes	$168,752
Total OPEB liability as of July 31, 2021	$23,803,523

Should the Village be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the Village's finances and could force the Village to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirements for the Village to partially fund its actuarial accrued OPEB liability. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Village has decided to continue funding the expenditure on a pay-as-you-go basis.

Actuarial Valuation are required every two years for OPEB plans with more than two hundred members, or every three years if there are less than two hundred members. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

TAX INFORMATION

Real Property Taxes

The Village derives its power to levy an ad valorem real property tax from the Constitution of the State. The Village's power to levy real property taxes, other than for debt service and certain other purposes, is limited by the State Constitution to two percent of the five-year average full valuation of taxable property of the Village. The State Office of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aid and are used by many localities in the calculation or debt contracting and real property taxing limitations.

One June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Village, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Village. (See "Tax Levy Limit Law," herein**.)**

The following table sets forth the percentage of the Village's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2017 through 2021, and, as budgeted, for the year ending 2022.

Fiscal Year Ending July 31:	Total Revenue	Property Taxes	Real Property Taxes to Revenues (%)
2017	$22,008,657	$12,668,017	57.56
2018	22,704,969	13,006,522	57.28
2019	24,048,428	13,401,973	55.73
2020	23,894,864	13,634,680	57.06
2021	27,454,457	14,211,748	51.76
2022 (Budgeted)	24,652,457	14,327,665	58.12

Sources: Audited financial statements (2017-2021) and Adopted Budget for fiscal year ending July 31, 2022.

Tax Collection Procedure

Real property tax payments are payable on August 1 each year, payable without penalty to August 31. A 5% penalty is added to taxes paid in September. Thereafter the penalty added to delinquent taxes is one-twelfth the rate of interest determined by the State Commissioner of Taxation and Finance. This rate is determined each year by July 15 based on the one-year constant maturity yield index for United States Treasury securities for the quarter year ending on the immediately preceding June 30. The rate is effective for a twelve-month period commencing November 1 each year and in no event, will be less than ten per centum per annum. Tax sales are conducted in May each year.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the taxable real property within the Village had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Village and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Village for any fiscal year commencing after January 1, 2012 and continuing through June 15, 2020, unless extended, without providing an exclusion for debt service on obligations issued by the Village. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village, without limitation as to rate or amount, may be subject to statutory limitations, according to the formulas set forth in Tax Levy Limit Law.

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Village, subject to certain exceptions. The Tax Levy Limit Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Village first enacts, by a vote of at least sixty percent of the total voting power of the Board of Trustees, a local law to override such limit for such coming fiscal year.

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

Tax Limit

The Constitution limits the amount that may be raised by the Village ad valorem tax levy on real estate in any fiscal year to two per centum (2%) of the five-year average full valuation of taxable real estate of the Village plus (1) the amounts required for principal and interest on all capital indebtedness, and (2) current appropriations for certain capital purposes. The tax limit for the Village for the 2021-2022 fiscal year is as follows:

Five-year Average Full Valuation	$7,785,209,288
Tax Limit - 2% thereof	155,704,186
Tax Levy for General Village Purposes	14,211,748
Less: Exclusions	922,213
Tax Levy Subject to Tax Limit	$13,289,536
Constitutional Tax Margin	$142,414,650

Tax Levies and Rates

	Fiscal Year Ending July 31:				
	2018	2019	2020	2021	2022
Tax Levy	$12,890,926	$13,287,326	$13,649,558	$14,063,756	$14,327,665
Taxes Rate per $1,000 of Assessed Valuation	$292.49	$299.89	$304.13	$310.69	$314.22

Selected Listing of Large Taxable Properties
2021-2022 Assessment Roll

Name	Type	Assessed Valuation
Lewis & Alice Sanders	Residential	$ 301,300
Maidstone Club, Inc.	Golf Course	269,550
252 Further Lane, LLC	Residential	262,750
Traumhaus 1, LLC	Residential	255,480
Pond Acquisition Corp.	Residential	252,325
Hamptons Residence LLC	Residential	228,225
Norma Lerner 2015 QRPT	Residential	225,050
Howard & Sheri Schultz Trusts	Residential	218,670
73 Beach Terminal LLC	Residential	206,500
62 FL LLC	Residential	202,825
101 LPL LLC	Residential	199,600
Lee Avenue Lot 1 LLC	Residential	194,160
	Total [a]	$2,816,435

a. Represents 6.13% of the total taxable assessed valuation for 2021-2022.

Tax Certiorari Claims

In common with other municipalities, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of Village taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money. There are no significant claims filed by the larger taxpayers at this time.

LITIGATION

In common with other villages, the Village from time to time receives notices of claim and is party to litigation. In the opinion of the Village Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Village has not asserted a substantial and adequate defense, nor which, if determined against the Village, would have an adverse material effect on the financial conditions of the Village.

CYBERSECURITY

The Village, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Village faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Village invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial. As of January 1, 2019, the Village will maintain a Cyber Breach and Liability Coverage insurance policy and is renewed annually. The Village contracts with an outside company to monitor risks and any unusual activity.

IMPACT OF COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Village's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency in 2020 and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 have reduced the spread of the virus in some areas and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it may negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the Village's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence later in the year could have a material adverse effect on the State and municipalities and school districts located in the State, including the Village. The Village is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations

TAX MATTERS

Opinion of Bond Counsel

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

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

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

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

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

Bond Premium

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

Information Reporting and Backup Withholding

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

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

Miscellaneous

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the respective final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, substantially in the form set forth in Appendix C.

DISCLOSURE UNDERTAKING

In order to assist the purchasers of the Bonds in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Village will execute an Undertaking to Provide Continuing Disclosure, substantially in the form set forth in Appendix D.

RATING

The Village has applied to Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761, for a rating on the Bonds and such rating is pending at this time. Such rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price and the availability of a secondary market for the outstanding bonds and notes of the Village.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Village 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 Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Village and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Village or the information set forth in this Official Statement or any other information available to the Village 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.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of Dominique Cummings, Village Treasurer of the Village of East Hampton, 86 Main Street, East Hampton, New York 11937, telephone number (631) 324-4150, email: dcummings@easthamptonvillage.org, or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888 and website: http://www.munistat.com.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Village's management's beliefs as well as assumptions made by, and information currently available to, the Village'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 Village's files with the repositories. When used in Village's documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

To the extent 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 holder of the Bonds.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.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. Munistat Services, 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 Village nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the Village disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the Village also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be, in fact, realized. This Official Statement is not to be construed as a contract or agreement between the Village and the original purchasers or owners of any of the Bonds.

The preparation and distribution of this Official Statement has been authorized by various resolutions of the Village which delegates to the Village Treasurer the power to sell and issue the Bonds.

By: s/s MARCOS BALADRON
Village Administrator
Village of East Hampton
East Hampton, NY

August , 2022

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Fund Balances
General Fund

	Fiscal Year Ended July 31: 2017	2018	2019	2020	2021
Revenues:					
Real Property Taxes & Tax Items	$ 12,668,017	$ 13,006,522	$ 13,401,974	$ 13,634,680	$ 14,211,748
Non-Property Taxes	367,441	305,527	282,491	429,836	331,316
Departmental Income	406,523	439,280	532,320	409,453	812,904
Intergovernmental Charges	2,917,542	2,948,747	2,913,246	3,270,708	4,561,891
Use of Money and Property	1,248,780	1,667,085	1,429,311	1,488,217	2,333,417
Licenses & Permits	2,464,615	2,402,667	2,457,114	2,288,652	3,008,405
Fines & Forfeitures	844,454	797,651	893,955	704,318	571,341
Sale of Property & Compensation for Loss	27,286	5,565	43,030	497,234	76,328
State and County Aid	1,014,462	1,030,530	2,031,909	1,127,160	1,375,449
Miscellaneous	49,537	101,395	63,078	44,606	171,658
Total Revenues	22,008,657	22,704,969	24,048,428	23,894,864	27,454,457
Expenditures:					
General Government Support	2,533,095	2,660,284	2,603,460	2,886,001	2,993,834
Public Safety	7,123,617	7,497,285	7,567,449	7,752,460	8,507,429
Health	425,451	384,673	371,224	430,496	408,050
Transportation	1,117,986	1,293,069	1,170,413	1,223,523	1,367,045
Culture and Recreation	884,421	893,347	949,221	1,103,598	1,374,730
Home and Community Services	891,547	858,810	830,052	844,316	863,685
Employee Benefits	5,553,927	5,835,828	6,030,808	6,075,514	6,279,830
Debt Service	1,073,181	994,056	981,144	974,719	1,082,228
Total Expenditures	19,603,225	20,417,352	20,503,771	21,290,627	22,876,831
Other Financing Sources (Uses):					
Proceeds From Issuance of Advanced Refunding Debt	0	0	0	1,895,000	
Bond Premium	0	0	0	304,021	
Payments to Escrow Agent	0	0	0	(2,081,704)	
Operating Transfers In	0	0	0	0	
Operating Transfers Out	(1,887,110)	(1,716,224)	(2,261,790)	(2,594,715)	(2,334,832)
Total Other Financing Sources (Uses)	(1,887,110)	(1,716,224)	(2,261,790)	(2,477,398)	(2,334,832)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	518,322	571,393	1,282,867	126,839	2,242,794
Fund Balance Beginning of Year	7,702,247	8,220,569	14,363,393	15,646,260	15,863,539
Prior Period Adjustments		5,571,431		90,440	
Fund Balance End of Year	$ 8,220,569	$ 14,363,393	$ 15,646,260	$ 15,863,539	$ 18,106,332

Sources: Audited Financial Statements of the Village (2017-2021)
NOTE: This Schedule NOT audited

Balance Sheets
General Fund

	Fiscal Year Ended July 31: 2020	2021
Assets:		
Cash	$ 6,435,346	$ 7,739,028
Restricted Cash	1,959,613	1,614,685
Tax sale Certificates	44,304	48,516
Accounts Receivables	101,950	146,002
Due from Other Governments	877,931	985,406
Due from Other Funds	5,000	5,000
Prepaid Expenses	230,120	248,750
LOSAP Pension Assets	6,714,837	7,796,801
Total Assets	$ 16,369,101	$ 18,584,188
Liabilities:		
Accounts Payable	$ 357,648	$ 299,125
Bid and Security Depoosits	147,914	178,731
Total Liabilities	505,562	477,856
Fund Balances:		
Nonspendable	$ 230,120	$ 248,750
Restricted	8,675,200	9,233,254
Assigned	884,226	949,292
Unassigned	6,073,993	7,675,036
Total Fund Balance	15,863,539	18,106,332
Total Liabilities and Fund Balances	$ 16,369,101	$ 18,584,188

Source: Audited Financial Statements of the Village (2020-2021)
NOTE: This Schedule NOT audited

Budget Summaries
General Fund

	Fiscal Year Ending July 31: 2021	Fiscal Year Ending July 31: 2022
Revenues:		
Real Property Taxes	$ 14,063,756	$ 14,327,665
Real Property Tax Items	145,000	150,000
Non-Property Taxes	255,000	255,000
Departmental Income	336,700	689,200
Intergovernmental Charges	3,000,644	3,201,458
Use of Money and Property	1,315,230	1,354,215
Licenses & Permits	2,043,000	2,513,000
Fines & Forfeitures	700,000	500,000
Sale of Property & Insurances	8,250	13,000
State Aid	841,091	951,091
Appropriations of Fund Balance	600,000	600,000
Miscellaneous	103,328	97,828
Total Revenues	$ 23,411,999	$ 24,652,457
Expenditures:		
General Government Support	$ 3,057,232	$ 3,199,821
Public Safety	8,091,355	8,505,923
Health	467,100	477,096
Transportation	1,510,465	1,464,344
Culture and Recreation	1,199,501	1,189,614
Home and Community Services	998,191	902,830
Employee Benefits	6,725,230	7,526,289
Debt Service	977,925	1,086,540
Transfer to Other Funds	385,000	300,000
Total Expenditures	$ 23,411,999	$ 24,652,457

Sources: Adopted Budgets of the Village.

VILLAGE OF EAST HAMPTON

APPENDIX B

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JULY 31, 2021

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT.

THE HOOK MILL

VILLAGE OF EAST HAMPTON

Settled 1648 - Incorporated 1920

Basic Financial Statements

For the Year Ended July 31, 2021

INCORPORATED VILLAGE OF EAST HAMPTON
Financial Statements and Supplementary Information
For the Year Ended July 31, 2021

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Satty&Partners
SATTY, LEVINE & CIACCO, CPAS, PC

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees of the
Incorporated Village of East Hampton:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Incorporated Village of East Hampton, New York (the "Village"), as of and for the year ended July 31, 2021 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issue by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Incorporated Village of East Hampton, as of July 31, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information other than management's discussion and analysis as listed on the table of contents be presented to supplement the basic financial statements. Such information, although are not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 13, 2021, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Satty, Levine & Ciacco CPAs PC

Satty, Levine & Ciacco, CPAs P.C.
Melville, New York
December 13, 2021

This section of the Village of East Hampton's (the "Village") annual financial report presents a discussion and analysis of the Village's financial performance during the fiscal year ended July 31, 2021. Please read it in conjunction with the Village's financial statements.

1. FINANCIAL HIGHLIGHTS

- The Village's operations were affected by the ongoing outbreak of the coronavirus disease 2019 (COVID-19) which in March 2020, has been declared a pandemic by the World Health Organization. The ultimate disruption caused by the outbreak is uncertain; and management, at this time, cannot reasonably estimate the amount of impact it will have on the Village's financial position, operations and cash flows. Possible areas that may be affected include, but are not limited to, disruption to the Village's revenue and labor workforce, changes in assumptions used for long term liabilities and the decline in the value of investments and capital assets owned by the Village.

- The Village's total net position, as reflected in the government-wide financial statements, increased by $1,060,074 (169%).

- The Village's general fund balance, as reflected in the fund financial statements, increased by $2,145,013 (14.1%).

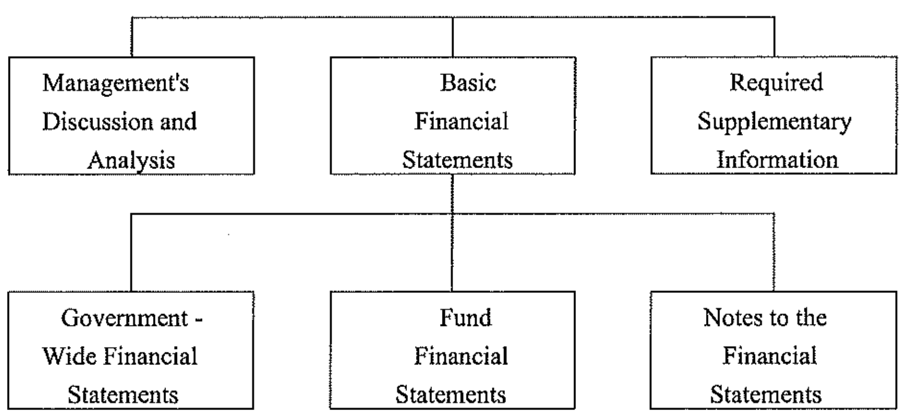
- Long-term debt of $3,540,000 decreased from $4,495,000 due to principal payments of $955,000. Long-term debt of $3,540,000 is 1% of the statutory limit. Total annual debt service of $1,082,228 represents 4.7% of general fund expenditures.

- Under the accrual basis of accounting, the Village is required to record, as a current year expense, the cost of providing health retirement benefits to active and retired employees. During the year ended July 31, 2021 the Village recorded an increase in the net OPEB obligation of $168,752 relating to these benefits resulting in a total net OPEB obligation of $23,803,523.

- Under the accrual basis of accounting, the Village is required to record, as a current year expense, the cost of providing pension benefits to active and retired employees. During the year ended July 31, 2021 the Village recorded a decrease in the pension liability of $5,625,965 relating to these benefits resulting in a total pension liability of $14,507,427 for LOSAP benefits and $1,531,537 for New York State Retirement Systems.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



A. Government-Wide Financial Statements

The government-wide financial statements are organized to provide an understanding of the fiscal performance of the Village as a whole in a manner similar to a private sector business. There are two government-wide financial statements – the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the Village's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the Village's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the Village's funds, not the Village as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the Village are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded though available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the Village's operations and the services it provides.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, you may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains two individual governmental funds; general fund and capital fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Village in its capacity as agent or trustee. All of the Village's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The fiduciary activities have been excluded from the Village's government-wide financial statements because the Village cannot use these assets to finance its operations.

3. FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

A. Net Position

The Village's total net position increased by $1,060,074 between fiscal year 2021 and 2020. A summary of the Village's Statement of Net Position is as follows.

	2021	2020	Change	Percentage Change
Assets:				
Current and Other Assets	$ 18,660,062	$ 16,490,251	$ 2,169,811	13%
Capital Assets, Net	29,315,175	29,595,037	(279,862)	-1%
Total Assets	47,975,237	46,085,288	1,889,949	12%
Deferred Outflows of Resources	15,679,940	12,557,589	3,122,351	25%
Liabilities:				
Current and Other Liabilities	3,206,378	2,956,431	249,947	8%
Long-Term Liabilities	8,193,317	8,548,983	(355,666)	-4%
Net Other Postemployment Benefit Obligation	23,803,523	23,634,771	168,752	1%
Pension Liabilities	16,038,964	21,664,929	(5,625,965)	-26%
Total Liabilities	51,242,182	56,805,114	(5,562,932)	-21%
Deferred Inflows of Resources	11,793,951	2,278,793	9,515,158	418%
Net Position:				
Net Investment in Capital Assets	25,495,629	24,796,016	699,613	3%
Restricted	1,436,453	1,960,363	(523,910)	-27%
Unrestricted Net Position (Deficit)	(26,313,038)	(27,197,409)	884,371	-3%
Total Net Position	$ 619,044	$ (441,030)	$ 1,060,074	-240%

Current and other assets increased by $2,169,811, as compared to the prior year. This increase is evidenced by an increase in cash, LOSAP Pension Assets and due from other governments, offset by a decrease in restricted cash. Capital assets, net decreased by $279,862, as compared to the prior year. This decrease was due to capital additions primarily made through the capital projects fund of $1,789,823, net of the current year's depreciation expense of $1,788,774.

Deferred outflows and inflows of resources represents actuarial adjustments to the retirement plans and the valuation of other post-employment benefits liability that will be amortized in future years, In addition, deferred outflows of resources represent contributions to the retirement plans subsequent to the measurement.

Current and other liabilities increased by $249,947, as compared to the prior year. This increase is primarily due to an increase in accounts payable and deferred revenue. Long-term liabilities decreased by $355,666, as compared to the prior year. The decrease is primarily due to an increase in compensated absences offset by current year bond principal payments.

Net other postemployment benefits (OPEB) increased by $168,752 as compared to the prior year. This increase was the result of the current year unfunded OPEB costs on the full accrual basis of accounting in excess of the amount reflected in the governmental funds on the modified accrual basis (pay as you go). The accompanying notes to the financial statements, Note 13 "Post-Employment Benefits" provides additional information.

Pension liabilities decreased by $5,625,965 in the current year. This liability represents the Village's share of the New York State and Local Employees' Retirement System's and the New York State and Local Police and Fire Retirement System's collective net pension liability at March 31, 2021 and the Ambulance and Fire Losap net pension liability at December 31, 2020, the measurement dates. The accompanying notes to the financial statements, Note 10 "Pension Plans and Service Award Programs" provides additional information.

The net investment in capital assets, relates to the investment in capital assets at cost such as: land, construction in progress, buildings, artwork, land improvements, machinery and equipment, furniture and fixtures, and infrastructure, net of depreciation and related debt. This number increased over the prior year by $699,613 due to additional capital assets and principal payments offset by depreciation expense.

The restricted amount of $1,436,453 represents the Village's insurance, employee benefits and capital projects reserves and decreased from the prior year in the amount of $523,910.

The unrestricted deficit of $(26,313,038) represents the deficit net position as a result of unfunded long term liabilities and OPEB and pension plan obligations. This amount decreased from the prior year by $884,371.

B. Changes in Net Position

Government activities. Government activities increased the Village's net assets by $1,060,074. Revenues for the year exceeded expenses by this amount. The following table indicates the changes in net position for governmental activities:

	2021	2020	Increase (Decrease)	Percentage Change
Revenues:				
Program Revenues				
Charges for Services	$ 9,539,965	$ 7,609,930	$ 1,930,035	25%
Operating Grants	191,051	254,772	(63,721)	-25%
Capital Grants	653,192	744,151	(90,959)	100%
General Revenues:				
Property Taxes	14,211,748	13,781,993	429,755	3%
Utilities Gross Receipts Tax	198,722	131,376	67,346	51%
Franchise Fee	146,339	144,205	2,134	1%
Mortgage Tax	1,184,399	664,049	520,350	78%
Investment Earnings	1,014,260	629,674	384,586	61%
Miscellaneous	151,233	106,551	44,682	42%
Total Revenues	27,290,909	24,066,701	3,224,208	13%
Expenses:				
General Government Support	$ 3,559,412	$ 4,103,122	(543,710)	-13%
Public Safety	14,597,196	14,450,186	147,010	1%
Health	986,702	975,846	10,856	1%
Transportation	3,642,784	2,533,440	1,109,344	44%
Culture and Recreation	2,014,627	1,968,544	46,083	2%
Home and Community Services	1,306,143	1,462,585	(156,442)	-11%
Debt Services - Interest	123,971	111,932	12,039	11%
Total Expenses	26,230,835	25,605,655	625,180	2%
Increase in Net Assets	$ 1,060,074	$ (1,538,954)	$ 2,599,028	-169%

The Village's net position increased by $1,060,074 for the year ended July 31, 2021 and decreased by $1,538,954 for the year ended July 31, 2020.

The Village's revenues increased by $3,224,208 (13%). This increase is due to the net effect of approximate increase in charges for services, real property taxes and mortgage taxes, offset by decreases in capital grants and changes in LOSAP plan assets included in miscellaneous revenues.

The Village's expenses increased by $625,180 (2%). The increase was mainly the result of approximate net increases in public safety and transportion, offset by decreases in general government support and home and community services.

Business-type activities. The Village does not have any business type activities.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

At July 31, 2021, the Village's governmental funds reported a combined fund balance of $17,993,814, which is an increase of $2,145,013 from the prior year. A summary of the change in fund balance is as follows:

	2021	2020	Changes
Nonspendable:			
Prepaid Expenses	$ 248,750	$ 230,120	$ 18,630
Restricted:			
Insurance	93,624	93,577	47
LOSAP	7,796,801	6,714,837	1,081,964
Capital Projects	853,191	1,027,601	(174,410)
Employee Benefits	404,793	749,138	(344,345)
Scholarships	84,845	90,047	(5,202)
Assigned			
Appropriated Fund Balance	600,000	600,000	-
Encumbrances	349,292	284,226	65,066
Unassigned Fund Balance	7,562,518	6,059,255	1,503,263
Total Fund Balance	$ 17,993,814	$ 15,848,801	$ 2,145,013

The net change in the governmental fund-fund balance is an increase of $2,145,013, as revenues and other sources of $29,816,268 exceeded expenditures and other uses of $27,671,255. In 2020, the net change was an increase of $171,413.

4. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2020-2021 Budget

The Village's general fund adopted budget for the year ended July 31, 2021 was $22,751,999. This amount was increased by encumbrances carried forward from the prior year in the amount of $284,226 and prior year surplus of $600,000. There were also budget revisions that increased the budget by $2,449,025. The total budget was $26,085,250.

The budget was funded through a combination of revenues and designated fund balance. The major funding sources were real property taxes $14,063,756, intergovernmental charges $4,413,978, use of money and property $1,315,230 and licenses and permits $2,353,000.

a. Revenues Over Budget

The 2020-2021 final budgets for revenues were $24,924,242 (before prior year surplus, prior year encumbrances and reserves were utilized for current year operations). Actual revenues received for the year were $27,454,457. The excess of actual revenue over estimated or budgeted revenue was $2,530,215. This excess is primarily due to the Village receiving approximately more State aid of $534,000, licenses and permits of $655,000, and use of money and property $1,018,000.

b. Expenditures and Encumbrances Under Budget (GAAP Basis)

The 2020-2021 final budget for expenditures, including prior year encumbrances and budget revisions as of July 31, 2021, was $26,085,250. Actual expenditures as of July 31, 2021, were $25,211,663 and outstanding encumbrances were $349,292. Combined, the expenditures plus encumbrances for 2020-2021 were $25,560,955. The final budget was under expended by $524,295.

5. CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The Village's investment in capital assets for its governmental activities includes land, artwork, infrastructure, buildings and equipment. The net increase in the Village's investment in capital assets was due to capital asset additions for the year ended July 31, 2021. A summary of the Village's capital assets, net of depreciation at July 31, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Land	$ 9,494,179	$ 9,494,179	$ -
Artwork	420,600	420,600	-
Construction in Progress	1,693,158	1,739,104	(45,946)
Buildings	8,293,181	7,953,857	339,324
Land Improvements	314,209	388,673	(74,464)
Machinery and Equipment	4,366,824	4,343,373	23,451
Furniture and Fixtures	23,457	18,602	4,855
Infrastructure	4,709,567	5,236,649	(527,082)
Total	$ 29,315,175	$ 29,595,037	$ (279,862)

B. Short-Term Debt

At July 31, 2021, the Village did not have any bond anticipation notes (BAN's) outstanding.

C. Long-Term Debt

At July 31, 2021, the Village had total bonds payable of $3,540,000. The bonds were issued for Village improvements. The decrease in outstanding debt represents the pay down of prior year bonds. A summary of the outstanding long-term debt at July 31, 2021 and 2020 is as follows:

Issue Date	Interest Rate	2021	2020	Increase (Decrease)
June 27, 2014	1.000% - 3.000%	$ 645,000	$ 1,110,000	$ (465,000)
June 3, 2020	2.000%	1,400,000	1,490,000	(90,000)
June 3, 2020	4.000% - 5.000%	1,495,000	1,895,000	(400,000)
Total		$ 3,540,000	$ 4,495,000	$ (955,000)

The Village's latest credit rating from Moody's Investors Services is an Aa1. The Village's total outstanding indebtedness is significantly less than its debt limit. The debt limit is 7% of its five-year valuation of the taxable real property within the Village.

6. Economic Factors and Next Year's Budget and Rates

The 2021-2022 budget appropriations are $1,240,458 (5.30%) more than the current year's budget and reflect increased revenue expectations and the positive variance in the current year's expenditures to budget. Every major category of the appropriations budget is about equal to the prior year except for public safety and employee benefits which will increase by approximately $400,000 and $800,000, respectively. Revenue other than property taxes is expected to increase by $900,000 (11.16%). This is the result of increases in intergovernmental charges. Property tax collections will increase by $263,909 (1.88%).

7. Contacting the Village's Financial Management

This financial report is designed to provide the reader with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. Any questions about this report or need for any additional information should be directed to:

Dominique Cummings
Village Treasurer
Incorporated Village of East Hampton
86 Main Street
East Hampton, New York 11937

INCORPORATED VILLAGE OF EAST HAMPTON

Statement of Net Position

July 31, 2021

ASSETS:		
Cash	$	7,739,028
Restricted Cash		1,671,153
Tax Sale Certificates		48,516
Accounts Receivable		170,408
Due From Other Governments		985,406
Prepaid Expenses		248,750
LOSAP Pension Assets		7,796,801
Capital Assets Not Being Depreciated		11,607,937
Capital Assets Being Depreciation, Net of Accumulated Depreciation		17,707,238
Total Assets		47,975,237
DEFERRED OUTFLOWS OF RESOURCES:		
Other Postemployment Benefits and Pensions		15,679,940
LIABILITIES:		
Accounts Payable and Accrued Expenses		463,111
Bid and Security Deposits		178,731
Accrued Bond Interest		24,126
Due to Retirement System		702,788
Unearned Revenue:		
Collections in Advance		1,837,622
Long-Term Liabilities:		
Due and Payable Within One Year		
Bonds Payable (including premium)		844,475
Installment Purchase Debt		50,608
Compensated Absences		205,260
Due Beyond One Year		
Bonds Payable (including premium)		2,975,071
Installment Purchase Debt		217,974
Compensated Absences		3,899,929
Net Other Postemployment Benefits Obligation		23,803,523
Total Pension Liability		14,507,427
Pension Liability - Proportionate Share		1,531,537
Total Liabilities		51,242,182
DEFERRED INFLOWS OF RESOURCES:		
Other Postemployment Benefits and Pensions		11,793,951
NET POSITION		
Net Investment in Capital Assets		25,495,629
Restricted		1,436,453
Unrestricted Net Position (Deficit)		(26,313,038)
Total Net Position	$	619,044

The accompanying notes are an integral part of these financial statements.

INCORPORATED VILLAGE OF EAST HAMPTON
Statement of Activities
Year Ended July 31, 2021

	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes In Net Position
PROGRAMS/FUNCTIONS:					
Governmental Activities:					
General Government Support	$ 3,559,412	$ 573,479	$ -	$ -	$ (2,985,933)
Public Safety	14,597,196	7,007,349	191,051	-	(7,398,796)
Health	986,702	-	-	-	(986,702)
Transportation	3,642,784	394,950	-	626,242	(2,621,592)
Culture and Recreation	2,014,627	1,378,194	-	26,950	(609,483)
Home and Community Service	1,306,143	185,993	-	-	(1,120,150)
Debt Service - Interest	123,971	-	-	-	(123,971)
Total Governmental Activities	$ 26,230,835	$ 9,539,965	$ 191,051	$ 653,192	(15,846,627)
GENERAL REVENUES:					
Taxes:					
Property Taxes-levied for general purposes					14,211,748
Utilities Gross Receiptes Tax					198,722
Franchise Taxes					146,339
Mortgage Tax					1,184,399
Investment Earnings					1,014,260
Miscellaneous					151,233
Total General Revenues					16,906,701
Change In Net Position					1,060,074
Net Position - Beginning					(441,030)
Net Position - Ending					$ 619,044

The accompanying notes are an integral part of these financial statements.

INCORPORATED VILLAGE OF EAST HAMPTON
Balance Sheet - Governmental Funds
July 31, 2021

	Governmental Fund Types		
	General	Capital Projects	Total
ASSETS:			
Cash	$ 7,739,028	$ -	$ 7,739,028
Restricted Cash	1,614,685	56,468	1,671,153
Tax Sale Certificates	48,516	-	48,516
Accounts Receivable	146,002	-	146,002
Due From Other Governments	985,406	-	985,406
Due From Other Funds	5,000	-	5,000
Prepaid Expenses	248,750	-	248,750
Length of Service Awards Investments	7,796,801	-	7,796,801
Total Assets	$ 18,584,188	$ 56,468	$ 18,640,656
LIABILITIES:			
Accounts Payable and Accrued Expenses	$ 299,125	$ 163,986	$ 463,111
Bid and Security Deposits	178,731	-	178,731
Due To Other Funds	-	5,000	5,000
Total Liabilities	477,856	168,986	646,842
FUND BALANCES:			
Nonspendable	248,750	-	248,750
Restricted:			
Insurance	93,624		93,624
Length of Service Award Programs	7,796,801	-	7,796,801
Capital Projects	853,191	-	853,191
Employee Benefit	404,793	-	404,793
Scholarships	84,845	-	84,845
Assigned Fund Balance:			
Appropriated Fund Balance	600,000	-	600,000
Encumbrances	349,292	-	349,292
Unassigned	7,675,036	(112,518)	7,562,518
Total Fund Balance	18,106,332	(112,518)	17,993,814
Total Liabilities and Fund Balances	$ 18,584,188	$ 56,468	$ 18,640,656

INCORPORATED VILLAGE OF EAST HAMPTON
Reconciliation of the Governmental Funds Balance Shee
to the Statement of Net Positio
July 31, 2021

Total Governmental Fund Balances		$ 17,993,814
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The cost of building and acquiring capital assets (land, buildings, roads, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the Village as a whole, and their original costs are expensed annually over their useful lives.		
Original Cost of Capital Assets	55,292,281	
Accumulated Depreciation	(25,977,106)	29,315,175
Certain accounts receivable are not considered available in the current period and therefore are not reported in the funds		24,406
Proportionate share of long-term asset and liability, and deferred outflows and inflows associated with participation in the state retirement systems are not current financial resources or obligations and are not reported in the funds.		
Deferred Outflows of Resources	8,752,289	
Pension Liability	(1,531,537)	
Deferred Inflows of Resources	(10,174,969)	(2,954,217)
Long-term liability, and deferred outflows and inflows associated with the participation in the LOSAP retirement plans are not current financial resources or obligations and are not reported in the funds.		
Deferred Outflows of Resources	3,451,809	
Pension Liability	(14,507,427)	
Deferred Inflows of Resources	(937,496)	(11,993,114)
Long-term liability, and deferred outflows and inflows associated with other post-employment benefits are not current financial resources or obligations and are not reported in the funds.		
Deferred Outflows of Resources	3,475,842	
Other Post-Employment Benefits	(23,803,523)	
Deferred Inflows of Resources	(681,486)	(21,009,167)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds:		
Accrued Bond Interest	(24,126)	
Due to Retirement System	(702,788)	
Collections in Advance	(1,837,622)	
Compensated Absences	(4,105,189)	
Installment Purchase Debt	(268,582)	
Bonds Payable	(3,819,546)	(10,757,853)
Total Net Position		$ 619,044

The accompanying notes are an integral part of these financial statements.

INCORPORATED VILLAGE OF EAST HAMPTON

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended July 31, 2021

	Governmental Fund Types		
	General	Capital Fund	Total
REVENUES:			
Real Property Taxes	$ 14,049,391	$ -	$ 14,049,391
Payments in Lieu of Taxes	162,357	-	162,357
Non-Property Tax Items	331,316	-	331,316
Departmental Income	812,904	-	812,904
Intergovernmental Income	4,561,891	-	4,561,891
Use of Money and Property	2,333,417	29	2,333,446
Licenses and Permits	3,008,405	-	3,008,405
Fines and Forfeitures	571,341	-	571,341
Sale of Property and Compensation for Loss	76,328	-	76,328
Contributions	-	26,950	26,950
State and County Aid	1,375,449	-	1,375,449
Miscellaneous	171,658	-	171,658
Total Revenues	27,454,457	26,979	27,481,436
EXPENDITURES:			
General Government	2,993,834	416,218	3,410,052
Public Safety	8,507,429	223,236	8,730,665
Health	408,050	-	408,050
Transportation	1,367,045	1,619,490	2,986,535
Culture and Recreation	1,374,730	200,648	1,575,378
Home and Community Services	863,685	-	863,685
Employee Benefits	6,279,830	-	6,279,830
Debt Service:			
Principal	955,000	-	955,000
Interest	127,228	-	127,228
Total Expenditures	22,876,831	2,459,592	25,336,423
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,577,626	(2,432,613)	2,145,013
OTHER FINANCING SOURCES AND (USES):			
Operating Transfers In	-	2,334,832	2,334,832
Operating Transfers Out	(2,334,832)	-	(2,334,832)
Total Other Financing Sources and (Uses)	(2,334,832)	2,334,832	-
Net Change in Fund Balances	2,242,794	(97,781)	2,145,013
Fund Balances - Beginning of Year	15,863,538	(14,737)	15,848,801
Fund Balances - End of Year	$ 18,106,332	$ (112,518)	$ 17,993,814

The accompanying notes are an integral part of these financial statements.

INCORPORATED VILLAGE OF EAST HAMPTON

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

Year Ended July 31, 2021

Net change in fund balances - total governmental funds		$ 2,145,013
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital Asset Purchases Capitalized	1,804,678	
Depreciation Expense	(1,887,774)	
Fixed Asset Retirement	(465,348)	(548,444)
Unearned credits in the Statement of Activities that provide current financial resources are reported as revenues in the funds:		
Increase in Unearned Credits From the Prior Year		(107,521)
The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. The issuance/repayment increases/decreases long term liabilities in the Statement of Net Position:		
Bond Principal Payments	955,000	
Premium received on issuance of serial bond	24,475	979,475
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in government funds:		
(Increase) Decrease From the Prior Year:		
Due to Retirement System	(134,631)	
Accrued Bond Interest	3,257	
Compensated Absences	(355,226)	
Other Postemployment Benefits Obligation	(831,870)	(1,318,470)
The changes in the proportionate share of the collective pension expense of the state retirement and LOSAP plans reported in the Statement of Activities did not affect current financial resources and, therefore, is not reported in the governmental funds.		
Police and Fire Retirement System	145,319	
Employees Retirement System	397,542	
Ambulance LOSAP	(212,503)	
Fire Department LOSAP	(434,082)	(103,724)
Some accounts receivable will not be collected for serval months after the Village's fiscal year end, they are not considered available revenues in the governmental funds:		
Decrease in Accounts Receivable From the Prior Year		13,745
Change in Net Position of Governmental Activities		$ 1,060,074

INCORPORATED VILLAGE OF EAST HAMPTON
Statement of Fiduciary Net Position
July 31, 2021

		Employee Retirement Plans
ASSETS:		
Investments	$	11,588,764
Total Assets	$	11,588,764
NET POSITION:		
Held in Trust For Pension Benefits and Other Purposes	$	11,588,764
Total Net Position	$	11,588,764

The accompanying notes are an integral part of these financial statements.

INCORPORATED VILLAGE OF EAST HAMPTON
Statement of Changes in Fiduciary Net Position
Year Ended July 31, 2021

		Employee Retirement Plans
ADDITIONS:		
Contributions:		
Employee	$	515,185
Total Contributions		515,185
Investment Earnings:		
Net Increase in Fair Value of Investments		2,305,479
Interest, Dividends and Gains/Losses		312,495
Total Investment Earnings		2,617,974
Total Additions		3,133,159
DEDUCTIONS:		
Benefits		195,987
Administration Fees		3,226
Total Deductions		199,213
Change in Net Position		2,933,946
Net Position - Beginning of Year		8,654,818
Net Position - End of Year	$	11,588,764

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Incorporated Village of East Hampton (the "Village") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the Village are as follows:

A. Financial Reporting Entity

The Village is governed by the laws of New York State. The Village is an independent entity governed by an elected Board of Trustees consisting of five members. The President of the Board serves as the chief fiscal officer and the Village Administrator is the chief executive officer. The Board is responsible for, and controls all activities related to the Village. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The financial reporting entity is based on criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the Village. The Village is not a component unit of another reporting entity. The decision to include a potential component unit in the Village's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities which would be included in the Village's reporting entity.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present information about the overall governmental financial activities of the Village, except for fiduciary activities. Eliminations have been made to minimize the double counting of interfund transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Net Position presents the financial position of the Village at fiscal year end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants, contributions, and other revenues that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all real property taxes and general state aid, are presented as general revenues.

Fund Statements

The fund financial statements provide information about the Village's funds, including fiduciary funds. Separate statements for each fund category, governmental and fiduciary, are presented. The emphasis of fund financial statements is on major governmental funds as defined by GASB, each displayed in a separate column. The Village's financial statements reflect the following major fund categories:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

General Fund – General Fund is the main operating fund of the Village. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Capital Projects Fund – Capital Projects Fund is used to account for funds received and expended for the construction, renovation, expansion and major improvement of various Village facilities, thoroughfares, arterial streets and drainage improvements, improvements and construction of parks and recreational facilities and acquisition of land and other large nonrecurring projects.

Fiduciary Funds

Fiduciary Funds are used to account for activities in which the Village acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements, because their resources do not belong to the Village, and are not available to be used. There is one class of fiduciary funds reported:

Trust Funds –

Employee Retirement Plans – Expendable Trust Funds report fiduciary resources held in trust and the receipt, investment and distribution of retirement contributions. The Village's Deferred Compensation Plan is available to all of the employees of the Village. See Note 11.

C. Basis of Accounting and Measurement Focus

The government-wide and fiduciary fund financial statements are reported on the accrual basis of accounting using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the related expenditures are incurred.

The fund statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, and other postemployment benefits, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Budgetary Control

The Village Charter establishes the fiscal year as the twelve-month period beginning August 1st. The departments submit to the Village Administrator a budget of estimated expenditures for the ensuing fiscal year after which the Village Administrator subsequently submits a budget of estimated expenditures and revenues to the Board of Trustees by May 31st.

Upon receipt of the budget estimates, the Board of Trustees holds a public hearing on the proposed budget. Information about the budget resolution is then published in the official newspaper of the Village.

At least 41 days prior to August 1st, the budget is legally enacted through the adoption of the resolution. The Village Administrator is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Control (Continued)

Budgeted amounts are as originally adopted or as amended by the Board of Trustees. Individual amendments that were material in relation to the original appropriations were adopted by the Board of Trustees.

The Budgetary Comparison Schedule – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for the effect of encumbrances and unrealized investment gains and losses, which are adjusted to the actual results for this comparison.

E. Cash and Investments

Cash consists of cash on hand, bank deposits and investments with original maturity dates of three months or less from the date of acquisition.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

G. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Village's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

H. Interfund Transactions

The operations of the Village include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Village typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the government - wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables are netted on the accompanying governmental funds balance sheet when it is the Village's practice to settle these amounts at a net balance based upon the right of legal offset.

A detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity is provided subsequently in these Notes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if the actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant or equipment.

Assets capitalized, not including infrastructure assets, have an original cost of $1,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of $5,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	50 years
Infrastructure	20 years
Machinery and Equipment	5-15 years
Land Improvements	20 years
Furniture and Fixtures	10 years

J. Accounts Receivable

Accounts receivable are shown gross. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Collections in Advance

Collections in advance are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Collections in advance also arise when resources are received by the Village before it has legal claim to them, as when contractual or rental fees are received in advance. In subsequent periods, when both recognition criteria are met, or when the Village has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded.

L. Compensated Absences

The Village's policy allows certain employees to accumulate unused sick leave and vacation leave in varying amounts. Employees who have completed one full year of employment are entitled to various amounts of accumulated sick leave and any accumulated vacation upon termination with varying cashout on sick and vacation days depending on the employee classification. Compensated absences at July 31, 2021 amounted to $4,105,189.

M. Other Benefits

Eligible Village employees participate in the New York State Employees' Retirement System and the New York State and Local Police and Fire Retirement System.

In addition to providing pension benefits, the Village provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if Village employees are eligible for these benefits if they reach normal retirement age while working for the Village. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the Village and the retired employee. The Village accounts for these post-employment benefits in accordance with GASB Statement No. 75 (GASB 75) *Accounting and Reporting for Postemployment Benefits other than Pensions ("OPEB").* The Village recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the General Fund, in the year paid. In the government-wide financial statements, postemployment costs are measured and disclosed using the accrual basis of accounting.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Short-Term Debt

The Village may issue Bond Anticipation Notes (BAN's) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

O. Accrued Liabilities and Long-Term Obligations

Accrued liabilities and long-term obligations are reported in the government-wide financial statements. In the governmental funds, accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the Village's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

P. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Village has three items that qualify for reporting in this category. The first item is related to pensions and represents the effect of the net change in the Village's proportion of the collective net pension asset or liability and difference during the measurement period between the Village's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is the Village's contributions to the pension systems (ERS, PFRS, and LOSAP Systems) subsequent to the measurement date. The third item relates to OPEB reporting in the government-wide financial statements that represent the effect of the net change in the actual and expected experience.

Q. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Some of the deferred inflows of resources are related to pensions reported in the government-wide Statement of Net Position. This represents the effect of the net change in the Village's proportion of the collective net pension liability and difference during the measurement periods between the Village's contributions and its proportionate share of total contributions to the pension systems not included in pension expense, and the net difference between projected and actual earnings on pension plan investments.

R. Equity Classifications

Government-wide statements

In the government-wide statements there are three classes of net position:

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted - reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted - reports all other amounts that do not meet the definition of the above two classifications and are deemed to be available for general use by the Village.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Equity Classifications (Continued)

Fund Statements

The Fund Statements report fund balance classifications according to the relative strength of spending constraints placed on the purpose for which resources can be used, as follows:

Non-spendable - Consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Village utilized the following non-spendable fund balance:

Prepaid Expenses - prepaid expenses is used to account for current funds that have been spent, but will benefit a future period. Prepaid expenses are accounted for in the general fund.

Restricted - Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Restricted fund balances, including reserves in accordance with New York State law, are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. These reserve funds are established through Board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. Fund balance reserves currently in use by the Village include the following:

Insurance Reserve - insurance reserve is primarily reserved and accumulated for the payment of general liability and casualty insurance claims.

Capital Projects Reserve - capital projects reserve is used to pay the cost of any object or purpose for which bonds may be issued.

Employee Benefit Accrued Liability Reserve - employee benefit accrued liability reserve is used to pay for any accrued employee benefit due an employee on termination of the employee's service.

Service Award Program - The Village sponsors a length of service award program for the ambulance and fire department, as described in Note 10. Those assets, in accordance with GASB Statement No. 73, are to be recorded within the governmental funds of the Village and are restricted by General Municipal Law Article 11-A.

Scholarships – scholarship reserve represents funds received by the Village that are to be used for scholarships of Village employees.

Assigned – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the Village's Board of Trustees. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance includes an amount appropriated to partially fund the subsequent year's budget. Assigned fund balance also includes encumbrances not classified as restricted at the end of the fiscal year.

Unassigned – Represents the residual classification for the Village's general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classifications should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, or assigned.

Fund balance classification

Any portion of fund balance may be applied or transferred for a specific purpose by law, voter approval if required by law or by formal action of the Board of Trustees if voter approval is not required. Amendments or modifications to the applied or transferred fund balance must also be approved by formal action of the Board of Trustees. The Board of Trustees shall delegate the authority to assign fund balance, for encumbrance purposes, to the person(s) to whom it has delegated the authority to sign purchase orders.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned or unassigned) the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or board approved budget revision and then from the assigned fund balance to the extent that there is an assignment and then from the unassigned fund balance.

S. Recently Issued GASB Pronouncements

Changes to be implemented in future years

In June 2017, GASB issued Statement No. 87, *Leases.* This standard will improve consistency in accounting and financial reporting for leases by governments as well as requiring the recognition of certain lease assets and liabilities that were previously classified as operating leases. The requirements of this standard are effective for the Village beginning after June 15, 2021.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* (amended by GASB issued Statement No. 95). This standard will establish accounting requirements for interest cost incurred before the end of a construction period that was previously accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* The requirements of this standard are effective for the Village for periods beginning after December 15, 2020.

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations,* (amended by GASB issued Statement No. 95). The primary objective of this Statement is to provide a single method of reporting conduit debt obligations, thereby reducing diversity in practice and improving consistency and comparability in financial statements. In addition, this standard will address arrangements that are often characterized as leases and have associated conduit debt obligations. The requirements will outline when such arrangements should not be treated as a lease and provide for the appropriate accounting treatment. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020,* (amended by GASB issued Statement No. 95). The primary objective of this Statement was address certain practice issues that were noted in the application of previously issued standards by enhancing terminology and clarifying various requirements in the originally issued pronouncements. The overall objective of this standard is to provide consistency and comparability in the accounting and financial reporting of issuers across the industry. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates,* (amended by GASB issued Statement No. 95). The primary objective of this Statement was to address changes in the global financial markets that replaced LIBOR with a new globally acceptable benchmark. This standard provides guidance that will ease the transition for certain existing agreements which reference LIBOR to recognize the new globally identified benchmark as a reference rate, provided those agreements meet criteria set forth in the standard. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public partnerships and Availability Payment Arrangements.* This statement supersedes GASB Statement No. 60, in addition to amendments of various paragraphs in previously issued standards. This standard is designed to improve the comparability of financial statements among governments that enter into PPPs and APAs. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements.* This statement provides a definition for SBITs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Recently Issued GASB Pronouncements (Continued)

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This Statement (a) clarifies how the absences of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This Statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

The Village is currently evaluating the impact, if any, of the above pronouncements.

NOTE 2. EXPLANATION OF CERTAIN DIFFERNCES BETWEEN THE GOVERNMENTAL FUND STATEMENTS AND THE GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource measurement focus of the Statement of Activities, compared with the current financial resource measurement focus of the government funds.

A. Total Fund Balances of Governmental Funds vs Net Position of Governmental Activities

Total fund balances of the Village's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs Statement of Activities

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories.

Long-Term Revenue and Expense Differences – Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

Capital Related Differences – Capital related differences include the difference between proceeds for the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

Long-Term Debt Transaction Differences – Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Pension Differences – Pension differences occur as a result of changes in the Village's proportion of the collective net pension asset/liability and differences between the Village's contributions and its proportionate share of the total contributions to the pension systems.

OPEB Differences – OPEB differences occur as a result of changes in the Village's total OPEB liability and differences between the Village's contributions and OPEB expense.

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The Village Administrator prepares a proposed budget for approval by the Board of Trustees for the General Fund, the only fund with a legally adopted budget. Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Trustees as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board of Trustees approves them because of a need that exists, which was not determined at the time the budget was adopted. During the year, the Board of Trustees approved additional appropriations in the amount of $276,782 and the additional appropriations were from prior year surplus fund balance.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Budgets are established and used for individual Capital Project Fund expenditures as approved by the Board of Trustees. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid. However, encumbrances reserved against fund balances are re-appropriated in the ensuing year.

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The Villages' investments are governed by state statutes and Village policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance.

Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of New York State and its municipalities. Investments are stated at fair value.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

A. Uncollateralized,
B. Collateralized by securities held by the pledging financial institution, or
C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the Village's name.

None of the Village's aggregated bank balances, not covered by depository insurance, were exposed to custodial credit risk as described above at year-end.

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

Investment Pool

The Village participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, 119-O whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. Total investments of the cooperative as of the cooperative year-end are $3,386,870,824, which consisted of $1,900,373,219 in U.S. Treasury Securities, $329,542,531 in repurchase agreements, and $1,156,955,073 in collateralized bank deposits with various interest rate and due dates.

The amount of $6,877,918 and $1,341,328 have been recorded as unrestricted and restricted cash in the general fund and $31,959 has been recorded as restricted cash in the capital projects fund.

The above amounts represent the cost of the investment pool shares, and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of the Cooperative Liquid Asset Securities System (CLASS), which may be obtained from MBIA Municipal Investors Service Corp., 113 King Street, Armonk, NY 10504.

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs-other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Description	Fair Value	Level 1	Level 2	Level 3
Money Market	$ 202,041	$ 202,041	$ -	$ -
Mutual Fund	6,497,389	6,497,389	-	-
Fixed Income Securities	588,481	588,481	-	-
Stocks	9,570,224	9,570,224	-	-
Short Term Investments	1,554,848	1,554,848	-	-
Asset Allocation	906,704	906,704	-	-
Outstanding Loan Balance	65,878	-	65,878	-
Total	$ 19,385,565	$ 19,319,687	$ 65,878	$ -

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

The Village's investments at July 31, 2021 in more detail:

Description	General Fund Volunteer Fire Department	General Fund Volunteer Ambulance Department	General Fund Total	Fiduciary Deferred Compensation Plan	Investment Total
Money Market	$ 138,190	$ 63,851	$ 202,041	$ -	$ 202,041
Mutual Fund	4,796,572	614,027	5,410,599	1,086,790	6,497,389
Fixed Income Securities	359,936	28,443	388,379	200,102	588,481
Stocks	342,924	1,452,858	1,795,782	7,774,442	9,570,224
Short Term Investments	-	-	-	1,554,848	1,554,848
Asset Allocation	-	-	-	906,704	906,704
Outstanding Loan Balance	-	-	-	65,878	65,878
Total	$ 5,637,622	$ 2,159,179	$ 7,796,801	$ 11,588,764	$ 19,385,565

Money Market - The carrying amount approximates fair market value because of the short maturity of the instruments.

Fixed Income Securities, Stocks, Short Term Investments and Asset Allocation - Reported at current quoted fair values.

Mutual Fund - Valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Outstanding Loan Balance - Valued at the principal loan outstanding plus accrued interest at the reporting date.

NOTE 5. DUE FROM OTHER GOVERNMENTS

Due from other governments at July 31, 2021 consists of:

Suffolk County - Mortgage Tax	$ 384,656
Justice Court - Fees	257,216
Suffolk County - 911 Share	41,380
Town of East Hampton	168,430
Village of Sag Harbor	63,125
Fire Department	70,599
Total Due from Other Governments	$ 985,406

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended July 31, 2021 were as follows:

	Beginning Balance	Additions	Adjustments/ Reductions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 9,494,179	$ -	$ -	$ 9,494,179
Artwork	420,600	-	-	420,600
Construction in Progress	1,739,104	283,437	(329,383)	1,693,158
Total Capital Assets Not Being Depreciated	11,653,883	283,437	(329,383)	11,607,937
Capital Assets Being Depreciated:				
Buildings	13,512,027	740,816	(94,244)	14,158,599
Land Improvements	1,647,583	-	-	1,647,583
Machinery and Equipment	12,667,808	1,010,654	(773,416)	12,905,046
Furniture and Fixtures	155,553	9,855	(1,455)	163,953
Infrastructure	14,784,925	28,498	(4,260)	14,809,163
Total Capital Assets Being Depreciated	42,767,896	1,789,823	(873,375)	43,684,344
Less Accumulated Depreciation for:				
Buildings	(5,558,170)	(326,097)	18,849	(5,865,418)
Land Improvements	(1,258,910)	(74,464)	-	(1,333,374)
Machinery and Equipment	(8,324,435)	(926,633)	712,846	(8,538,222)
Furniture and Fixtures	(136,951)	(5,000)	1,455	(140,496)
Infrastructure	(9,548,276)	(555,580)	4,260	(10,099,596)
Total Accumulated Depreciation	(24,826,742)	(1,887,774)	737,410	(25,977,106)
Total Assets Being Depreciated, Net	17,941,154	$ (97,951)	$ (135,965)	17,707,238
Capital Assets, Net	$ 29,595,037			$ 29,315,175

Depreciation expense was charged to governmental functions as follows:

General Government and Administration	$ 27,579
Public Safety	1,337,949
Transportation	341,266
Cultural and Recreational	157,998
Home and Community Services	22,982
Total Deprecation Expense	$ 1,887,774

NOTE 7. LONG-TERM DEBT

Bonds Payable

At July 31, 2021 bonds payable consisted of the following individual issues:

2014 General Obligation Bond, dated June 27, 2014, due in annual installments through October 1, 2022 bearing interest rates of 1.000% to 3.000%.	$	645,000
2020 Public Improvement Bond, dated June 3, 2020, due in annual installments through July 15, 2035 bearing interest rates of 2.000%.		1,400,000
2020 Public Improvement Refunding Bond, dated June 3, 2020, due in annual installments through November 1, 2032 bearing interest rates of 4.000% to 5.000%		1,495,000
Total Bonds Payable	$	3,540,000

Interest on long-term debt for the year was composed of:		
Interest Paid	$	127,228
Less: Interest Accrued in Prior Year		(27,383)
Plus: Interest Accrued in current Year		24,126
Total Interest expense on Long-Term Debt	$	123,971

Transactions for the year ended July 31, 2021 are summarized as follows:

	Balance August 1, 2020	Additions	Reductions	Balance July 31, 2021	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 4,495,000	$ -	$ (955,000)	$ 3,540,000	$ 820,000
Premium	304,021	-	(24,475)	279,546	24,475
	$ 4,799,021	$ -	$ (979,475)	$ 3,819,546	$ 844,475

The General Fund has typically been used to liquidate general obligation bonds.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the Village to rebate excess arbitrage earnings from bond proceeds to the federal government. There were no excess arbitrage earnings for the year ended July 31, 2021.

NOTE 7. LONG-TERM DEBT (Continued)

Annual Requirements to Retire Debt Obligations

The annual aggregate maturities for the years subsequent to July 31, 2021 are as follows:

Years Ending July 31,	Principal	Interest	Total
2022	$ 820,000	$ 102,212	$ 922,212
2023	830,000	73,031	903,031
2024	210,000	54,500	264,500
2025	210,000	47,000	257,000
2026	210,000	39,500	249,500
2027 - 2031	830,000	105,575	935,575
2032 - 2035	430,000	20,600	450,600
	$ 3,540,000	$ 442,418	$ 3,982,418

Other Long-Term Debt

At July 31, 2021 other long-term debt and related transactions are summarized as follows:

	Balance August 1,	Additions	Reductions	Balance July 31, 2021	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 3,749,962	$ 355,227	$ -	$ 4,105,189	$ 205,260
Installment Purchase Debt	-	268,582	-	268,582	50,608
Total Pension Liability	11,736,463	3,251,801	(480,837)	14,507,427	-
Pension Liability - Proportionate Share	9,928,466	3,278,031	(11,674,960)	1,531,537	-
Other Postemployment Benefits Obligation	23,634,771	853,742	(684,990)	23,803,523	-
Total	$ 49,049,662	$ 8,007,383	$ (12,840,787)	$ 44,216,258	$ 255,868

Increases and decreases to compensated absences are shown net since it is impractical to determine these items separetly. The General Fund has typically been used to liquidate other long-term debt. Refer to subsequent footnotes regarding the detail of the total pension liability, pension liability – proportionate share, and other postemployment benefits obligation.

In October 2020, the Village leased a street sweeper for a period of 5 years that calls for annual principal and interest payments of $58,614. The annual interest rate is approximately 2.98%.

The annual aggregate maturities for the years subsequent to July 31, 2021 are as follows:

Years Ending July 31,	Principal	Interest	Total
2022	$ 50,608	$ 8,006	$ 58,614
2023	52,116	6,498	58,614
2024	53,670	4,944	58,614
2025	55,270	3,344	58,614
2026	56,918	1,696	58,614
	$ 268,582	$ 24,488	$ 293,070

NOTE 8. UNEARNED REVENUE

Unearned revenues are monies collected in advance in the General Fund in the amount of $1,837,622 that are related to beach house rentals to individuals and communication and fire protection services provided to various municipalities.

NOTE 9. PROPERTY TAX

Property tax is levied each August 1st on the assessed (appraised) value listed as of the prior January 1 for all business and personal property located in the Village. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the Village. The Town of East Hampton establishes appraised values at 1% for estimated fair market value.

Taxes are due on August 1st, the levy date, and are delinquent after the following September 1st. Tax liens are automatic on September 1st each year. The tax lien is part of a lawsuit for property that can be filed any time after taxes become delinquent (September 1st). The Village usually waits until May 1st at which time the unpaid taxes are sold through a tax sale. As of September 1st, 5% collection costs may be added to all delinquent accounts and an additional 1% collection cost may be added on the first of each month thereafter through April. Current tax collections for the year ended July 31, 2021 were 100.00% of the tax levy.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

As of July 31, 2021, the total outstanding indebtedness of the Village aggregated $3,540,000. Of this amount, $3,540,000 was subject to the constitutional debt limit and represented approximately 1% of its debt limit.

NOTE 10. PENSION PLANS AND SERVICE AWARD PROGRAMS

A. Pension Plans

Plan Description

The Village participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement Systems (PFRS) and the Public Employees' Group Life Insurance Plan collectively known as NYSLRS (Systems). These are cost sharing multiple employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits.

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be found at http://www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policy

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary for the first ten years of membership, employees who joined the System on or after January 1, 2010 (ERS) and before April 1, 2012, are required to contribute 3% of their salary to NYSERS throughout their active membership, and employees who joined the System after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on salaries paid. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

NOTE 10. PENSION PLANS AND SERVICE AWARD PROGRAMS (Continued)

The Village is required to contribute an actuarially determined rate. The Village's contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	ERS	PFRS
2021	$ 796,691	$ 992,975
2020	$ 760,501	$ 896,817
2019	$ 549,297	$ 878,620

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At July 31, 2021, the Village reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2021 for PFRS and ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The Village's proportion of the net pension asset/(liability) was based on a projection of the Village's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the PFRS and ERS Systems in reports provided to the Village.

	ERS	PFRS
Actuarial valuation date	April 1, 2020	April 1, 2020
Net pension liability	$19,317	$1,512,220
Village's portion of the Plan's total net pension liability	0.0193997%	0.0870956%

For the year ended July 31, 2021, the Village recognized pension expense of $411,110 for ERS and $879,708 for PFRS. At July 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	PFRS	ERS	PFRS
Differences between expected and actual experience	$ 235,914	$ 335,554	$ -	$ -
Changes of assumptions or other inputs	3,551,785	3,715,360	66,988	-
Net difference between projected and actual investment earnings on pension plan investments	-	-	5,548,998	4,446,594
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,716	296,404	25,913	86,476
Village's contributions subsequent to the measurement date	265,564	330,992	-	-
Totals	$ 4,073,979	$ 4,678,310	$ 5,641,899	$ 4,533,070

NOTE 10. PENSION PLANS AND SERVICE AWARD PROGRAMS (Continued)

Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended July 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending July 31,	ERS	PFRS
2022	$ (344,167)	$ (122,979)
2023	(122,507)	41,679
2024	(299,263)	(105,586)
2025	(1,067,547)	(755,056)
2026	-	756,190
Thereafter	-	-
Totals	$ (1,833,484)	$ (185,752)

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	PFRS
Measurement date	March 31, 2021	March 31, 2021
Actuarial valuation	April 1, 2020	April 1, 2020
Interest rate	5.90%	5.90%
Salary scale	4.4%	4.4%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	April 1, 2015 - March 31, 2020 System's Experience
Inflation rate	2.7%	2.7%
COLA	1.4%	1.4%

For both PFRS and ERS, the actuarial assumptions used in the April 1, 2020 annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020. The previous actuarial valuation as of April 1, 2019 used April 1, 2010 – March 31, 2015 System experience, mortality improvements based on the Scoeity of Actaries Scale MP-2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the targe asset allocation percentage and by adding expected inflaction.

NOTE 10. PENSION PLANS AND SERVICE AWARD PROGRAMS (Continued)

The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized below:

NYS ERS and NYS PFRS		
Asset Type	**Target Allocation**	**Long-term Expected Real Rate of Return**
Domestic equity	32.0%	4.05%
International equity	15.0%	6.30%
Private equity	10.0%	6.75%
Real estate	9.0%	4.95%
Opportunistic portfolio	3.0%	4.50%
Credit	4.0%	3.63%
Real assets	3.0%	5.95%
Bonds and mortgages	23.0%	0.00%
Cash	1.0%	0.50%
	100.0%	

The real rate of return is net of the long-term inflation assumption of 2.00%.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% and 6.8% for both PFRS and ERS for the April 1, 2020 and 2019 actuarially valuations, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 5.9% for PFRS and ERS, as well as what the Village's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for PFRS and ERS) or 1 percentage point higher (6.9% for PRFS and ERS) than the current rate:

	1% Decrease (4.90%)	Current Assumptions (5.9%)	1% Increase (6.9%)
ERS			
Village's proportionate share of the net pension liability/(asset)	$ 5,361,667	$ 19,317	$ (4,907,580)
PFRS			
Village's proportionate share of the net pension liability/(asset)	$ 6,430,810	$ 1,512,220	$ (2,559,102)

NOTE 10. PENSION PLANS AND SERVICE AWARD PROGRAMS (Continued)

Pension Plan Fiduciary Net Position

The components of the current - year net pension asset/(liability) of the employers as of the respective measurement dates, were as follows:

	ERS	PFRS	Total
		(Dollars in Thousands)	
Employers' total pension liability	$ 220,680,157	$ 41,236,775	$ 261,916,932
Plan net position	(220,580,583)	(39,500,500)	(260,081,083)
Employers' net pension assets/(liability)	$ 99,574	$ 1,736,275	$ 1,835,849
Ratio of plan net position to the employers' total pension liabillity	99.95%	95.79%	99.30%

For PFRS and ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of July 31, 2021, represent the projected employer contribution for the period of April 1, 2021 through July 31, 2021 based on paid PFRS and ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of July 31, 2021 amounted to $702,788 of employer contributions. Employee contributions are remitted monthly.

B. Service Award Programs

i. Volunteer Ambulance Department (Ambulance)

On July 15, 1997, the Village established a "service award program" for volunteer members of the East Hampton Village Volunteer Ambulance Department. This program is allowed under general municipal law Article 11-A authorizing the establishment of a service award program for volunteer ambulance departments.

The Village acts as the plan sponsor but not the administrator of the program. Assets are held in the name of the New York State Office of Comptroller, Emergency Squad Trust Fund. It is considered to be a "defined benefit" plan and in order to determine the Village's liability an actuarial valuation has been prepared as of December 31, 2020 to determine the required contribution due. The Village funded the program with $108,426 for the fiscal year ended July 31, 2021. As of July 31, 2021, the market value of the assets of the plan totaled $2,159,179. This amount is reflected in the General Fund assets along with a corresponding fund balance restriction for the employees participating in the plan.

ii. Volunteer Fire Department (Fire)

On June 16, 1992, a general election was held where approval was given to establish a "service award program" for volunteer members of the East Hampton Village Volunteer Fire Department as of August 1, 1992. This program is allowed under general municipal law Article 11-A which was amended in 1987 authorizing the establishment of a service award program for volunteer firefighters. The Village acts as the plan sponsor and administrator of the program. It is considered to be a "defined benefit" plan. In order to determine the Village's liability an actuarial valuation was prepared as of December 31, 2020 to determine the required contribution due. The Village's required contribution to the program was $450,576 for the fiscal year ended July 31, 2021. As of July 31, 2021, the market value of the assets of the plan totaled $5,637,622. This amount is reflected in the General Fund assets along with a corresponding fund balance restriction for the employees participating in the plan.

NOTE 10. PENSION PLANS AND SERVICE AWARD PROGRAMS (Continued)

Program Description

Participation, Vesting and Service Credit

Active volunteer firefighters who have reached the age of 18 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 65. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to $20 multiplied by the person's total number of years of volunteer service prior to January 1, 2019 and $30 per year thereafter. The number of years of firefighting service used to compute the benefit cannot exceed forty years. Except in the case of disability or death benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board.

The governing board of the sponsor has retained Penflex to assist in the administration of the program. The designated program administrator's functions include processing new and terminated member applications and getting beneficiary information. Disbursements of program assets for the payments of benefits or administrative expenses must be approved by the administrator of the program.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. Program assets are not held in trust

Authority to invest program assets is vested in Wells Fargo. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule.

The sponsor is required to retain an actuary to determine the amount of the sponsor's contribution to the plan. Portions of the following information are derived from a report prepared by the actuary dated August 30, 2021.

Funding Methodology and Actuarial Assumptions

Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the Attained Age Normal Frozen initial Liability method. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present values of benefits are:

Assumed rate of return on investment is 3.26% for both service award programs.

NOTE 10. PENSION PLANS AND SERVICE AWARD PROGRAMS (Continued)

General Information about the Pension Plans

Participants Covered by the Benefit Terms

At the December 31, 2020 measurement date, the following participants were covered by the benefit terms:

	Ambulance	Fire
Inactive participants currently receiving benefit payments	25	67
Inactive partiicpants entitle to but not yet receiving benefit payments	19	60
Active participants	25	105
Total	69	232

Contributions

New York State General Municipal Law S 219-o (1) requires the Board of Trustees to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Board of Trustees.

Trust Assets

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2020 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Ambulance	Fire
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal
Inflation:	2.25%	2.25%
Salary Scale:	None Assumed	None Assumed

Mortality rates for Ambulance were based on the RP-2014 Mortality Table (60/40 male/female blend) projected for mortality improvement to the year 2025 with scale MP2020. Mortality rates for Fire were based on the RP-2014 Mortality Table without projection for mortality improvements.

Discount Rate

The discount rate used to measure the total pension liability was 1.93%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. In describing this index, S&P Dow Jones indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

NOTE 10. PENSION PLANS AND SERVICE AWARD PROGRAMS (Continued)

Changes in the Total Pension Liability

	Ambulance	Fire
Balance as of the 12/31/19 measurement date	$ 2,358,613	$ 9,377,850
Service cost	56,467	289,099
Interest	77,066	308,970
Changes of assumptions or other inputs	434,763	1,942,785
Differences between expected and actual experience	100,034	42,617
Benefit payments	(102,162)	(378,675)
Net changes	566,168	2,204,796
Balance as of the 12/31/20 measurement date	$ 2,924,781	$ 11,582,646

Sensitivity of the Total Pension Liability to changes in the discount rate

The following presents the total pension liability of the Village as of December 31, 2020 measurement date, calculated using the discount rate of 1.93%, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.93%) or 1 percentage point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Current Assumptions (1.93%)	1% Increase (2.93%)
Ambulance			
Total pension liability	$3,334,379	$ 2,924,781	$ 2,587,985
Fire			
Total pension liability	$13,432,231	$ 11,582,646	$ 10,075,497

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended July 31, 2021 the Village recongnized pension expense of $295,076 for Ambulance and $797,090 for Fire. At July 31, 2021 the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Ambulance	Fire	Ambulance	Fire
Differences between expected and actual experience	$ 87,490	$ 242,737	$ -	$ 135,024
Changes of assumptions or other inputs	354,485	2,431,006	23,680	778,792
Benefit payment and administrative expenses subsequent to the measurement date	70,716	265,375	-	-
Totals	$ 512,691	$ 2,939,118	$ 23,680	$ 913,816

$70,716 and $265,375 reported as deferred outflows of resources related to pensions resulting from Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended July 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 10. PENSION PLANS AND SERVICE AWARD PROGRAMS (Continued)

Years Ending July 31,	Ambulance	Fire
2022	$ 144,375	$ 189,327
2023	130,438	189,327
2024	130,438	189,327
2025	13,044	279,722
2026	-	182,495
Thereafter	-	729,729
Totals	$ 418,295	$ 1,759,927

NOTE 11. DEFERRED COMPENSATION PLAN

Employees of the Village may elect to participate in the Village Employees Deferred Compensation Plan created in accordance with internal Revenue Code 457. The plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

As of July 31, 2021, the market value of the assets of the plan totaled $11,588,764. This amount is reflected in the Fiduciary Fund Assets along with a corresponding liability to the employees participating in the plan.

NOTE 12. INTERFUND BALANCES AND ACTIVITY TRANSFERS

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenses
General Fund	$ 5,000	$ -	$ -	$ 2,334,832
Capital Projects Fund	-	5,000	2,334,832	-
Total	$ 5,000	$ 5,000	$ 2,334,832	$ 2,334,832

Transfers are primarily used to move funds from the General Fund to finance various programs accounted for in the Capital Projects Fund in accordance with budgetary authorizations.

NOTE 13. POST EMPLOYMENT BENEFITS

Plan Description

The Village provides post-employment (health insurance) coverage to retired employees and their families and eligible dependents in accordance with the provisions of various employment contracts (uniform and non-uniform). The Village through board resolution has the authority through collective bargaining agreements to establish and amend benefit terms including employee contribution requirements. The New York State Department of Civil Service administers NYSHIP, which is an agent multiemployer defined benefit plan. The plan does not issue a stand-alone financial report. The benefit levels, employee contributions and employer contributions are governed by the Village's contractual agreements. New York State law does not allow for the establishment of an OPEB trust, thus benefit payments are made on a "pay-as-you-go" basis. As a result, there are not assets accumulated in a trust that would be subject to the criteria of paragraph 4 of GASB Statement No. 75.

NOTE 13. POST EMPLOYMENT BENEFITS (Continued)

Benefits and Contributions

The Village provides medical and Medicare part B reimbursement to retired employees and their survivors. The benefit terms provide for payment of 50-100% of health insurance premiums at retirement and cost coverage is dependent on various employment contracts. Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. Health care benefits and survivor benefits are provided through a premium based plan.

The Village recognizes the cost of providing health insurance annually as expenditures in the General Fund.

Employees Covered by Benefit Terms

At July 31, 2021, the following employees were covered by the benefit terms:

Inactive participants currently receiving beneft payments	48
Inactive participants entitled to but not yet receiving benefit payments	0
Active participants	86
	134

Total OPEB Liability and Actuarial Assumptions

The Village's total OPEB liability of $23,803,523 was measured as of July 31, 2021, and was determined by an actuarial valuation report dated August 22, 2021 with update procedures used to roll forward the actuarial accrued liability to July 31, 2020. Calculation of the total OPEB liability was performed using the entry age normal percentage of pay actuarial cost method. The following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate:	2.16% (6/30/2021 Bond Buyer Index AA)
Inflation rate:	3.00%
Projected salary increases:	4.00% average, including inflation
Healthcare cost trend rates:	6.5% in the first year gradually decreasing .5% to an ultimate rate of 5.0% to 0.5% per year, to an ultimate rate of 5%

The discount rate was based on a Bond Buyer Municipal Bond Index AA as of the nearest quarter. Mortality rates were based on the RP-2000 Healthy Annuitant projected to 2021 with blue collar adjustment for PBA.

Changes in the Total OPEB Liability

Balance as of the 7/31/20	$ 23,634,771
Service cost	412,635
Interest	523,879
Effect of economic/demographic gains or losses	(82,772)
Effect of assumption changes or inputs	-
Benefit payments	(684,990)
Net changes	168,752
Balance as of the 7/31/21	$ 23,803,523

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

NOTE 13. POST EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount ate

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.16%) or 1% higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Current Assumptions (2.16%)	1% Increase (3.16%)
Total OPEB Liability	$27,505,575	$23,803,523	$ 20,773,712

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the baseline rates (year one) discussed in the earlier table:

	1% Decrease	Current Assumptions	1% Increase
Total OPEB Liability	$20,274,737	$23,803,523	$ 28,231,812

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The total OPEB expense for the year ended July 31, 2021 was $1,516,861. At July 31, 2021, the Village reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,475,842	$ (446,336)
Changes of assumptions	-	(235,150)
Total	$ 3,475,842	$ (681,486)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year Ending July 31,	
2022	$ 580,347
2023	580,347
2024	580,347
2025	643,585
2026	416,796
Thereafter	(7,066)
Totals	$ 2,794,356

NOTE 14. ASSIGNED APPROPRIATED FUND BALANCE

The amount of $600,000 has been appropriated to reduce the amount of funding needed to be raised by real estate taxes for the year ending July 31, 2021.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Risk Management

The Village is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Lawsuits

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

Grants

The Village has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the Village's administration believes disallowances, if any, will be immaterial.

Encumbrances

All encumbrances are classified as either restricted or assigned fund balance. At July 31, 2021, the Village encumbered the following amounts:

Assigned: Unappropriated Fund Balance:	
General Fund	
General Government	$ 188,773
Public Safety	99,858
Health	3,473
Transportation	18,684
Culture and Recreation	36,164
Home and Community Services	2,340
	$ 349,292

COVID-19 Pandemic

The Village's operations were affected by the ongoing outbreak of the coronavirus disease 2019 (COVID-19) which in March 2020, has been declared a pandemic by the World Health Organization. The ultimate disruption caused by the outbreak is uncertain; and management, at this time, cannot reasonably estimate the amount of impact it will have on the Village's financial position, operations and cash flows. Possible areas that may be affected include, but are not limited to, disruption to the Village's revenue and labor workforce, changes in assumptions used for long term liabilities and the decline in the value of investments and capital assets owned by the Village.

NOTE 16. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The Capital Projects Fund had a deficit fund balance at July 31, 2021 in the amount of $112,518. The deficit will be eliminated as financing is obtained or from general fund appropriations.

NOTE 17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 13, 2021, the date the financial statements were available to be issued.

INCORPORATED VILLAGE OF EAST HAMPTON
Budgetary Comparison Schedule - General Fund (Unaudited)
Year Ended July 31, 2021

	Original Budget	Modified Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Revenues:					
Real Property Taxes	$ 14,063,756	$ 14,063,756	$ 14,049,391		$ (14,365)
Payments in Lieu of Taxes	145,000	145,000	162,357		17,357
Non-Property Tax Items	255,000	255,000	331,316		76,316
Departmental Income	269,200	785,609	812,904		27,295
Intergovernmental Income	3,068,144	4,413,978	4,561,891		147,913
Use of Money and Property	1,315,230	1,315,230	2,333,417		1,018,187
Licenses and Permits	2,043,000	2,353,000	3,008,405		655,405
Fines and Forfeitures	700,000	700,000	571,341		(128,659)
Sale of Property and Compensation for Loss	8,250	8,250	76,328		68,078
State and County Aid	841,091	841,091	1,375,449		534,358
Miscellaneous	43,328	43,328	171,658		128,330
Total Revenues	22,751,999	24,924,242	$ 27,454,457		$ 2,530,215
Appropriated Fund Balance					
Prior Years' Surplus	600,000	876,782			
Prior Years' Encumbrances	284,226	284,226			
Reserves	-	-			
Total Appropriated Fund Balance	884,226	1,161,008			
Total Revenues and Appropriated Fund	23,636,225	26,085,250			
Expenditures:					
General Government	3,172,017	3,212,285	$ 2,993,834	$ 188,773	$ 29,678
Public Safety	8,185,037	8,656,733	8,507,429	99,858	49,446
Health	467,100	445,485	408,050	3,473	33,962
Transportation	1,583,094	1,432,550	1,367,045	18,684	46,821
Culture and Recreation	1,201,071	1,471,147	1,374,730	36,164	60,253
Home & Community Services	999,751	913,289	863,685	2,340	47,264
Employee Benefits	6,665,230	6,513,593	6,279,830	-	233,763
Debt Service:					
Principal	890,000	970,000	955,000	-	15,000
Interest	87,925	131,202	127,228	-	3,974
Total Expenditures	23,251,225	23,746,284	22,876,831	349,292	520,161
Other Uses					
Operating Transfers Out	385,000	2,338,966	2,334,832	-	4,134
Total Expenditures and Other Uses	$ 23,636,225	$ 26,085,250	$ 25,211,663	$ 349,292	$ 524,295

See independent auditors' report.

INCORPORATED VILLAGE OF EAST HAMPTON
Schedule of Proportionate Share of the Net Pension Liability (Unaudited)
July 31, 2021

NYSLRS Pension Plan	2021	2020	2019	2018
Village's proportion of the net pension liability				
ERS	0.0193997%	0.0193267%	0.0191822%	0.0196658%
PFRS	0.0870956%	0.0900039%	0.0905402%	0.0946583%
Village's proportionate share of the net pension liability				
ERS	$ 19,317	$ 5,117,814	$ 1,359,117	$ 634,702
PFRS	$ 1,512,220	$ 4,810,652	$ 1,518,417	$ 956,766
Village's covered-employee payroll				
ERS	$ 5,478,187	$ 5,272,350	$ 5,226,206	$ 5,087,574
PFRS	$ 4,085,928	$ 3,825,500	$ 3,845,166	$ 3,774,917
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll				
ERS	0.35%	97.07%	26.01%	12.48%
PFRS	37.01%	125.75%	39.49%	25.35%
Plan fiduciary net position as a percentage of the total pension liability				
ERS	99.95%	86.39%	96.27%	96.93%
PFRS	95.79%	84.86%	95.09%	98.24%

INCORPORATED VILLAGE OF EAST HAMPTON
Schedule of Village Contributions (Unaudited)
For the Years Ended July 31,

NYSLRS Pension Plan	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
ERS										
Contractually required contribution	$ 796,691	$ 760,501	$ 549,297	$ 725,743	$ 705,359	$ 874,106	$ 919,560	$ 929,975	$ 875,731	$ 667,326
Contributions in relation to the contractually required contribution	$ 796,691	$ 760,501	$ 549,297	$ 725,743	$ 705,359	$ 874,106	$ 919,560	$ 929,975	$ 875,731	$ 667,326
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Village's covered-employee payroll	$ 5,478,187	$ 5,272,350	$ 5,226,206	$ 5,087,574	$ 4,945,545	$ 4,876,585	$ 4,710,238	$ 4,634,929	$ 4,652,986	$ 4,511,293
Contributions as a percentage of covered employee payroll	14.54%	14.42%	10.51%	14.27%	14.26%	17.92%	19.52%	20.06%	18.82%	14.79%
PFRS										
Contractually required contribution	$ 992,975	$ 896,817	$ 878,620	$ 909,908	$ 840,916	$ 845,204	$ 1,014,883	$ 982,224	$ 734,041	$ 977,216
Contributions in relation to the contractually required contribution	$ 992,975	$ 896,817	$ 878,620	$ 909,908	$ 840,916	$ 845,204	$ 1,014,883	$ 982,224	$ 734,041	$ 977,216
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Village's covered-employee payroll	$ 4,085,928	$ 3,825,500	$ 3,845,166	$ 3,774,917	$ 3,927,030	$ 3,580,533	$ 3,577,447	$ 3,637,211	$ 3,518,428	$ 3,368,523
Contributions as a percentage of covered employee payroll	24.30%	23.44%	22.85%	24.10%	21.41%	23.61%	28.37%	27.00%	20.86%	29.01%

See independent auditors' report.

INCORPORATED VILLAGE OF EAST HAMPTON
Schedule of Changes in the Village's Total Pension Liability (Unaudited)
For the Years Ended July 31,

Total Pension Liability - Ambulance	2021	2020	2019	2018
Service Cost	$ 56,467	$ 60,808	$ 54,768	$ 59,388
Interest	77,066	80,126	67,749	71,617
Change of benefit terms	-	-	102,060	-
Changes of assumptions or other inputs	434,763	103,049	(128,925)	122,373
Differences between expected and actual experience	100,034	18,614	39,208	40,825
Benefit payments	(102,162)	(88,904)	(78,249)	(73,744)
Net Change In Total Pension Liability	566,168	173,693	56,611	220,459
Total Pension Liability - Beginning	2,358,613	2,184,920	2,128,309	1,907,850
Total Pension Liability - Ending	$ 2,924,781	$ 2,358,613	$ 2,184,920	$ 2,128,309
Covered-Employee Payroll	N/A	N/A	N/A	N/A
Total Pension Liability As A Percentage Of Covered-employee Payroll	N/A	N/A	N/A	N/A

Total Pension Liability - Fire Department	2021	2020	2019	2018
Service Cost	$ 289,099	$ 265,013	$ 291,560	$ 248,218
Interest	308,970	313,432	295,236	307,927
Changes of assumptions or other inputs	1,942,785	461,586	(774,489)	657,573
Differences between expected and actual experience	42,617	181,185	(155,888)	120,237
Benefit payments	(378,675)	(378,272)	(345,707)	(322,745)
Net Change In Total Pension Liability	2,204,796	842,944	(689,288)	1,011,210
Total Pension Liability - Beginning	9,377,850	8,534,906	9,224,194	8,212,984
Total Pension Liability - Ending	$ 11,582,646	$ 9,377,850	$ 8,534,906	$ 9,224,194
Covered-Employee Payroll	N/A	N/A	N/A	N/A
Total Pension Liability As A Percentage Of Covered-employee Payroll	N/A	N/A	N/A	N/A

Notes to Required Supplementary Information

Changes of assumptions or other inputs:

The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2018: 3.64%
December 31, 2019: 3.26%
December 31, 2020: 1.93%

The mortality projection scale was changed to the MP2017 scale as of the December 31, 2017 measurement date. The prior scale, for the December 31, 2016 measurement date, was the MP2016 scale.

Changes of benefit terms:

Effective January 1, 2019 the program was amended to increase the monthly accrual per year of service from $20 to $30 for service credit earned after January 1, 2019.

Trust Assets:

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

N/A - individuals that receive benefits are volunteers and there is no related covered-employee payroll for these individuals.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available

INCORPORATED VILLAGE OF EAST HAMPTON
Schedule of Changes in the Village's Total Pension Liability (Unaudited)
For the Years Ended July 31,

	2021	2020	2019
Total OPEB Liability			
Service cost	$ 412,635	$ 304,689	$ 241,097
Interest	523,879	672,701	706,662
Effect of economic/demographic gains or losses	(82,772)	4,429,548	645,309
Effect of assumptions changes or inputs	-	(335,150)	-
Benefit payments	(684,990)	(704,729)	(688,523)
Net Change In Total OPEB Liability	168,752	4,367,059	904,545
Total OPEB Liability - Beginning	23,634,771	19,267,712	18,363,167
Total OPEB liability - Ending (a)	23,803,523	23,634,771	19,267,712
Plan Fiduciary Net Position (b)	*N/A	*N/A	*N/A
Net OPEB Liability - Ending (a) - (b)	$ 23,803,523	$ 23,634,771	$ 19,267,712
Plans Fiduciary Net Position As A Percentage Of The Total OPEB Liability	0%	0%	0%
Covered-Employee Payroll	$ 10,139,312	$ 8,855,693	$ 8,857,594
Net OPEB Liability As A Percentage Of Covered-employee Payroll	234.76%	266.89%	217.53%

*N/A - Current regulations do not permit the Village to fund the OPEB obligation, it is a "pay-as-you-go" and no assets accumulate

Notes to Required Supplementary Information

Changes of assumptions:

Based on changing discount rate from 2.21% to 2.16%

Plan Assets:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4, to pay related benefits

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available

Satty&Partners
SATTY, LEVINE & CIACCO, CPAS, PC

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Board of Trustees of the
Incorporated Village of East Hampton:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Incorporated Village of East Hampton, New York (the "Village"), as of and for the year ended July 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 13, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Satty, Levine & Ciacco CPAs PC

Satty, Levine, & Ciacco, CPAs, P.C.
Melville, New York
December 13, 2021

APPENDIX C

FORM OF BOND COUNSEL OPINION

_______________, 2022

The Board of Trustees of the
Village of East Hampton, in the
County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of East Hampton (the "Village"), in the County of Suffolk, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the $6,825,000 Public Improvement Serial Bonds-2022 (the "Bonds"), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof. Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

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

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

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

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

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

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

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

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

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

"Annual Information" shall mean the information specified in Section 3 hereof.

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

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

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

"Issuer" shall mean the **Village of East Hampton,** in the County of Suffolk, a municipal corporation of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

"Purchaser" shall mean the financial institution referred to in the Certificate of Award, executed by the Village Treasurer as of July 14, 2022.

"Rule" shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

"Securities" shall mean the Issuer's **$6,825,000 Public Improvement Serial Bonds-2022**, dated August 17, 2022, maturing in various principal amounts on August 15 in each of the years 2023 to 2037, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York, to the EMMA System:

(i) (A) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending July 31, 2022, the Annual Information relating to such fiscal year, and (B) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending July 31, 2022, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the

EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933; and

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

(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 of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;

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

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

(9) defeasances;

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

(11) rating changes;

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

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

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

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a financial obligation, as defined in Rule 15c2-12, 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.

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

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

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

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings "THE VILLAGE," "DEMOGRAPHIC AND STATISTICAL INFORMATION," "INDEBTEDNESS OF THE VILLAGE," "FINANCES OF THE VILLAGE," "TAX INFORMATION" AND "LITIGATION" AND APPENDIX A.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

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

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

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

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

(e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

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

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of August 17, 2022.

VILLAGE OF EAST HAMPTON

By____

Village Treasurer and Chief Fiscal Officer