This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such an offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 8, 2026

BOND ANTICIPATION NOTES
NEW AND RENEWAL ISSUE

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 Notes 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 Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.

The Village will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

VILLAGE OF FARMINGDALE
NASSAU COUNTY, NEW YORK
(the "Village")

$11,450,000 BOND ANTICIPATION NOTES – 2026 SERIES B
(the "Notes")

Date of Issue: September 23, 2026 **Maturity Date: September 23, 2027**

The Notes are general obligations of the Village of Farmingdale, Nassau 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 Notes 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 INFORMATION - Tax Levy Limit Law" herein.)

The Notes will bear interest from the Date of Issue until the Maturity Date, at the annual rate(s) as specified by the purchaser(s) of the Notes. Interest on the Notes will be calculated on a 30-day month and 360-day year, payable at maturity. The Notes will not be subject to redemption prior to maturity.

The Notes will be issued in registered form, and at the option of the purchaser(s), the Notes will be either (i) registered in the name of the successful bidder(s) 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 notes.

If the Notes are issued in book-entry form, such Notes will be delivered to DTC, which will act as the securities depository for the Notes. Individual purchases of any book-entry Notes may be made in denominations of $5,000 or any integral multiple thereof. Beneficial owners will not receive certificates representing their ownership interest in the book-entry Notes. Principal of and interest on said Notes will be paid in lawful money of the United States of America (Federal Funds) by the Village to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners 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 DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "Book-Entry-Only System" under "DESCRIPTION OF THE NOTES".)

If the Notes are registered in the name of the purchaser(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes 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(s).

The Notes are offered when, as, and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is expected that delivery of the Notes will be made in New York, New York, or such other place as the Village and purchaser(s) shall agree, on or about September 23, 2026.

THE VILLAGE DEEMS THIS PRELIMINARY OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). THE VILLAGE WILL DELIVER AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN EVENTS, AS REQUIRED BY THE RULE, IN CONNECTION WITH THE DELIVERY OF THE NOTES (SEE "APPENDIX C - FORM OF DISCLOSURE UNDERTAKING," HEREIN).

INCORPORATED VILLAGE OF FARMINGDALE

361 Main Street
Farmingdale, New York 11735

VILLAGE OFFICIALS

RALPH EKSTRAND
Mayor

WILLIAM A. BARRETT
Deputy Mayor

ALLISON INGRAM
CHERYL L. PARISI
WALTER PRIESTLEY
Trustees

BRIAN HARTY
Village Administrator/Clerk-Treasurer

DANIEL RUCKDESCHEL
Deputy Village Clerk-Treasurer

CLAUDIO DEBELLIS, ESQ.
Attorney for the Village

HAWKINS DELAFIELD & WOOD LLP
New York, New York
Bond Counsel

MUNICIPAL ADVISOR

Liberty Capital Services

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Garden City, NY 11530
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No person has been authorized by the Village to give any information or to make any representations not contained in this Official Statement, and, if given or made, such 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 solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer to solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village.

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APPENDICES

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OFFICIAL STATEMENT
of the
VILLAGE OF FARMINGDALE
NASSAU COUNTY, NEW YORK

Relating To

$11,450,000 Bond Anticipation Notes - 2026 Series B
(the "Notes")

This Official Statement, which includes the cover page and appendices hereto, has been prepared by the Village of Farmingdale, Nassau County, New York (the "Village," "County," and "State," respectively) in connection with the sale by the Village of $11,450,000 Bond Anticipation Notes - 2026 Series B (the "Notes").

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 Notes and the proceedings of the Village relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

DESCRIPTION OF THE NOTES

The Notes are general obligations of the Village, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Article. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Village is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "TAX INFORMATION - Tax Levy Limit Law", herein.)

The Notes are dated September 23, 2026 and will mature, without the option of prior redemption, on September 23, 2027. The Notes will not be subject to redemption prior to maturity.

The Village Clerk will act as Fiscal Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser. The Village's contact information is as follows: Village Clerk of the Village of Farmingdale, 361 Main Street, Farmingdale, NY 11735, email address: bharty@farmingdalevillage.com.

Authorization and Purpose

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Village Law, the Local Finance Law and the bond resolutions referred to below, duly adopted by the Board of Trustees of the Village on their respective dates, for the following purposes: (See "THE VILLAGE - Water System Capital Project Grants" and "VILLAGE INDEBTEDNESS - Capital Project Plans" herein.)

Purposes	Date Authorized	Amount Authorized	Amount Previously Issued	Amout Outstanding	Principal Payment	Amount to Notes
Improvements to the Village water system	6/26/2023	$13,500,000	$13,500,000	$11,850,000	$1,900,000	$9,950,000
(A) Acquisition of a parcel of real property located at 141 Division Street, in the Village including the existing building thereon and (B) Demolition of the existing building on such parcel and construction of a new parking lot thereon	5/18/2026	1,000,000	0	0	0	1,000,000
Acquisition of Scott Air Packs and related equipment	06/01/2026	500,000	0	0	0	500,000
Totals:		$15,000,000	$13,500,000	$11,850,000	$1,900,000	$11,450,000

Nature of Obligation

The Notes when duly issued and paid will constitute a contract between the Village and the holder(s) thereof.

The Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the Village has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Village, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "TAX INFORMATION - 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 Notes, and the State is specifically precluded 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 INFORMATION - Tax Levy Limit Law," herein.)

Book-Entry-Only System

In the event that the Notes are issued in book-entry form, DTC will act as securities depository for the Notes and the Notes will be issued as fully-registered Notes registered in the name of Cede & Co., (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each Note of a series bearing the same rate of interest and CUSIP number and will be deposited with DTC.

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

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

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

Conveyance of notices and other communications by the 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, any Agent, 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 Notes at any time by giving reasonable notice to the Village. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

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

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 Issuer takes no responsibility for the accuracy thereof.

Source: The Depository Trust & Clearing Corporation

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

THE VILLAGE

General Information

The Village is situated in New York State (the "State"), in the easternmost portion of Nassau County (the "County") on the western boundary of Suffolk County, in the Town of Oyster Bay, (the "Town"). The Village is situated approximately 35 miles east of Manhattan in New York City. The Village encompasses approximately one square mile and is primarily residential in character with some commercial development. Residential development consists substantially of single-family homes with some multi-family structures; commercial activity is centered in the Village's business district. A portion of Bethpage State Park is located within the Village boundaries, and the Village includes a station on the Main Line of the Long Island Railroad. New York State Routes 24 and 109 traverse the Village, New York State Road 135 and the Republic Airport are both located just outside the Village. The Village was founded in 1687 and incorporated in 1904, and provides fire protection, code enforcement, highway maintenance and water supply services. Police protection and sanitary sewer services are provided by the County.

Population Trends

Year	Village of Farmingdale	Nassau County	New York State
1970	9,297	1,428,838	18,241,366
1980	7,946	1,321,582	17,557,288
1990	8,022	1,287,348	17,990,445
2000	8,399	1,334,544	18,976,457
2010	8,189	1,339,532	19,378,102
2020	8,466	1,395,777	20,201,249

Source: U.S. Department of Commerce, Bureau of the Census.

Comparative Housing, Income and Population Data

Age Distribution	Village	County	State	U.S.
Median Age	43.20	41.10	38.00	37.20
Person/Household	2.36	3.03	2.60	2.60
Housing				
% Owner Occupied Housing Units	67.80	81.70	54.40	64.60
Median Value Owner Occupied Housing ($)	427,600	560,100	340,600	244,900
Median Gross Rent ($)	2,036	1,940	1,390	1,163
Income:				
Per Capita Income ($)	67,376	55,763	43,208	37,638
Median Household Income	116,103	126,576	75,157	69,021
% Below Poverty Level (1)	5.50	6.10	13.90	11.60

(1) Estimates are not comparable to other geographic levels due to methodology differences that may exist between different data sources.

Source: "Median Age" - 2010 Census of Population and Housing, U.S. Department of Commerce, Bureau of the Census and American Community Survey. All other data US Census 2017-2021 ACS 5-year estimates, U.S. Department of Commerce, Bureau of the Census and American Community Survey

Selected Listing of Major Employers

Name	Type	Approx. No. of Employees [1]
U.S. Postal Service	Governmental	78
Farmingdale UFSD	Public Schools	1220
Village of Farmingdale	Governmental	73
Daleview Nursing Home	Nursing Home	200
Carmen Callaghan & Ingham	Law Firm	48
Guercio & Guercio	Law Firm	50

[1] May include part-time employees

Source: Village Officials.

Form of Government

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 Village Board of Trustees (the "Board"), is the legislative arm of Village government, appropriating, governing and policy determining body of the Village and consists of four trustees, elected at large to serve four-year terms, plus the Mayor, who likewise serves a four-year term. The Mayor and each Trustee may serve an unlimited number of terms. Every two years the voters of the Village elect two Trustees and in the intervening election, the voters elect a Mayor and two Trustees. It is the responsibility of the Board to enact legislation by resolution and by local law, after public hearing. Annual operating budgets for the Village must be approved by the Board. The original authorization of all Village indebtedness is subject to approval by the Village Board. (See "VILLAGE INDEBTEDNESS - Statutory Procedure" herein.)

The Mayor is the chief executive officer of the Village and has the right to succeed him or herself. In addition, the Mayor is a full member of and the presiding officer of the Board. The Mayor has a number of appointment powers, some of which are subject to the approval of the Board.

The Board has elected to combine the position of Clerk-Treasurer. The Village Clerk-Treasurer also serves as the Village Administrator. The Village Clerk-Treasurer is appointed by the Mayor, subject to the confirmation of the Board and serves at the pleasure of the Board. The Clerk-Treasurer's responsibilities include custody of the corporate seal, books, records, and papers of the Village and all reports, communications and minutes of meetings of the Village boards and commissions. The Village Clerk-Treasurer is the chief fiscal officer and administrative officer of the Village responsible for maintaining Village accounting records, collection of taxes, personnel records, investment of Village funds, and debt management.

The Attorney for the Village is also appointed by the Mayor, subject to Board confirmation.

Municipal Services

The Village provides its residents with many of the services traditionally provided by village governments. In addition, the Town and County furnish certain other services. A list of services provided by the Village include: (i) highway and public facilities maintenance, (ii) a local justice court that is responsible for enforcing provisions of the State's Vehicle and Traffic Law and local ordinances, as well as having jurisdiction over certain civil and criminal matters, (iii) cultural and recreational activities, (iv) building code enforcement, (v) planning and zoning administration and (vi) fire protection through a Village volunteer fire department. The Village also provides water service, which is jointly managed by the Village and the South Farmingdale Water District.

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

Budgetary Procedure

The Clerk-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 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. (See also "TAX INFORMATION - Tax Levy Limit Law," herein.)

Employees

The Village provides services through approximately 21 full time and 52 part time employees. The Civil Service Employees Association, Inc. represents 12 employees, under a contract which expires May 31, 2027.

Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS"). The obligations of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). The system offers retirement 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 services.

NYSRSSL provides that all employers in the ERS are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to participating employers. Participating employers are required to make a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. All full-time employees and certain part-time employees, participate in the retirement system. Since the Village joined the ERS after July 27, 1976, each participating employee hired on or before December 31, 2009 is required to contribute 3% of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary.

The Village is authorized to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future. The New York State Retirement System has advised the Village that municipalities can elect to make employer contribution payments in December of any year, prior to the scheduled payment date in the following February. If such payments are made in December prior to the scheduled payment date of February, such payments may be made at a discount amount.

In certain years, the State's Retirement System portfolio experienced negative investment performance and severe downward trends in market earnings. As a result, the State sometimes maintained the employer contribution rate for the State's Retirement System higher than the 4.5% minimum contribution rate established by law. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates may remain higher than the minimum contribution rates set by law in the near-term. To mitigate the expected increases in the employer contribution rate, legislation has been enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts, who decide to amortize their pension obligations pursuant to the law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance.

In 2013, a pension smoothing option was approved by the State Legislature that authorizes municipalities and school districts to amortize over seven years a portion of the pension cost spikes precipitated by the 2008 financial crisis and high pension costs in general for employees across the State. The pension smoothing option, which was approved as part of the State's 2013-14 budget, authorizes municipalities and school districts to contribute 14.13% of employee costs toward pensions, rather than the 16.25% currently required, which is up from the current rate of 11.8%. The Village has not opted-in to such pension smoothing option.

The State's FY 2023 budget partially rolled-back certain pension reforms previously approved in 2010 and 2012. Under such reforms Tier 5 and Tier 6 employees were required to accumulate 10 years in the system before being vested. The State's FY 2023 budget rolled back the required number of years to be accumulated to five.

On September 3, 2024, Comptroller DiNapoli announced that state and local governments would have to contribute more to the public pension system for the next State fiscal year 2025-2026. The estimated average employer contribution for ERS increased from 15.2% to 16.5% of payroll and PFRS increased from 31.2% to 33.7% of payroll. Comptroller DiNapoli maintained the long term assumed rate of return on the funds investments at 5.9%.

On September 4, 2025, Comptroller DiNapoli announced that state and local governments would have to contribute more to the public pension system for the next State fiscal year 2026-2027. The estimated average employer contribution for ERS increased from 16.5% to 17.6% of payroll and PFRS increased from 33.7% to 36.5% of payroll. Comptroller DiNapoli maintained the long term assumed rate of return on the funds investments at 5.9%.

The Village made the following contributions to the Retirement Systems:

Fiscal Year Ending May 31st:	2022	2023	2024	2025	2026
ERS					
Budget	$270,457	$210,766	$241,900	$302,600	$362,800
Actual	287,799	209,993	245,252	308,769	339,453

Source: Invoices from the NYS Retirement System. Table itself not audited.

In the past the Village has not amortized its ERS payments and has no future plans to do so. The Village's FY 2027 Budget includes $393,800 for ERS payments.

A more in-depth discussion of ERS and the Villages other pension liabilities appears in the Village's most recently available audited financial statements, attached as Appendix B herein.

Other Post Employment Benefits

GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), changed the accounting and financial reporting by state and local governments for post retirement healthcare benefits and other non-pension benefits, known as "other post employment benefits" ("OPEB") and replaced GASB Statement No. 45 ("GASB 45"). GASB 75 establishes standards for recognizing and measuring OPEB liabilities, deferred outflows or resources, deferred inflows of resources, and expense/expenditures. 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.

Under GASB 75, based on an actuarial valuation, the total OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employee's past periods of service. An actuarially determined contribution ("ADC") will be determined for each state or local government. The ADC will be actuarially calculated based upon various assumptions and methods for recognizing benefits earned during the present fiscal year and benefits previously earned but not yet reflected in the OPEB liability.

For the Village, the annual OPEB cost will be based on actuarially determined amounts; however, the Village would provide sufficient resources to pay benefits as they come due.

GASB 75 does not require that the total OPEB liability to actually be funded, only that the Village account, report and disclose its liability and related components. The Village's plan has a total membership of fewer than 100 members. As such, according to GASB 75 regulations, the Village is required to perform an actuarial evaluation every 2 years.

A summary of the results of the analysis appears in the Village's most recently available audited financial statements.

Unemployment Rate Statistics

Unemployment statistics are not available for the Village. The smallest political subdivision or municipality for which such statistics are available (which includes the Village) is the Town of Oyster Bay, (the "Town"). 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 disclosure document that statistics for the County, the State or the Town are necessarily representative of the Village, or vice versa.

YEARLY AVERAGE

	2021	2022	2023	2024	2025
Town of Oyster Bay (3)	4.40%	2.90%	3.00%	3.10%	3.20% (4)
Nassau County (3)	4.70%	3.00%	3.10%	3.20%	3.30% (4)
New York State (1)	7.10%	4.30%	4.00%	4.20%	4.30% (4)

2026 MONTHLY FIGURES

	Jan.	Feb.	March	April	May	June
Town of Oyster Bay	3.30%	3.70%	3.30%	3.20%	3.40%	3.40% (2)
Nassau County	3.50%	3.90%	3.50%	3.30%	3.50%	3.50% (2)
New York State	4.70%	5.20%	4.40%	4.20%	4.20%	4.40% (2)

(1) Data were subject to revision April 8, 2026

(2) Preliminary

(3) Data were subject to revision May 19, 2026

(4) Annual estimates for 2025 are 11 month averages that exclude October. Data for October 2025 were not collected due to the Federal government shutdown.

Source: US Department of Labor – Bureau of Labor and Statistics. Data extracted on 8/31/26 (Note: Figures not seasonally adjusted).

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. In March of 2021, the Village fell victim to a cybersecurity attack that resulted in loss of information and damages in the amount of $125,825 that were covered by the Village's cybersecurity liability policy. To mitigate the risk of business operations impact and/or damage from future cyber incidents or cyber-attacks, the Village implements certain security and operational control measures, and maintains a cybersecurity liability policy. Information technology consultants continue to monitor daily cyber threats and attacks and have coordinated with the Village on installation of appropriate firewalls to Village servers. Village information stored on servers are backed up to the Cloud on a daily basis. In addition, the Village has gone to Cloud based providers for its financial systems including accounting, accounts payable, tax billing, payroll, water utility billing and water meter reading system. This helps to mitigate the risks since larger companies offering such Cloud based services are generally expected to have greater resources to invest in securing the data that the Villages stores in the Cloud. With these procedures however, no assurances can be given that such security and operational control measures can completely prevent future cyber threats and attacks. The result of future attacks could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial. The Village has not had any recent cybersecurity attacks or breaches since 2021.

Water System Capital Project Grants

The Village has been awarded a total of $7,624,890 funds through the New York State Environmental Facilities Corporation ("EFC") for the acquisition and installation of new pollution control equipment, required by the New York State Department of Environmental Conservation, in order to meet new pollution control standards. The funds have been awarded via a pass through system, which necessitates that the Village complete the work prior to receiving the awarded grant funds and while subject to final adjustment by the EFC, the Village does not anticipate a reduction in the amount of the award. The Village has issued two "new money" Bond Anticipation Notes to fund such water system work.

On January 31, 2023 the Village originally issued its $8,375,000 Bond Anticipation Notes - 2023 Series A, a portion of which included $6,150,000 in connection with this water system work and for which $4,000,000 was awarded in grant funds. On August 29, 2024 the Village received a partial payment of $2,750,000 in grant funds, which were used as principal pay down towards this series of notes. More recently, the Village received final payments of $1,250,000 in grant funds. In connection with the issuance of this series of notes, the Village utilized these funds along with other available funds to pay down the remaining outstanding balance on the borrowing for this portion of the water project, when it matured in January 2026. (See “DESCRIPTION OF THE NOTES - Authorization and Purpose” herein.)

On September 26, 2023 the Village originally issued its $13,500,000 Bond Anticipation Notes - 2023 Series B to finance the remaining portion of this water system work. These notes have subsequently been refinanced. The Village has been awarded $4,624,890 in grant funds towards this portion of the work of which $4,624,890 has been received. In connection with the issuance of this series of notes, the Village utilized these funds along with other available funds to, upon issuance of the Notes, pay down a total of $3,550,000 of the outstanding balance on the borrowing for this portion of water project.(See “DESCRIPTION OF THE NOTES - Authorization and Purpose” herein.)

The Village expects to continue to fund this water system improvement project through the reissuance of Bond Anticipation Notes until such project is completed and upon receipt of the above referenced grant funds, finance the remaining balance through the issuance of a general obligation bond.

Other Information

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes, for which the Notes are to be issued is the Village Law, the General Municipal Law and other applicable law.

Except to the extent shown in “Estimated Overlapping Indebtedness,” this disclosure statement does not include the financial data of any political subdivision having power to levy taxes within the Village.

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

The fiscal year of the Village is June 1 to May 31.

FINANCIAL INFORMATION

Financial Statements

The Village has retained independent certified public accountants to audit its financial affairs. The most recently available audit covers the fiscal year ended May 31, 2025 and is included as a part of this Official Statement as Appendix B.

In addition, the financial affairs of the Village are subject to periodic review by the State Comptroller. A summary of Revenues, Expenditures and Fund Balance; Comparison of Budget and Actual Results; and Balance Sheets for the Village’s previous five fiscal years for which audited financial statements are available is included as Appendix A.

The accounting policies of the Village conform to generally accepted accounting principles as they are applicable to governments. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

New York State Comptroller’s Office Fiscal Stress Designation

The Village has been designated by the Office of the New York State Comptroller as having “No Designation,” having been assigned a fiscal score of 5.0, based on its “Fiscal Stress Monitoring System 2025 List”. (See “OFFICE OF THE NEW YORK STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM,” herein).

Village Investment Policy

The Village has adopted an investment policy which states that the Village will comply with the requirements of New York State statutes, as stated below, concerning the investment of Village monies. A copy of the Village’s investment policy is available from the office of the Village Treasurer upon request.

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the Village is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State, in addition to other authorized investments. All such deposits, including special time deposit accounts and certificates of deposit, in excess of amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

All instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the Village, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

Impact of COVID-19

The Village is functioning at full capacity and is complying with all relative State COVID-19 guidelines.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (the "Act"), a $1.9 trillion economic stimulus bill to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic. A portion of the funding was allocated to state and local governments, including villages, to assist with budget shortfalls and other items related to the COVID-19 pandemic. The Village was eligible to receive $923,279 under the Act and received Act funds of $459,762 in July 2021, $1,877 in September 2021 and $461,640 in July 2022. Such funds have been spent and all reporting filed properly identifying Act eligible uses.

State Aid

The Village's general fund received financial assistance from the State as indicated below:

Fiscal Year (1) Ending May 31st:	Total Revenues	Total State Aid	State Aid to Revenues (%)
2021	$6,570,884	$359,238	5.47%
2022	6,595,207	543,615	8.24%
2023	7,952,608	687,205	8.64%
2024	8,442,174	267,628	3.17%
2025	8,576,298	217,894	2.54%
2026 (budget)	8,399,635	340,902	4.06%
2027 (budget)	8,664,055	355,362	4.10%

(1) May include federal and local aid.

Source: Village of Farmingdale and Village Audits

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 during the current fiscal year or in the future. Due to the outbreak of COVID-19, in 2020 the State initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have negatively impacted the State's economy and financial condition.

The use of federal stimulus funds has allowed the State to avoid gap closing measurements; however, the State may be required to implement gap closing measurements in the future. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including municipalities and school districts 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, including the Village.

Should the Village fail to receive State aid 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.

In addition, 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 any year, the Village may be affected by a delay in the receipt of State Aid until sufficient State taxes have been received by the State to make State Aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State Aid.

TAX INFORMATION

Real Property Taxes

The Village derives a major portion of its revenues from a tax on real property (See "Revenues, Expenditures and Balances" in Appendix A, herein.) On 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 INFORMATION - Tax Levy Limit Law," herein.)

Valuations

Year Ending May 31st:	2021	2022	2023	2024	2025	2026
Assessed Valuation (1)	$1,090,699,391	$1,211,607,613	$1,215,032,232	$1,395,559,262	$1,400,271,842	$1,615,288,903
State Equalization Rate	100.00%	100.00%	100.00%	100.00%	93.57%	100.00%
Full Valuation (1)	$1,090,699,391	$1,211,607,613	$1,215,032,232	$1,395,559,262	$1,496,496,572	$1,615,288,903

(1) Exclusive of PILOTS (See "TAX INFORMATION - Payment in Lieu of Taxes ("PILOTS") Development" herein.)

Source: NYS Comptroller's Office and NYS Office of Real Property Management

Payment in Lieu of Taxes ("PILOTS") Development

Over the past several years the Village has revenue experienced growth in the form of residential and commercial PILOTS. The below table outlines the assessment and revenue growth during this time period. (Figures rounded)

	FY 2023		FY 2024		FY 2025		FY 2026		FY 2027	
Address	Payment	Assessment	Payment	Assessment	Payment	Assessment	Payment	Assessment	Payment	Assessment
148 S. Front St.	$58,959	$26,760,000	$69,445	$26,760,000	$74,683	$26,760,000	$79,322	$26,760,000	$75,636	$29,500,000
180 Atlantic Ave.	17,396	8,640,000	20,952	8,640,000	22,973	8,640,000	24,825	8,640,000	23,890	9,500,000
40 Elizabeth St.	15,637	8,942,700	16,489	8,942,700	16,042	8,942,700	15,511	8,942,700	13,766	9,850,000
243-245 Main Street	11,907	5,500,000	13,766	5,500,000	15,118	5,500,000	16,404	5,500,000	15,698	6,050,000
285 Eastern Pkwy	9,690	4,500,000	11,957	4,500,000	13,435	4,500,000	14,871	4,500,000	14,504	4,950,000
776 & 780 Fulton St.	4,600	574,000	2,423	1,500,000	8,894	5,250,000	21,404	5,250,000	6,993	5,775,000
860 Fulton St.			1,368	568,760	1,463	568,760				
870 Fulton St.			1,435	596,490	1,534	596,490				
890 Fulton St.			1,487	618,320	1,590	618,320				
896 Fulton St.			1,205	500,910	1,288	500,910				
900 Fulton St.			1,233	512,710	1,318	512,710				
906 Fulton St.			1,076	447,220	1,150	447,220	22,692	14,880,000	13,216	17,600,000
Total	$118,189	$54,916,700	$142,836	$59,087,110	$159,488	$62,837,110	$195,029	$74,472,700	$163,703	$83,225,000

Source: Village of Farmingdale

Tax Certiorari Matters

During the last decade, the Village has been confronted by several tax certiorari proceedings, instituted primarily by the owners of commercial buildings, seeking a reduction of the assessed value of said properties and a refund of excess taxes paid by them. Numerous tax certiorari claims for refunds of prior year's property taxes are currently pending. The Village's tax certiorari counsel is of the opinion that the most significant cases against the Village have been resolved and the currently pending cases will have marginal impact on the Village's budget. (See "LITIGATION" herein). The following schedule is a compilation of the amounts budgeted and expenditures made by the Village, for the purposes of paying real property tax refunds.

Year Ending May 31st:	2021	2022	2023	2024	2025	Unaudited 2026
Budgeted	$141,500	$141,500 (1)	$150,000	$150,000	$150,000	$100,000
Incurred	25,282	69,600	146,651	94,240	66,000	21,000

(1) The Village's FY 2022 amended budget includes $283,250 for tax certiorari judgements.

Source: Village of Farmingdale

The Village's FY 2027 budget includes $70,000 for the payment of tax certiorari judgements. As of August 31, 2026 the Village paid $0 in tax certioraris.

The Village has not financed tax certiorari judgments in the past five years. The Village may finance any future judgment or settlement, if necessary, so as to mitigate any impact on future budgets.

Constitutional Taxing Power
(see also "Tax Levy Limit Law" herein)

Fiscal Year Ending May 31:	2025	2026	2027 (1)
Five Year Average Full Valuation	$1,197,935,277	$1,281,879,014	$1,386,796,916
Tax Limit (2%)	23,958,706	25,637,580	27,735,938
Add: Total Exclusions	2,486,865	3,020,160	2,524,686
Total Taxing Power	26,445,571	28,657,740	30,260,624
Less Tax Levy	4,290,970	4,431,337	4,504,019
Tax Margin	$22,154,601	$24,226,403	$25,756,605
Percent of Tax Limit Exhausted	7.53%	5.50%	7.14%

(1) As submitted to the Office of the New York State Comptroller. Review pending.

Source: New York State Comptroller's Office and Village of Farmingdale

Tax Rate per $1000 (Assessed)

Year Ending May 31st:	2021	2022	2023	2024	2025	2026	2027 (2)
Tax Rate (1)							
Homestead	$3.08	$2.84	$2.86	$2.89	$2.56	$2.30	$2.14
Non-Homestead	$5.60	$5.15	$5.20	$5.20	$4.94	$4.46	$4.10

(1) Figures may be rounded
(2) Based on an Taxable Assessed Valuation of $1,769,196,031

Source: New York State Comptroller's Office and Village of Farmingdale

Tax Collection Procedure

Real property taxes are levied and become a lien annually on June 1. Payments must be received by the Village by July 1, after which time, penalties and interest will be assessed against the taxpayer. Property owners have until the morning of the sale to pay those taxes which are due. Property taxes not collected are placed on tax sale. The Village purchases all tax liens. Delinquent taxes not received within 60 days of year-end are recorded as deferred revenues.

Larger Taxpayers

Name	Type	2026-2027 Assessed Value	
Fairfield	Apartments (Partial PILOT)	$100,462,613	(1), (2)
LIPA	Utility	53,032,234	(1), (2)
Keyspan	Utility	31,791,184	
Staller Properties	Apartments, Row Buildings (Partial PILOT)	18,518,082	(1), (2)
Sterling Green Apartments	Apartments (PILOT)	17,600,000	
Woodbridge	Apartments/Coop	13,644,356	(1)
S&R Realty Group LLC	Shopping Center	9,700,246	(2)
Fardale Owners Inc.	Apartment/Coop	9,601,350	(2)
Metropolitan Mobile RE Mgt.	Apartment/Coop	8,824,764	(1), (2)
Island Garden Owners Corp.	Apartment/Coop	7,792,400	(1), (2)
	TOTAL	$270,967,229	

(1) Includes multiple properties by the same owner
(2) This taxpayer has a filed an unsettled tax certiorari case against the Village. (See "TAX INFORMATION-Tax Certiorari Matters" and "LITIGATION" herein)

Source: Village of Farmingdale

Real Estate Taxes and Tax Collection Record

Year Ended May 31:	2021	2022	2023	2024	2025	Unaudited 2026	2027 (As of 8/31/2026)
Levy and Tax Collections:							
Taxes on Roll	$3,944,081	$4,076,075	$4,145,539	$4,226,293	$4,290,081	$4,431,338	$4,504,019
Taxes on Roll and Tax Items (including PILOTS, re-levied items & other)	$4,273,564	$4,398,884	$4,475,784	$4,582,565	$4,669,285	$4,868,500	$4,928,346
Collections During Year							
Tax Collections (includes mid-year adjustments)	4,217,602	4,342,620	4,436,246	4,528,406	4,640,633	4,829,908	4,788,481
Prior Years Taxes	21,590	13,186	35,125	62,307	13,643	20,114	3,043
Total Collections During Year	$4,239,192	$4,355,806	$4,471,371	$4,590,713	$4,654,276	$4,850,022	$4,791,524
% Results							
% Tax Collected During Year (including PILOTS, re-levied items & other)	98.69%	98.72%	99.12%	98.82%	99.39%	99.21%	97.16%
% Tax Collections During Year (including prior years)	99.20%	99.02%	99.90%	100.18%	99.68%	99.62%	97.22%
Village Held Tax Liens	104,399	147,477	151,890	143,842	158,851	177,330	174,287

Source: Village of Farmingdale

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011 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, Chapter 97, as amended (the "Tax Levy Limit Law") imposes a tax levy limitation upon the Village for any fiscal year commencing after January 1, 2012 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 is subject to statutory limitations set forth in Tax Levy Limit Law, unless the Village complies with certain procedural requirements to permit the Village to levy certain year-to-year increases in real property taxes.

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 New 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 governing board of the Village 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 governing board of the Village, 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.

VILLAGE INDEBTEDNESS

Constitutional Requirements

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

Purpose and Pledge. Subject to certain enumerated exceptions, the Village shall not give or loan any money or property to or aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid 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 determines to issue debt amortized on the basis of substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the aggregate principal amount thereof outstanding, subject to certain limited exceptions, shall not exceed seven per centum of the five-year average full valuation of taxable real property 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 method of determining full valuation is by taking the assessed valuation of taxable real property as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

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 taxation and assessments and in contracting indebtedness; however, 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 INFORMATION - Tax Levy Limit Law" herein.)

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 of 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. (See "TAX INFORMATION - Tax Levy Limit Law" herein.)

Statutory Procedure

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

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Village Board, the finance board of the Village. Certain such resolutions may be subject to permissive referendum, or may be submitted to the Village voters at the discretion of the Village Board.

The Local Finance Law also provides for a twenty-day statute of limitations after publication of a bond resolution, together with a statutory notice which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except on rare occasions the Village complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (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, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "Payment and Maturity" under "VILLAGE INDEBTEDNESS - Constitutional Requirements").

In addition, under each bond resolution, the Village Board 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, capital notes and budget notes.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village as of August 31, 2026.

	Maturity		Amount
Bonds	2026 to 2049		
General Fund Debt		$6,005,000	
Water Fund Debt		4,395,000	
Total Bonds			10,400,000
Bond Anticipation Notes			
Bond Anticipation Notes - 2025 Series B	September 24, 2026	11,850,000 (1)	
Bond Anticipation Notes - 2025 Series A	January 28, 2027	4,235,000 (1), (2)	
Total BANS			16,085,000
Installment Purchase Debt	2026 to 2031		
General Fund Debt		912,380	
Water Fund Debt		0	
Total Installment Purchase Debt			912,380
Total Debt Outstanding			$27,397,380

(1) See “THE VILLAGE - Water System Capital Project Grants” herein.
(2) To be redeemed at maturity with the proceeds of the Notes along with available Village funds.

Source: Village of Farmingdale

Computation of Debt Limit

Fiscal Year Ending May 31st:	Assessed Valuation of Taxable Real Estate	State Equalization Rate	Full Valuation of Taxable Real Estate
2026	$1,615,288,903	100.00%	$1,615,288,903
2025	1,400,271,842	93.57%	1,496,496,572
2024	1,395,559,262	100.00%	1,395,559,262
2023	1,215,032,232	100.00%	1,215,032,232
2022	1,211,607,613	100.00%	1,211,607,613
Total five year valuation			6,933,984,582
Five year average full valuation			1,386,796,916
Debt Limit - 7% of average five year full valuation			$97,075,784

Source: NYS Comptroller’s Office and NYS Office of Real Property Management

Debt Outstanding End of Fiscal Year

The following table sets forth the indebtedness of the Village.

As of May 31st.	2021	2022	2023	2024	2025
Bonds	$15,155,000	$13,865,000	$12,515,000	$11,140,000	$12,815,000
Installment Purchase Debt	1,173,292	978,915	1,223,655	1,119,604	1,040,238
Bond Anticipation Notes	0	0	8,375,000	21,875,000	20,435,000
Total Debt Outstanding	$16,328,292	$14,843,915	$22,113,655	$34,134,604	$34,290,238

Source: Village Audits.

Debt Statement Summary

Summary of Debt Limit, Total Gross Direct Indebtedness, Total Net Indebtedness and Net Debt-Contracting Margin, as of August 31, 2026:

Debt Contracting Limitation:		$97,075,784
Gross Direct Indebtedness		
Bonds:		
General Fund	6,005,000	
Water Fund	4,395,000	
Total Bonds		10,400,000
Bond Anticipation Notes:		
General Fund	3,935,000	
Water Fund	12,150,000	
Total Bond Anticipation Notes		16,085,000
Installment Purchase Debt:		
General Fund	912,380	
Water Fund	0	
Total Installment Purchase debt		912,380
Total Gross Indebtedness		27,397,380
Less Exclusions:		
Appropriations - General Fund:		
Bonds	270,000	
BANS	50,000	
Installment Purchase Debt	235,434	
Total Appropriations		555,434
Water Debt:		
Bonds	4,395,000	
BANS	12,150,000	
Installment Purchase Debt	0	
Total Excludable Debt		16,545,000
Total Exclusions:		17,100,434
Total Net Direct Indebtedness		$10,296,946
Net Debt Contracting Margin		$86,778,838
Percent of Debt-Contracting Power Exhausted		10.61%

The issuance of the Notes will increase the total net direct indebtedness of the Village by $1,500,000 and exhaust an additional 1.54% of its debt contracting power of the Village.

Bonded Debt Service

The below table reflects the debt service requirements to maturity on the Village's outstanding general obligation bonded debt as of August 31, 2026. (Figures rounded).

Fiscal Year Ended May 31st:	Principal	Interest	Total Principal and Interest
2027	$270,000	$211,603	$481,603
2028	885,000	305,140	1,190,140
2029	905,000	278,127	1,183,127
2030	905,000	250,501	1,155,501
2031	880,000	222,828	1,102,828
2032	880,000	194,800	1,074,800
2033	880,000	166,419	1,046,419
2034	295,000	147,194	442,194
2035	300,000	137,431	437,431
2036	305,000	127,544	432,544
2037	305,000	117,594	422,594
2038	310,000	107,581	417,581
2039	305,000	97,444	402,444
2040	310,000	87,581	397,581
2041	320,000	77,422	397,422
2042	325,000	66,962	391,962
2043	320,000	56,437	376,437
2044	325,000	46,047	371,047
2045	330,000	35,525	365,525
2046	195,000	24,871	219,871
2047	205,000	19,622	224,622
2048	210,000	14,175	224,175
2049	215,000	8,597	223,597
2050	220,000	2,888	222,888
TOTALS	$10,400,000	$2,804,333	$13,204,333

Debt Ratios

The following is a tabulation of certain debt ratios for the Village.

	2020
Population per 2020 US Census	8,466

Fiscal Year Ending May 31st:	2021	2022	2023	2024	2025	
Full Valuation ("FV")	$1,090,699,391	$1,211,607,613	$1,215,032,232	$1,395,559,262	$1,496,496,572	
Debt Data						
Gross Direct Debt	$16,328,291	$14,843,915	$22,001,067	$34,043,013	$34,290,236	(2)
Net Direct Debt	10,698,000	9,495,380	10,434,511	9,253,666	12,543,336	
Overlapping Debt (1)	29,952,129	33,534,984	31,820,337	30,594,323	30,596,601	
Net Direct and Overlapping Debt	40,650,129	43,030,364	42,254,848	39,847,989	43,139,937	
Debt Data per Capita						
Gross Direct Debt per Capita	$1,929	$1,753	$2,599	$4,021	$4,050	(2)
Net Direct Debt per Capita	1,264	1,122	1,233	1,093	1,482	
Net Direct and Overlapping Debt per Capita	4,802	5,083	4,991	4,707	5,096	
Debt Data per FV						
Gross Direct Debt per FV	1.50%	1.23%	1.81%	2.44%	2.29%	(2)
Net Direct Debt per FV	0.98%	0.78%	0.86%	0.66%	0.84%	
Net Direct and Overlapping Debt per FV	3.73%	3.55%	3.48%	2.86%	2.88%	

(1) As reported in the Village's Annual Financial Information and Operating Data Reports
(2) See "THE VILLAGE - Water System Capital Project Grants" herein.

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Table itself not audited

Capital Project Plans

The Village will have the following authorized and unissued debt after the issuance of the Notes:

Purposes	Date Authorized	Amount Authorized	Amount Issued	Amount Unissued	
Acquisition of two fire trucks	September 5, 2017	1,000,000	0	1,000,000	(1)
Improvements to the Village water system	May 4, 2015	3,195,000	1,525,000	1,670,000	
Improvements to the Village water system	November 15, 2021	7,994,000	6,150,000	1,844,000	(2)
		$12,189,000	$7,675,000	$4,514,000	

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(1) The Village entered into a lease purchase agreement for the acquisition of two fire trucks and therefore does not intend to issue debt pursuant to this resolution.
(2) See "THE VILLAGE - Water System Capital Project Grants" herein.

Estimated Overlapping Indebtedness

In addition to the Village, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Village.

Unit	Date of Report	Outstanding Indebtedness	Exclusions[1]	Net Indebtedness	% Within Village	Applicable Net Indebtedness
County of Nassau	3/31/25	$3,223,388,000	$331,005,000	2,892,383,000	0.52%	$15,040,392
Town of Oyster Bay	4/9/26	784,001,985	266,311,127	517,690,858	1.98%	10,250,279
Farmingdale UFSD	3/17/26	26,840,000	0	26,840,000	18.91%	5,075,444
					Total	$30,366,115

[1] Pursuant to applicable constitutional and statutory provisions this indebtedness is deductible from gross indebtedness for debt limit purposes.

Source: Annual Reports of the respective units for the most recently available fiscal year from the office of the NYS Comptroller or more recently published Official Statements.

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the Village default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts 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 note 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 Notes, 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 Notes from funds lawfully available therefor or, in the absence thereof, to order the Village to take all lawful action to 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 the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ 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 Notes 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 Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. 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 Notes 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 or notes 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 or notes 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 Notes. 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 Notes, 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 Notes 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 enacted legislation establishing financial control boards and fiscal stability authorities to monitor finance matters and restructure outstanding indebtedness 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 Notes 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 of 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.

LITIGATION

The Village is subject to a number of lawsuits in the ordinary conduct of its affairs. The Village does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Village. Numerous tax certiorari claims for refunds of prior year's property taxes are currently pending. The Village's tax certiorari counsel is of the opinion that the most significant cases against the Village have been resolved and the currently pending cases will have marginal impact on the Village's budget. (See "TAX INFORMATION - Tax Certiorari Matters" herein.)

OFFICE OF THE NEW YORK STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM

The New York State Comptroller has reported that New York State's municipalities and school districts 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, objective and quantifiable information to municipal and school district officials and the general public regarding the various levels of fiscal stress, under which the State's municipalities and school districts are operating.

The fiscal stress scores are calculated using financial data that is filed in annual update documents (AUDs) by each local government and in annual financial reports (ST-3s) for each school district. Using financial indicators that include year-end fund balances, cash positions, patterns of operating deficits and types of debt issuance, the system creates an overall fiscal stress score. The maximum fiscal stress score which can be assigned is 100%. Classifications are based on the following scores between: 100% to 65% - "significant fiscal stress," 64.9% to 55% - "moderate fiscal stress," 54.9% to 45% - "susceptible fiscal stress," and 44.9% to 0% - "no designation." A "no designation" 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, does not generate sufficient points to place them in one of the three established stress categories. (See also "FINANCIAL INFORMATION - New York State Comptroller's Office Fiscal Stress Designation" herein.)

A copy of the "Fiscal Stress Monitoring System Report" is available on the website of the Office of the New York State Comptroller, http://www.osc.state.ny.us. It is being provided for informational purposes only. The information or links contained therein or any other website, which might be contained herein, are not a part of this Official Statement, unless stated otherwise. Furthermore, reference to such website(s) implies no warranty to the accuracy of its content and that accessing such website(s) is void of cybersecurity risk.

RISK FACTORS

There are certain potential risks associated with an investment in the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The Village's credit rating could be affected by circumstances 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 Notes.

If and when an owner of any of the Notes should elect to sell a Note 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

Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Note 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 Notes. 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 Notes, 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 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 a public health emergency similar 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 therefore. 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. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the Village requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also "THE VILLAGE - 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 Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (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 Notes. (See "TAX INFORMATION - The 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 Notes.

LEGAL MATTERS

The legality of the authorization, sale and issuance of the Notes will be subject to the delivery of the approving legal opinion of Hawkins Delafield & Wood LLP, the form of which appears in "Appendix D" hereto.

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 Notes 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 Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the Village (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes 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 Notes, and Bond Counsel has assumed compliance by the Village with certain 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 Notes 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 Notes 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 Notes, 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 Notes.

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 Notes in order that interest on the Notes 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 Notes, 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 Notes 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 Notes 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 Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. 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 Notes. Prospective owners of the Notes 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 Notes 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 Note (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 scale of the Notes. In general, the issue price for each maturity of Notes 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 Notes having OID (a "Tax-Exempt Discount Note"), OID that has accrued and is properly allocable to the owners of the Tax-Exempt Discount Note 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 Notes.

In general, under Section 1288 of the Code, OID on a Tax-Exempt Discount Note 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 Tax-Exempt Discount Note. An owner's adjusted basis in a Tax-Exempt Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Tax-Exempt Discount Note. 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 Tax-Exempt Discount Note even though there will not be a corresponding cash payment.

Owners of Tax-Exempt Discount Notes 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 Tax-Exempt Discount Notes.

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 bond 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 "Tax-Exempt Premium Note"). In general, under Section 171 of the Code, an owner of a Tax-Exempt Premium Note must amortize the bond premium over the remaining term of the Tax-Exempt Premium Note, based on the owner's yield over the remaining term of the Tax-Exempt Premium Note, determined based on constant yield principles (in certain cases involving a Tax-Exempt Premium Note 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 Tax-Exempt Premium Note 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 Note, 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 Tax-Exempt Premium Note may realize a taxable gain upon disposition of the Tax-Exempt Premium Note even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Tax-Exempt Premium Note 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 Tax-Exempt Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Notes. 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 Note 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 Notes 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 Notes under federal or state law or otherwise prevent beneficial owners of the Notes 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 Notes.

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

BOND RATING

The Village has NOT applied for a credit rating in connection with the sale of the Notes.

The Village's uninsured outstanding bonds have an "AA+/Stable" Long Term rating assigned by S & P Global Ratings. An explanation of the significance of such rating, should be obtained from S & P Global Ratings, 55 Water Street, New York, New York 10041 (212) 438-2066.

On May 1, 2024 Moody's Investors Service ("Moody's") withdrew its previously assigned "Aa3" credit rating on the outstanding indebtedness of the Village in as much as such obligations had matured. An explanation of the significance of such rating should be obtained from Moody's Investors Services, Inc., 7 World Trade Center, New York, New York 10007 (212) 553-0300.

The rating(s) reflect only the view of such rating agencies. There can be no assurance that such rating will not be changed or withdrawn if, in the judgment of such rating agency, circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

DISCLOSURE UNDERTAKING

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, at the time of delivery of the Notes, the Village will provide an executed copy of its executed copy of its "Undertaking to Provide Notices of Events" for the Notes, substantially as set forth in "Appendix C", hereto.

Compliance History

On several occasions, the Village failed to file notices of the incurrence of a financial obligation within ten business days of their occurrence, as required by certain disclosure undertakings, when it entered into lease purchase agreements for various pieces of equipment. In each of these three instances, Material Event Notices - Incurrence of a Financial Obligation and Failure to Provide Notice were subsequently filed on September 2, 2021, November 1, 2022 and November 1, 2022.

As described in a material event notice filed by the Village on April 12, 2022, the Village failed to provide event filing information as required, in connection with the Moody's Investors Service rating upgrade of Assured Guaranty bond insurers on March 18, 2022. A notice of rating change was filed concurrently with the filing of such notice.

As described in a material event notice filed by the Village dated June 1, 2022, the Village failed to file its audited financial statements for the fiscal year ended May 31, 2021 as required. The Village's FY 2021 audit was filed on June 24, 2022.

MUNICIPAL ADVISOR

Liberty Capital Services, LLC, Garden City, New York (the "Municipal Advisor") has served as the independent Municipal Advisor to the Village in connection with this transaction.

The Municipal Advisor is a financial advisory and consulting firm and is not engaged in the business of public accounting, underwriting, marketing or trading of municipal securities or any other negotiated financial instrument(s) and therefore will not participate in the underwriting of the Notes for which this Official Statement has been prepared. The Municipal Advisor has not been engaged nor has audited, authenticated or otherwise verified the information provided by the Village, information available to the Village or other information from independent sources believed to be reliable and available to the Village and set forth in this Official Statement. No guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of information or any other matter related to such information and this Official Statement.

MISCELLANEOUS

The statements contained in this Official Statement and the appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," “illustrate,” “example,” and “continue,” or the singular, plural, negative or other derivations of these or other comparable terms. In addition, Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the Village assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material.

Neither this Official Statement nor any other statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

This Official Statement has been duly executed and delivered by the Village Treasurer of the Village of Farmingdale Additional information may be obtained from the office of the Village Treasurer, Village of Farmingdale, 361 Main Street, Farmingdale, N.Y. 11375, telephone number: (516) 249-0093 or the Village’s municipal advisor, Liberty Capital Services, LLC. 1205 Franklin Avenue (suite 335), Garden City, NY 11530, telephone number: (516) 877-0797.

Dated: Farmingdale, New York **/s/ Brian Harty**
September 8, 2026 **Village Treasurer**

Village of Farmingdale

APPENDIX A

Revenues, Expenditures and Fund Balances - General Fund

Year Ended May 31:	2021	2022	2023	2024	2025
REVENUES					
Real Property Taxes and Tax Items	$4,096,572	$4,250,267	$4,365,927	$4,496,342	$4,541,125
Non-Property Tax Items	421,656	414,411	419,978	377,598	422,360
Departmental Income	395,683	480,784	658,848	1,008,574	1,287,183
Intergovernmental Charges	113,375	110,113	129,177	78,019	115,675
Fines and Forfeitures	179,419	423,217	975,082	1,138,565	1,159,213
Use of Money and Property	653,359	84,291	473,801	916,209	585,254
Licenses and Permits	207,196	174,906	143,757	110,370	142,490
Sale of Property and Compensation for Loss	107,497	13,032	64,348	32,452	78,027
Federal, State and Local Aid	359,238	543,615	687,205	267,628	217,894
Miscellaneous	36,889	100,571	34,485	16,417	27,077
Total Revenues	6,570,884	6,595,207	7,952,608	8,442,174	8,576,298
EXPENDITURES					
General Government Support	1,210,560	1,280,397	1,608,909	1,747,277	2,069,648
Public Safety	800,136	878,516	1,407,932	1,314,543	1,204,726
Transportation	1,026,421	1,021,472	1,130,971	1,119,378	1,135,953
Economic Assistance and Opportunity	27,589	35,590	28,836	39,921	47,851
Culture & Recreation	149,374	434,958	153,514	261,983	449,353
Home & Community Services	120,339	120,520	147,739	161,653	162,523
Employee Benefits	1,291,589	1,325,896	1,305,749	1,476,418	1,629,510
Debt Service	1,495,933	1,481,885	1,560,990	1,767,712	1,650,527
Total Expenditures	6,121,941	6,579,234	7,344,640	7,888,885	8,350,091
Excess of Revenues over (under) Expenditures	448,943	15,973	607,968	553,289	226,207
Other Financing Sources (Uses):					
Operating Transfers In	152,798	0	46,450	14,294	197,999
Operating Transfers Out	(81,754)	(92,040)	0	0	(373,843)
Premiums on obligations	0	0	0	0	0
Total Other Financing Sources (Uses)	71,044	(92,040)	46,450	14,294	(175,844)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	519,987	(76,067)	654,418	567,583	50,363
Fund Balance Beginning of Year	6,246,669	6,733,340	6,657,273	7,311,691	7,879,274
Fund Balance as Restated	6,213,353				
Fund Balance End of Year	$6,733,340	$6,657,273	$7,311,691	$7,879,274	$7,929,637

Source: Audited financial statements of the Village of Farmingdale. Summary itself not audited.

Village of Farmingdale **APPENDIX A-1**

Comparison of Budget and Actual Results - General Fund

Year Ended May 31:	2025		2026	2027
REVENUES	Original Budget	Actual	Adopted Budget	Adopted Budget
Real Property Taxes and Tax Items	$4,536,489	$4,541,125	$4,693,023	$4,800,919
Non-Property Tax Items	447,000	422,360	435,000	435,000
Departmental Income	721,100	1,287,183	1,211,600	1,278,600
Intergovernmental Charges	310,000	115,675	115,000	125,000
Use of Money and Property	157,590	585,254	144,250	150,000
Licenses and Permits	120,860	142,490	128,360	119,360
Fines and Forfeitures	969,842	1,159,213	970,000	1,020,000
Sale of Property and Compensation for Loss	500	78,027	500	500
Federal, State and Local Aid	268,902	217,894	340,902	355,362
Other	26,500	27,077	16,000	17,000
Total Revenues	7,558,783	8,576,298	8,054,635	8,301,741
Appropriated Fund Balance	49,295	0	345,000	362,314
Total Revenues and Appropriated Fund Balance	7,608,078	8,576,298	8,399,635	8,664,055
EXPENDITURES				
General Governmental Support	1,979,345	2,069,648	2,080,400	2,064,350
Public Safety	1,195,629	1,204,726	1,116,275	1,205,355
Transportation	978,650	1,135,953	1,068,600	1,128,850
Economic Assistance and Opportunity	38,300	47,851	33,300	37,700
Culture & Recreation	218,674	449,353	242,500	264,200
Home & Community Service	153,250	162,523	157,500	173,000
Employee Benefits	1,635,690	1,629,510	1,771,600	1,850,430
Debt Service	1,546,148	1,650,527	1,861,100	1,880,810
Total Expenditures	7,745,686	8,350,091	8,331,275	8,604,695
Excess of Revenues Over (under) Expenditures	(137,608)	226,207	68,360	59,360
Other Financing Sources (Uses):				
Prior year encumbrances	205,968	0	0	0
Operating Transfers Out	(68,360)	(373,843)	(68,360)	(59,360)
Operating Transfers In	0	197,999	0	0
Total Other Financing Sources (Uses)	137,608	(175,844)	(68,360)	(59,360)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$0	$50,363	$0	$0

Source: Audited financial statements of the Village of Farmingdale. Summary itself not audited.

Village of Farmingdale **APPENDIX A-2**

Balance Sheets - General Fund

As of May 31:	2021	2022	2023	2024	2025
ASSETS					
Cash and Investments	$4,405,082	$4,632,379	$2,523,573	$2,679,154	$3,689,439
Restricted Cash	191,282	181,774	164,190	135,266	195,387
Investments	0	0	3,482,262	2,852,738	1,560,565
Service award program asset investments	2,325,797	2,296,876	2,357,807	2,744,365	3,011,375
Property Tax Receivable	104,399	147,477	151,890	143,842	158,851
Accounts Receivable	71,412	99,939	78,540	96,194	107,530
Federal and State Aid Receivable	0	0	131,069	20,741	28,026
Leases Receivable	0	0	1,836,991	1,731,809	0
Due from Other Funds	373,726	373,029	93,628	177,012	107,525
Due from Other Governments	143,570	749,862	111,941	144,996	212,258
Prepaid Expenses	84,490	69,595	105,006	103,736	91,775
TOTAL ASSETS	$7,699,758	$8,550,931	$11,036,897	$10,829,853	$9,162,731
LIABILITIES					
Accounts Payable and Accrued Liabilities	146,397	173,571	308,077	281,294	260,454
Due to Other Funds	0	255,831	137,065	31,795	296,135
Due to Other Governments	36,941	27,688	32,466	40,575	47,562
Due to Business Improvement District	34,605	0	0	0	0
Bid and Security Deposits	252,426	83,427	0	0	0
Total Liabilities	470,369	540,517	477,608	353,664	604,151
DEFERRED INFLOWS OF RESOURCES					
Property Taxes for Subsequent Fiscal Year	299,893	201,822	299,986	403,551	310,329
American Rescue Act Funding	0	923,279	923,279	287,633	0
Leases Related	0	0	1,789,368	1,640,295	0
Deferred Grant Revenue	0	0	0	0	41,046
Unavailable Revenue	196,156	228,040	234,965	265,436	277,568
Total Deferred Inflows of Resources	496,049	1,353,141	3,247,598	2,596,915	628,943
Total Liabilities and Deferred Inflows of Resources	966,418	1,893,658	3,725,206	2,950,579	1,233,094
FUND EQUITY					
Fund Balances:					
Nonspendable	84,490	69,595	105,006	103,736	91,775
Restricted	2,517,079	2,478,650	2,521,997	2,879,631	3,206,762
Assigned	1,581,659	1,966,230	1,646,780	1,666,109	1,901,046
Unassigned	2,550,112	2,142,798	3,037,908	3,229,798	2,730,054
TOTAL FUND EQUITY (DEFICIT)	6,733,340	6,657,273	7,311,691	7,879,274	7,929,637
TOTAL LIABILITIES, DEFERRED REVENUE AND FUND EQUITY	$7,699,758	$8,550,931	$11,036,897	$10,829,853	$9,162,731

Source: Audited financial statements of the Village of Farmingdale. Summary itself not audited.

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APPENDIX B

INCORPORATED VILLAGE OF FARMINGDALE

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
IN CONNECTION WITH THE UNIFORM GUIDANCE

AS OF AND FOR THE YEAR ENDED
MAY 31, 2025

TOGETHER WITH AUDITOR'S REPORTS

"Such Financial Statements w/ Notes, Management's Discussion and Analysis, and Supplementary Information together with Auditor's Reports were prepared as of the date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of the Official Statement."

INCORPORATED VILLAGE OF FARMINGDALE

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
IN CONNECTION WITH THE UNIFORM GUIDEANCE

AS OF AND FOR THE YEAR ENDED
MAY 31, 2025

TOGETHER WITH AUDITOR'S REPORTS

INCORPORATED VILLAGE OF FARMINGDALE
INDEX TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
MAY 31, 2025

NawrockiSmith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Incorporated Village of Farmingdale:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the fiduciary fund of the Incorporated Village of Farmingdale (the "Village") as of and for the year ended May 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the fiduciary fund of the Village, as of May 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 3 to the financial statements, in fiscal 2025 the Village adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*. The implementation of this standard did not require a restatement to the Village's financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 the Village's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 on pages 4-14 and 55-60, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2026, 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 Village's internal control over financial reporting and compliance.

Hauppauge, New York
May 18, 2026

Nawrocki Smith LLP

The following is a discussion and analysis of the Incorporated Village of Farmingdale's (the "Village") financial performance for the year ended May 31, 2025. This section is a summary of the Village's financial activities based on currently known facts, decisions or conditions. It is also based on both the Village-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Village's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- For the year ended May 31, 2025, the Village implemented the Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*. The implementation of this standard did not require a restatement to the Village's financial statements.

- The Village's governmental activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $19,967,748 (total net position). This consists of $15,820,654 invested in capital assets, net of related debt, $5,037,494 restricted for various purposes, and an unrestricted deficit position of $890,400.

- The Village's net position increased $5,796,048 in 2025.

- The Village's total outstanding bonded indebtedness increased $1,675,000 as a result of current year bond issuance offset by debt service payments.

- Total Village revenues from governmental activities increased $3,213,542 primarily due to increased charges for services and capital grants, offset by a decrease in use of money and property. Expenses increased $759,681 primarily due to increases in general government expenses and debt service payments, offset by decreases in public safety and transportation.

- The Village's General Fund fund balance increased $50,363, compared to an increase of $567,583 in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: the basic financial statements and required supplementary information (including this section; "MD&A"). The financial statements include two kinds of financial statements that present different views of the Village:

- The first two financial statements are *Village-wide financial statements* that provide both *short-term* and *long-term* information about the Village's *overall* financial status.

- The remaining financial statements are *fund financial statements* that focus on *individual parts* of the Village, reporting the Village's operations in *more detail* than the Village-wide financial statements.

    - The *fund financial statements* tell how programs were financed in the *short-term* as well as what remains for future spending.

    - *Fiduciary Fund financial statements* provide information about the financial relationships in which the Village acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Village's budget for the General Fund and Water Fund for the year.

Table A-1 summarizes the major features of the Village's financial statements, including the portion of the Village's activities they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the financial statements.

Table A-1: Major Features of the Village-Wide and Fund Financial Statements

	Village-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Village (except fiduciary funds)	The activities of the Village that are not proprietary or fiduciary	Instances in which the Village administers resources on behalf of someone else
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter, no capital assets, or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities and deferred inflows of resources (if any), both short-term and long-term, funds do not currently contain capital assets, although they can
Type of outflow/inflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Village-Wide Financial Statements

The Village-wide financial statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Village's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two Village-wide financial statements report the Village's *net position* and how they have changed. Net position - the difference between the Village's assets, deferred outflows of resources, liabilities and deferred inflows of resources - is one way to measure the Village's financial health or *position*.

- Over time, increases or decreases in the Village's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the Village's overall health, you need to consider additional non-financial factors such as availability of federal funding and the condition of buildings and other facilities.

In the Village-wide financial statements, the Village's activities are shown as *governmental activities*; most of the Village's basic services are included here. Property taxes and charges for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Village's funds, focusing on its most significant or "major" funds - not the Village as a whole. Funds are accounting devices the Village uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.

- The Village establishes other funds to control and to manage money for particular purposes or to show that it is properly using certain revenues (such as Federal grants).

The Village has two kinds of funds:

- Governmental funds: Most of the Village's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the fund financial statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the additional long-term focus of the Village-wide financial statements, reconciliations of the Village-wide and fund financial statements are provided which explain the relationship (or differences) between them.

- Fiduciary funds: The Village is the trustee or fiduciary, for assets that belong to others. The Village is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The Village excludes these activities from the Village-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Financial Highlights:

Net position:

The Village's total assets and deferred outflows of resources on May 31, 2025 were $72,950,991, an increase of $6,900,198 over the prior year. Total liabilities and deferred inflows of resources were $52,983,243, an increase of $1,104,150 from the prior year. The result is a net position of $19,967,748, an increase of $5,796,048 over the prior year.

- Working capital of $5,905,748 as of May 31, 2025, as compared with working capital of $11,586,914 in 2024.

- Net position increased $5,796,048 for the year ended May 31, 2025. The increase is primarily the result of increased charges for services and capital grants as compared to the prior year.

Table A-2: Condensed Statements of Net Position - Governmental Activities

	5/31/2025	5/31/2024	$ Change	% Change
Current and other assets	$ 20,235,046	$ 18,533,782	$ 1,701,264	9.2
Capital assets, net	51,661,185	45,781,348	5,879,837	12.8
Total assets	$ 71,896,231	$ 64,315,130	$ 7,581,101	11.8
Deferred outflows of resources	$ 1,054,760	$ 1,735,663	$ (680,903)	(39.2)
Current liabilities	$ 12,590,707	$ 10,631,057	$ 1,959,650	18.4
Noncurrent liabilities	36,567,519	38,404,040	(1,836,521)	(4.8)
Total liabilities	$ 49,158,226	$ 49,035,097	$ 123,129	0.3
Deferred inflows of resources	$ 3,825,017	$ 2,843,996	$ 981,021	34.5
Net position:				
Net investment in capital assets	$ 15,820,654	$ 11,460,696	$ 4,359,958	38.0
Restricted	5,037,494	4,920,376	117,118	2.4
Unrestricted	(890,400)	(2,209,372)	1,318,972	59.7
Total net position	$ 19,967,748	$ 14,171,700	$ 5,796,048	40.9

Change in Net Position

The Village's program revenues for the year ended May 31, 2025 were $9,933,853, an increase of $3,271,732 from 2024, which is due to increases in charges for services and capital grants, offset by a decrease in operating grants (see Table A-3 below). Total revenues were $17,687,531, which is an increase of $3,213,542. Expenses increased $759,681 primarily as a result of increases in general government and debt service payments, offset by a decrease in transportation. This resulted in an increase in net position for the year ended May 31, 2025 of $5,796,048. The table below outlines a comparison of revenues and expenses for the Village for the years ended May 31, 2025 and 2024:

Table A-3: Changes in Net Position from Operating Results - Governmental Activities Only

	5/31/2025	5/31/2024	$ Change	% Change
Revenues				
Program revenues:				
Charges for services	$ 4,910,871	$ 4,105,710	$ 805,161	19.6
Operating grants	122,092	209,132	(87,040)	(41.6)
Capital grants	4,900,890	2,347,279	2,553,611	108.8
General revenues:				
Real property taxes	4,277,327	4,235,793	41,534	1.0
Other tax items	263,798	260,549	3,249	1.2
Non-property tax items	453,895	502,059	(48,164)	(9.6)
Use of money and property	1,155,689	1,293,232	(137,543)	(10.6)
Sale of property and compensation for loss	1,066,345	1,120,416	(54,071)	(4.8)
Mortgage and other taxes	185,218	152,373	32,845	21.6
Other	351,406	247,446	103,960	42.0
Total revenues	17,687,531	14,473,989	3,213,542	22.2
Expenses				
General government	3,044,143	2,470,488	573,655	23.2
Public safety	2,075,387	2,208,028	(132,641)	(6.0)
Transportation	2,423,303	2,955,236	(531,933)	(18.0)
Economic opportunity and assistance	86,639	118,339	(31,700)	(26.8)
Culture and recreation	482,862	322,081	160,781	49.9
Home and community services	2,393,992	2,255,221	138,771	6.2
Debt service - interest	1,385,157	802,409	582,748	72.6
Total expenses	11,891,483	11,131,802	759,681	6.8
Change in net position	5,796,048	3,342,187	2,453,861	73.4
Total net position, beginning of year	14,171,700	10,829,513	3,342,187	30.9
Total net position, end of year	$ 19,967,748	$ 14,171,700	$ 5,796,048	40.9

Significant elements of the changes in Village-wide revenues and expenses were as follows:

- Charges for services increased $805,161, primarily due to increases in various categories of fees, fines and forfeitures.
- Capital grants increased $2,553,611 due to additional state grants being received related to ongoing capital projects.
- Public safety and transportation decreased primarily due to a decrease in equipment purchases and related items.

Table A-4: Sources of Revenues for Fiscal Year 2025

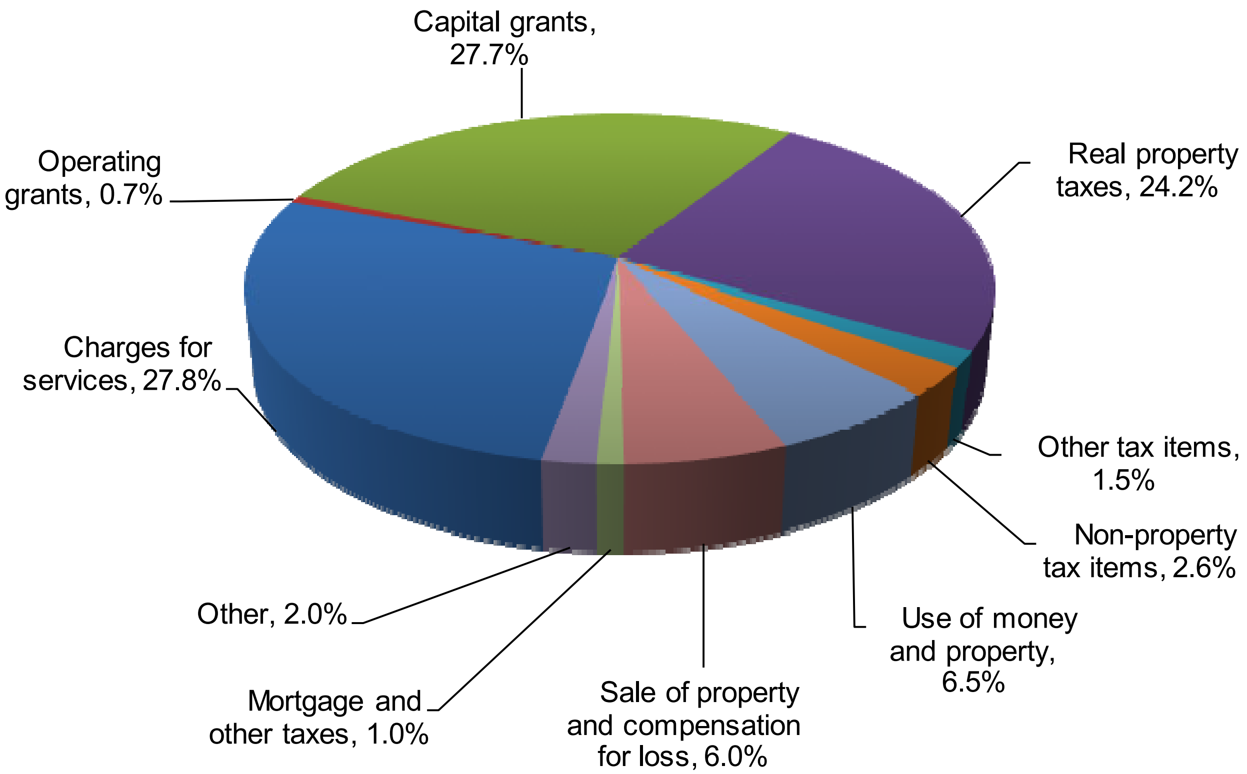


Table A-5: Sources of Revenues for Fiscal Year 2024

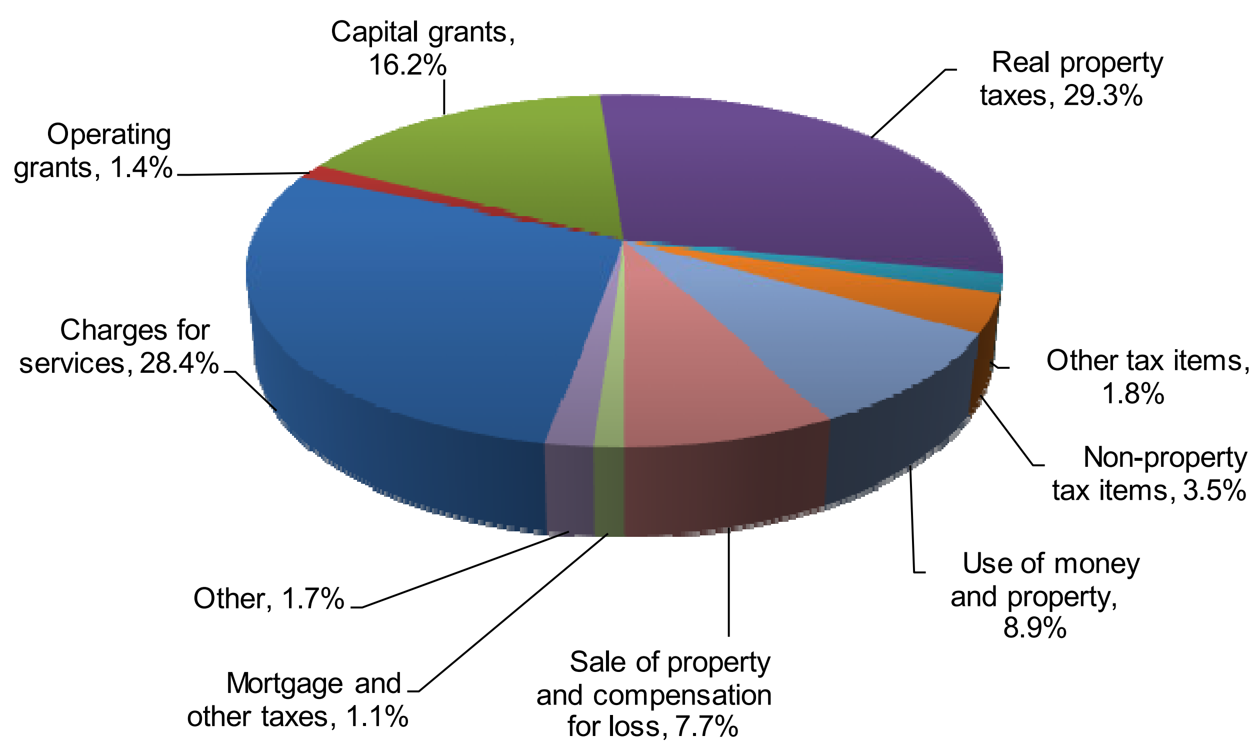


Table A-6: Sources of Expenses for Fiscal Year 2025

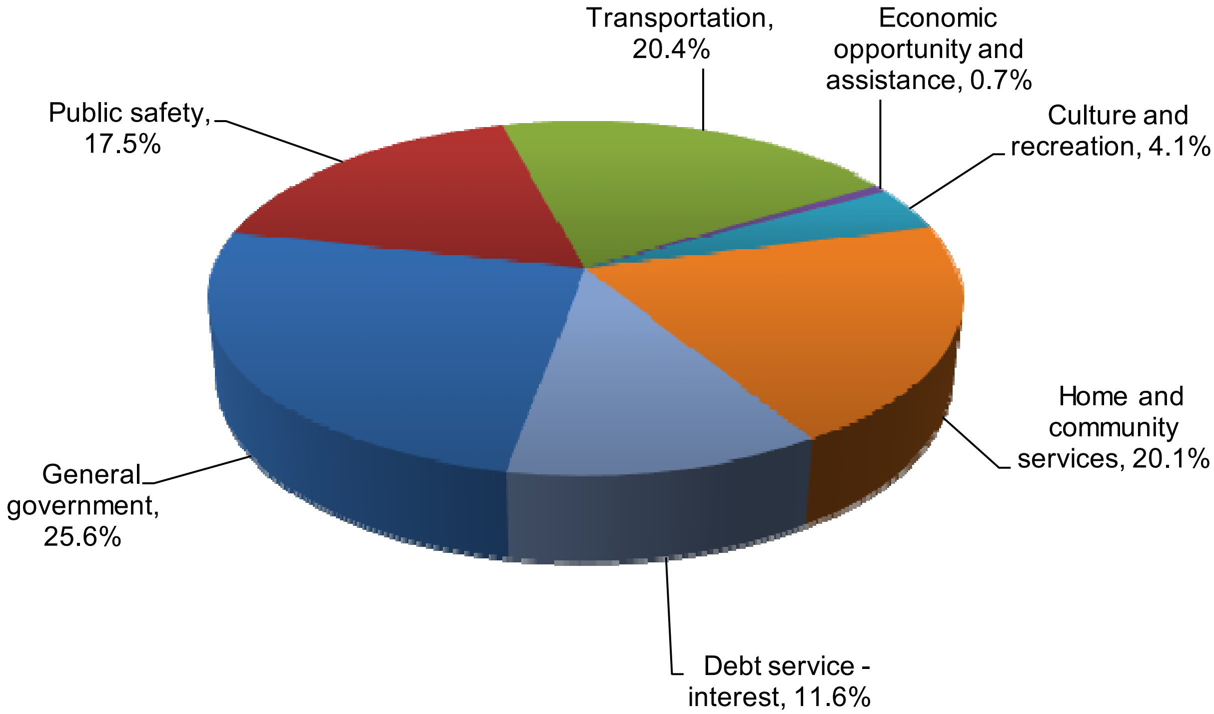
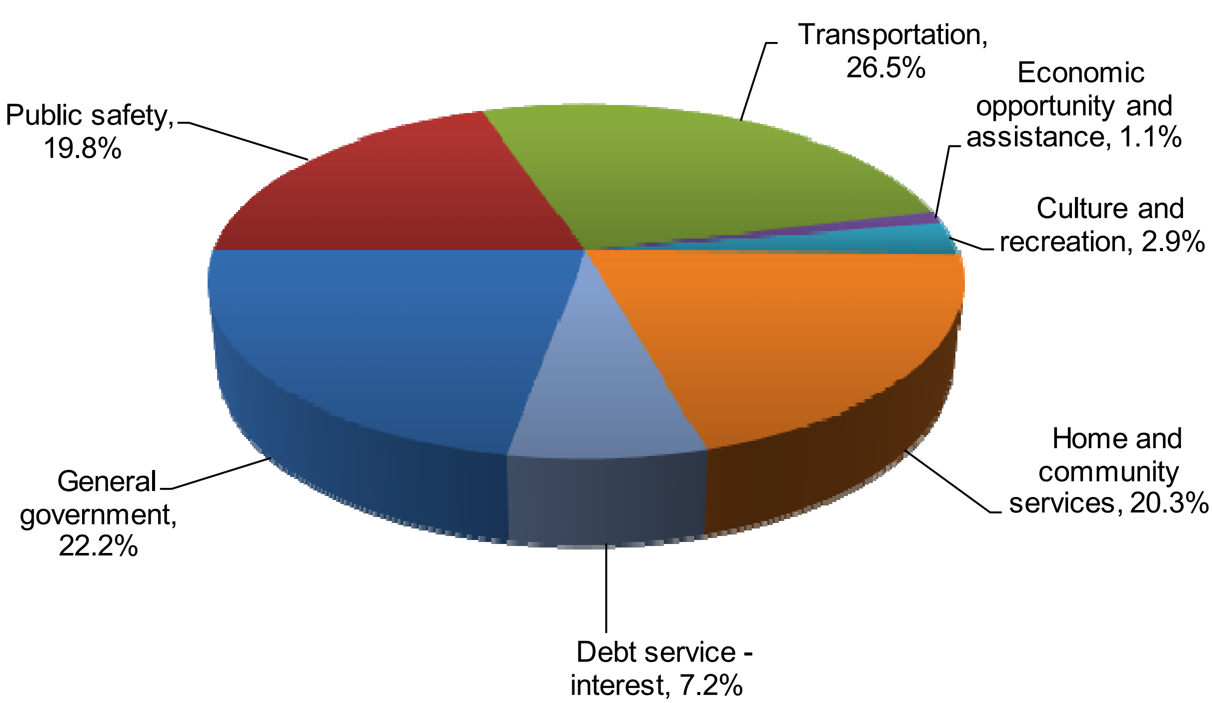


Table A-7: Sources of Expenses for Fiscal Year 2024



Governmental Activities

Revenues for the Village's governmental activities were consistent with the Village-wide operating results. Governmental expenditures exceed Village-wide expenditures due principally to payment for capital assets and long-term debt.

Substantially all of the Village's revenues are generated through real property taxes, charges for services, non-property tax items, operating grants and capital grants.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

Variances between years for the fund financial statements are not the same as variances between years for the Village-wide financial statements. The Village's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets and the current payments for debt.

The Village's fund financial statements show the following variations year over year:

- General Fund total assets decreased $1,667,122. The decrease was primarily due to decreases in investments and leases offset by increases in cash and service award program asset investments.

- General Fund total liabilities increased $250,487 primarily due to an increase in due to other funds.

- General Fund reported an excess of revenues over expenditures, before other financing sources (uses), of $226,207, compared to $553,289 in 2024. Total change in fund balance including all sources was an increase of $50,363, compared to an increase of $567,583 in the previous year.

- General Fund revenues increased $134,124 primarily due to increased non-property tax items and departmental income, offset by decrease in use of money and property.

- General Fund expenditures increased $461,206 primarily due to increases in general government, culture and recreation and employee benefits expenses.

- General Fund other financing sources (uses) were ($175,844) as a result of transfers out to the Capital Projects Fund.

- Water Fund total assets increased $2,864,013 as a result of increases in investments, accounts receivable and leases.

- Water Fund total liabilities increased $7,780 as a result of an increase in due to other funds.

- Water Fund reported an excess of revenues over expenditures, before other financing sources (uses), of ($2,724,457), compared to $968,629 in 2024. Total change in fund balance including all sources was an increase of $328,915, compared to an increase of $1,184,098 in the previous year.

- Capital Projects Fund expenditures were $6,537,373, a decrease of $7,734,108 due to decreased capital projects activity throughout the Village.

As of May 31, 2025, the Village's governmental funds had a combined fund balance of $12,198,129, which is an increase of $60,787 from the previous year. Fund balances for the Village's governmental funds for the past two years were distributed as follows:

Table A-8: Fund Balances - Governmental Funds

	5/31/2025	5/31/2024	$ Change	% Change
General Fund	$ 7,929,637	$ 7,879,274	$ 50,363	0.6
Water Fund	2,605,746	2,276,831	328,915	14.4
Community Development Fund	(1,238)	(28,300)	27,062	95.6
Capital Projects Fund	1,663,984	2,009,537	(345,553)	(17.2)
Total fund balance	$ 12,198,129	$ 12,137,342	$ 60,787	0.5

Budgetary Highlights

Reference is made to the budget vs. actual schedules on pages 55 and 56 which presents budget and actual results for the Village's General Fund and Water Fund.

- Actual revenues (before appropriations of fund balance) in the General Fund were more than budgeted revenues by $334,035 primarily due to greater than expected revenues in use of money and property.

- Actual expenditures in the General Fund were less than budgeted by $2,101 (including encumbrances of $246,378) due to less than anticipated spending in employee benefits.

- Actual revenues in the Water Fund were more than budgeted by $635,609 due to more use of money and property than anticipated as well as sale of property and compensation for loss that was not budgeted for.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of 2025, the Village had invested $51,661,185, net of depreciation, in a broad range of capital assets.

Table A-9: Capital Assets (net of depreciation)

	5/31/2025	5/31/2024	$ Change	% Change
Land	$ 2,702,470	$ 2,702,470	$ -	-
Construction in progress	14,325,661	14,670,893	(345,232)	(2.4)
Buildings	8,464,904	7,757,636	707,268	9.1
Improvements, other than buildings	1,414,842	1,395,918	18,924	1.4
Furniture and equipment	2,236,215	2,332,983	(96,768)	(4.1)
Roads, curbs, sidewalks and drainage	13,084,208	13,553,053	(468,845)	(3.5)
Water mains	9,432,885	3,368,395	6,064,490	180.0
Totals	$ 51,661,185	$ 45,781,348	$ 5,879,837	12.8

Long-Term Liabilities

At year-end, the Village had $43,628,957 in general obligation bonds and other long-term liabilities.

Table A-10: Outstanding Long-Term Liabilities

	5/31/2025	5/31/2024	$ Change	% Change
Bonds payable, net	$ 12,855,548	$ 11,193,954	$ 1,661,594	14.8
Bond anticipation note	16,900,000	19,030,000	(2,130,000)	(11.2)
Installment purchase debt	1,040,238	1,119,604	(79,366)	(7.1)
Compensated absences	214,348	192,243	22,105	11.5
Judgments and claims payable	11,350	64,929	(53,579)	(82.5)
Net pension liability - ERS	989,125	947,404	41,721	4.4
Total OPEB liability	8,190,437	7,633,887	556,550	7.3
Total pension liability - LOSAP	3,427,911	3,483,875	(55,964)	(1.6)
Totals	$ 43,628,957	$ 43,665,896	$ (36,939)	(0.1)

FACTORS BEARING ON THE FUTURE OF THE VILLAGE

At the time these financial statements were prepared, the Village was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The future success of the Village and its programs are generally dependent on the ability to collect real property taxes.

- The "Tax Levy Limitation Law" which was enacted on June 24, 2011 restricts the amount of property taxes that may be levied by or on behalf of a Village in a particular year. Although there are exceptions, exemptions and overrides to the limitation, the Law is expected to make budgetary decisions more difficult.

- The possibility of New York State allowing for the establishment of other post-employment benefit reserve funds is being discussed in the legislature. This would allow for the Village to set aside monies to meet other post-employment retirement benefits such as health insurance. The establishment of that reserve would increase the Village's ability to plan for the future.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Village's citizens, taxpayers, customers and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

Incorporated Village of Farmingdale
Village Hall
361 Main Street
Farmingdale, New York 11735
(516) 249-0093

INCORPORATED VILLAGE OF FARMINGDALE
STATEMENT OF NET POSITION
MAY 31, 2025

ASSETS	
Cash:	
Unrestricted	$ 3,831,073
Restricted	466,956
Investments	8,932,002
Service award program assets	3,011,375
Receivables:	
Property taxes receivable	158,851
Accounts receivable	1,556,797
State and federal aid	28,026
Leases	1,919,557
Due from other governments	222,985
Prepaid expenses	107,424
Capital assets:	
Non-depreciable capital assets	17,028,131
Depreciable capital assets, net	34,633,054
Total assets	71,896,231
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	536,143
LOSAP related	518,617
Total deferred outflows of resources	1,054,760
LIABILITIES	
Payables:	
Accounts payable	852,954
Accrued expenses	52,249
Bond anticipation note	3,535,000
Accrued interest payable	114,742
Due to other governments	56,576
Retainage payable	917,748
Liabilities due within one year:	
Bond anticipation note	5,050,000
Bonds payable, net	1,348,406
Installment purchase debt	340,806
Compensated absences	21,435
Total OPEB liability	300,791
Liabilities due in more than one year:	
Bond anticipation note	11,850,000
Bonds payable, net	11,507,142
Installment purchase debt	699,432
Compensated absences	192,913
Judgments and claims payable	11,350
Total OPEB liability	7,889,646
Net pension liability - proportionate share	989,125
Total pension liability - LOSAP	3,427,911
Total liabilities	49,158,226
DEFERRED INFLOWS OF RESOURCES	
Property taxes for subsequent fiscal year	310,329
Deferred grant revenue	12,500
Leases related	1,784,912
Pension related	82,693
LOSAP related	1,634,583
Total deferred inflows of resources	3,825,017
NET POSITION	
Net investment in capital assets	15,820,654
Restricted:	
Debt service	307,577
Service award program	3,011,375
Parkland Trust	54,558
Capital improvements	1,663,984
Unrestricted	(890,400)
Total net position	$ 19,967,748

The accompanying notes are an integral
part of this statement.

INCORPORATED VILLAGE OF FARMINGDALE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
Functions and programs:					
Primary government -					
General government	$ 3,044,143	$ 13,992	$ -	$ -	$ (3,030,151)
Public safety	2,075,387	1,944,799	68,902	-	(61,686)
Health	-	6,210	-	-	6,210
Transportation	2,423,303	586,145	-	453,837	(1,383,321)
Economic opportunity and assistance	86,639	-	48,370	-	(38,269)
Culture and recreation	482,862	-	-	-	(482,862)
Home and community services	2,393,992	2,359,725	4,820	4,447,053	4,417,606
Debt service - interest	1,385,157	-	-	-	(1,385,157)
Total primary government	$ 11,891,483	$ 4,910,871	$ 122,092	$ 4,900,890	(1,957,630)
General revenues:					
Real property taxes					4,277,327
Other tax items					263,798
Non-property tax items					453,895
Use of money and property					1,155,689
Sale of property and compensation for loss					1,066,345
Mortgage and other taxes					185,218
Other					351,406
Total general revenues					7,753,678
Change in net position					5,796,048
Total net position, beginning of year					14,171,700
Total net position, end of year					$ 19,967,748

The accompanying notes are an integral part of this statement.

INCORPORATED VILLAGE OF FARMINGDALE
BALANCE SHEET - GOVERNMENTAL FUNDS
MAY 31, 2025

	Major Funds				
		Special Revenue			
	General	Water	Community Development	Capital Projects	Total Governmental Funds
ASSETS					
Cash:					
Unrestricted	$ 3,689,439	$ 141,634	$ -	$ -	$ 3,831,073
Restricted	195,387	-	-	271,569	466,956
Investments	1,560,565	2,094,604	-	5,276,833	8,932,002
Service award program asset investments	3,011,375	-	-	-	3,011,375
Receivables:					
Property taxes	158,851	-	-	-	158,851
Accounts receivable	107,530	1,446,368	2,899	-	1,556,797
State and federal aid	28,026	-	-	-	28,026
Leases	-	1,919,557	-	-	1,919,557
Due from other governments	212,258	-	10,727	-	222,985
Due from other funds	107,525	39,408	-	274,321	421,254
Prepaid expenses	91,775	15,649	-	-	107,424
Total assets	$ 9,162,731	$ 5,657,220	$ 13,626	$ 5,822,723	$ 20,656,300
LIABILITIES					
Payables:					
Accounts payable	$ 215,542	$ 44,176	$ 1,239	$ 591,997	$ 852,954
Accrued expenses	44,912	7,337	-	-	52,249
Bond anticipation note	-	-	-	3,535,000	3,535,000
Due to other governments	47,562	9,014	-	-	56,576
Due to other funds	296,135	95,389	10,488	19,242	421,254
Total liabilities	604,151	155,916	11,727	4,146,239	4,918,033
DEFERRED INFLOWS OF RESOURCES					
Property taxes for subsequent fiscal year	310,329	-	-	-	310,329
Unavailable revenue	277,568	1,110,646	3,137	-	1,391,351
Deferred grant revenue	41,046	-	-	12,500	53,546
Leases related	-	1,784,912	-	-	1,784,912
Total deferred inflows of resources	628,943	2,895,558	3,137	12,500	3,540,138
Total liabilities and deferred inflows of resources	1,233,094	3,051,474	14,864	4,158,739	8,458,171
FUND BALANCE					
Nonspendable	91,775	15,649	-	-	107,424
Restricted	3,206,762	166,748	-	1,663,984	5,037,494
Assigned	1,901,046	2,423,349	-	-	4,324,395
Unassigned	2,730,054	-	(1,238)	-	2,728,816
Total fund balance	7,929,637	2,605,746	(1,238)	1,663,984	12,198,129
Total liabilities, deferred inflows of resources and fund balance	$ 9,162,731	$ 5,657,220	$ 13,626	$ 5,822,723	$ 20,656,300

The accompanying notes are an integral
part of this balance sheet.

INCORPORATED VILLAGE OF FARMINGDALE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MAY 31, 2025

Total Fund Balance - Governmental Funds		$ 12,198,129
Amounts reported for governmental activities in the Statement of Net Position are different due to the following:		
Capital assets less accumulated depreciation are included in the Statement of Net Position:		
Capital assets:		
Non-depreciable	$ 17,028,131	
Depreciable	75,596,432	
Accumulated depreciation	(40,963,378)	51,661,185
Revenues that do not meet the availability criteria under the modified accrual basis of accounting are included in the Statement of Net Position.		1,432,397
Long-term liabilities applicable to the Village's governmental activities that are not due and payable in the current period and accordingly are not reported in the governmental fund financial statements. However, these liabilities are included in the Statement of Net Position:		
Bond anticipation note	(16,900,000)	
Bonds payable, net	(12,855,548)	
Installment purchase debt	(1,040,238)	
Retainage payable	(917,748)	
Compensated absences	(214,348)	
Judgments and claims payable	(11,350)	(31,939,232)
Proportionate share of long-term liability, deferred outflows of resources and deferred inflows of resources associated with participation in the State retirement system are not current financial resources or obligations and are not reported in the governmental funds:		
Deferred outflows of resources - pension related	536,143	
Net pension liability - proportionate share	(989,125)	
Deferred inflows of resources - pension related	(82,693)	(535,675)
Total OPEB liability, deferred outflows of resources and deferred inflows of resources associated with the total OPEB liability are not current financial resources or obligations and are not reported in the governmental funds:		
Total OPEB liability		(8,190,437)
Total pension liability related to LOSAP, deferred outflows of resources and deferred inflows of resources associated with the LOSAP are not current financial resources or obligations and are not reported in the governmnetal funds:		
Deferred outflows of resources - LOSAP	518,617	
Total pension liability - LOSAP	(3,427,911)	
Deferred inflows of resources - LOSAP	(1,634,583)	(4,543,877)
Interest payable applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported in the governmental fund financial statements. However, these liabilities are included in the Statement of Net Position.		(114,742)
Net Position - Governmental Activities		$ 19,967,748

The accompanying notes are an integral
part of this statement.

INCORPORATED VILLAGE OF FARMINGDALE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MAY 31, 2025

	Major Funds				
		Special Revenue			
	General	Water	Community Development	Capital Projects	Total Governmental Funds
REVENUES					
Real property taxes	$ 4,277,327	$ -	$ -	$ -	$ 4,277,327
Other tax items	263,798	-	-	-	263,798
Non-property tax items	422,360	-	-	-	422,360
Departmental income	1,287,183	2,198,960	-	-	3,486,143
Intergovernmental charges	115,675	-	-	-	115,675
Fines and forfeitures	1,159,213	-	-	-	1,159,213
Use of money and property	585,254	570,435	-	-	1,155,689
Licenses and permits	142,490	7,350	-	-	149,840
State and local aid	217,894	-	-	3,453,837	3,671,731
Federal aid	-	-	48,370	1,447,053	1,495,423
Sale of property and compensation for loss	78,027	293,144	-	-	371,171
Miscellaneous	27,077	-	3,680	-	30,757
Total revenues	8,576,298	3,069,889	52,050	4,900,890	16,599,127
EXPENDITURES					
Current:					
General government	2,069,648	-	-	-	2,069,648
Public safety	1,204,726	-	-	-	1,204,726
Transportation	1,135,953	-	-	-	1,135,953
Economic opportunity and assistance	47,851	-	38,788	-	86,639
Culture and recreation	449,353	-	-	-	449,353
Home and community services	162,523	1,400,383	-	-	1,562,906
Employee benefits	1,629,510	282,029	-	-	1,911,539
Capital outlay	-	-	-	6,537,373	6,537,373
Debt service:					
Principal	1,353,528	3,042,447	-	-	4,395,975
Interest	296,999	1,069,487	-	-	1,366,486
Total expenditures	8,350,091	5,794,346	38,788	6,537,373	20,720,598
Excess (deficiency) of revenues over (under) expenditures	226,207	(2,724,457)	13,262	(1,636,483)	(4,121,471)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of serial bond	-	-	-	765,000	765,000
Proceeds from issuance of installment purchase debt	-	-	-	251,609	251,609
Bond anticipation note redeemed from appropriations	-	-	-	2,845,000	2,845,000
Premiums on obligations	-	-	-	320,649	320,649
Transfers in	197,999	3,059,164	13,800	274,321	3,545,284
Transfers out	(373,843)	(5,792)	-	(3,165,649)	(3,545,284)
Total other financing sources (uses)	(175,844)	3,053,372	13,800	1,290,930	4,182,258
Changes in fund balance	50,363	328,915	27,062	(345,553)	60,787
Fund balance, beginning of year	7,879,274	2,276,831	(28,300)	2,009,537	12,137,342
Fund balance, end of year	$ 7,929,637	$ 2,605,746	$ (1,238)	$ 1,663,984	$ 12,198,129

The accompanying notes are an integral part of this statement.

INCORPORATED VILLAGE OF FARMINGDALE
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2025

Net Change in Fund Balance - Governmental Funds		$ 60,787
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeds depreciation expense in the current period is:		
Capital additions	$ 8,196,034	
Depreciation expense	(2,316,197)	5,879,837
Revenues not available to pay for current period expenditures and, therefore, are deferred in the governmental funds Balance Sheet are recognized in the Statement of Activities.		767,755
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. Neither transaction has any effect on net position:		
Proceeds from issuance of serial bond	(2,895,000)	
Repayment of bond principal	1,220,000	
Repayment of bond anticipation note	2,130,000	
Proceeds from issuance of installment purchase debt	(251,609)	
Repayment of installment purchase debt	330,975	534,366
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 governmental funds:		
Compensated absences	(22,105)	
Judgments and claims payable	53,579	
Retainage payable	(917,748)	
Amortization of bond premium	13,406	
Accrued interest costs	(32,077)	(904,945)
Changes in the proportionate share of net pension liability, deferred outflows of resources and deferred inflows of resources reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues in the governmental funds:		
Deferred outflows of resources - pension related	(323,711)	
Net pension liability - proportionate share	(41,721)	
Deferred inflows of resources - pension related	417,324	51,892
Changes in the amounts related to the total OPEB liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds:		
Total OPEB liability		(556,550)
Changes in the total pension liability related to LOSAP, deferred outflows of resources and deferred inflows of resources reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues in the governmental funds:		
Deferred outflows of resources - LOSAP	(357,192)	
Total pension liability - LOSAP	55,964	
Deferred inflows of resources - LOSAP	264,134	(37,094)
Change in Net Position - Governmental Activities		$ 5,796,048

The accompanying notes are an integral part of this statement.

INCORPORATED VILLAGE OF FARMINGDALE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
MAY 31, 2025

	Custodial Fund
ASSETS	
Cash	$ 662,295
Total assets	$ 662,295
LIABILITIES	
Due to Farmingdale Youth Council	$ 662,295
Total liabilities	662,295
NET POSITION	
Restricted for individuals, organizations and other governments	-
Total net position	-
Total liabilities and net position	$ 662,295

The accompanying notes are an integral part of this statement.

INCORPORATED VILLAGE OF FARMINGDALE
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUND
MAY 31, 2025

	Custodial Fund
ADDITIONS	
Contributions	$ -
Total additions	-
DEDUCTIONS	
Payments made to Youth Bureau	-
Total deductions	-
Change in net position	-
Net position, beginning of year	-
Net position, end of year	$ -

The accompanying notes are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Incorporated Village of Farmingdale (the "Village") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

A. Financial reporting entity

The Village, incorporated in 1904, is governed by its Charter, General Municipal Law, Village Law, other general laws of the State of New York and various local laws. The Village Board of Trustees is the legislative body responsible for overall operations. The Mayor serves as chief executive officer and the Village Clerk serves as chief fiscal officer.

The Village provides a full range of municipal services including highway, fire protection, water, justice court, building and zoning, and other general services.

The financial reporting entity of the Village consists of (a) the primary government which is the Village, (b) organizations for which the primary government is financially accountable and (c) 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 as set forth in GASB.

B. Basis of presentation

1. Village-wide financial statements

The Statement of Net Position and the Statement of Activities present financial information about the Village's governmental activities. These financial statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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 and 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 charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund financial statements

The fund financial statements provide information about the Village's funds, including fiduciary funds. Separate financial statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Village records its transactions in the fund types described below:

a. Governmental funds - are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon the determination of financial position and changes in financial position (the sources, uses and balances of current financial resources). The following are the Village's governmental fund types:

General Fund - the principal operating fund which includes all operations not required to be recorded in other funds.

Special Revenue Funds - used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are utilized:

Water Fund - used to account for water operations not required to be accounted for on an enterprise basis. Revenue is generated from metered water sales to Village residents.

Community Development Fund - used to account for and report financial resources applied for and received from New York State as awarded by the Department of Housing and Urban Development ("HUD") program. Capital outlays are restricted for usage and subject to the terms of federally funded programs.

Capital Projects Fund - used to account for financial resources to be used for the acquisition, construction or resurfacing of major capital facilities and equipment.

b. Fiduciary funds - used to account for assets held by the local government in a trustee or custodial capacity:

Custodial Fund - used to account for money (and/or property) received and held in the capacity of trustee, custodian or agent.

C. Measurement focus and basis of accounting

Basis of accounting refers to when revenues and expenditures/expenses and the related assets, deferred outflows of resources, liabilities and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

Modified accrual basis - the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, 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 90 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 end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, other post-employment benefits, compensated absences and the proportionate share of the net pension liability, 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.

Material revenues that are accrued include real property taxes, State and Federal aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made and the resources are available.

Accrual basis - the Village-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange 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 property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Fixed assets and long-term liabilities related to these activities are recorded within the funds.

D. Property taxes

Real property taxes are due no later than June 1st payable until July 1st without penalty.

Unpaid Village taxes on May 31th of the subsequent year are enforced by tax sale. In cases where no bid is made on a parcel of land offered for sale for an amount sufficient to pay tax, interest and charges, the premises are deemed to have been sold to and purchased by the Village.

E. Interfund transactions

Interfund transactions have been eliminated from the Village-wide financial statements. In the fund financial statements, interfund transactions include:

1. Interfund revenue

Interfund revenues represent amounts charged for services or facilities provided by one fund to another fund. The amounts paid by the fund receiving the benefits of the service or facilities are reflected as an expenditure of the fund receiving the service, are reflected as an expenditure of that fund.

2. Transfers

Transfers represent primarily budgeted appropriations to the operations of other governmental funds and also for payment of certain debt service items.

F. Cash and cash equivalents

Cash consists of funds deposited in demand accounts, time deposit accounts and certificates of deposit with maturities of less than three months from the date acquired by the Village.

G. Investments

The Village participates in the New York Cooperative Liquid Assets Securities System ("NYCLASS") a cooperative investment pool established pursuant to General Municipal Law that meets the definition of a 2a7-like pool. In accordance with the provisions of General Municipal Law, Article 3A, NYCLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of NYCLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amounts represent the amortized cost of the cooperative shares and are considered to approximate fair value. The Village's position in the pool is equal to the value of the pool shares. Additional information concerning the NYCLASS is presented in the annual report which may be obtained from Public Trust Advisors, LLC, 717 17th Street, Suite 1850, Denver, CO 80202.

NYCLASS is rated AAAm by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The pool invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

H. Receivables

Receivables include amounts due from Federal, State and other governments or entities for services provided by the Village. Receivables are recorded and revenues are recognized as earned or as specific program expenditures are incurred.

I. Restricted assets

Certain assets are classified as restricted assets because their use is restricted by contractual agreements and regulations.

J. Capital assets

Capital assets are reported at actual cost or estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the Village-wide financial statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 5,000	Straight line	50 years
Improvements, other than building	$ 5,000	Straight line	20 years
Furniture and equipment	$ 5,000	Straight line	5-50 years
Infrastructure systems:			
Roads, curbs and sidewalks	$ 5,000	Straight line	25-30 years
Drainage	$ 5,000	Straight line	50 years
Water mains	$ 5,000	Straight line	50 years

K. Deferred outflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

L. Deferred inflows of resources/unearned revenue

Deferred inflows of resources are defined as an acquisition of net position by the government that is applicable to future periods. Deferred inflows are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues arise when the Village receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Village has legal claim to the resources, the deferred inflow/unearned revenue is removed and revenues are recorded.

M. Long-term obligations

The liabilities for long-term obligations consisting of general long-term debt, installment purchase debt, judgments and claims payable, proportionate share of the net pension liability, other post-employment benefit obligations and compensated absences are recognized in the Village-wide financial statements. Bond premiums, discounts and any prepaid bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method, and bond issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, long-term obligations are not reported as liabilities. The debt proceeds (when applicable) are reported as other financing sources and payment of principal and interest are reported as expenditures when paid.

N. Leases

Lessee

At the commencement of a lease, the Village initially measures the lease liability at the present value of payments expected to be received during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments received. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments include how the Village determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

1. The Village uses its estimated incremental borrowing rate as the discount rate for leases.

2. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Village reasonably certain to exercise.

The Village monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

As of May 31, 2025, the Village did not have any leases which qualified for recognition within the financial statements.

Lessor

The Village is the lessor for various noncancellable leases of land usage. The Village recognizes a lease receivable and a deferred inflow of resources in the Village-wide and fund financial statements.

At the commencement of a lease, the Village initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Village determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease payments.

1. The Village uses its estimated incremental borrowing rate as the discount rate for leases.

2. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Village monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

O. Compensated absences

Compensated absences consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Village and the employee.

Employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 25 days a year. Upon separation from service, employees are paid varying amounts as provided for in their respective collective bargaining agreement.

Employees accrue sick leave at the rate of 12 days with maximum accrual amounts varying based on their respective collective bargaining agreement. Upon separation from service, employees are paid varying amounts as provided for in their respective collective bargaining agreement.

Vested vacation and sick leave is recorded in governmental funds as a fund liability and expenditures, if payable from current resources.

Consistent with GASB Statement No. 101, a liability is recognized for accumulated vacation, sick leave or compensatory time (compensated absences) if the leave time is attributable to services already rendered, the leave time accumulates from year to year and the leave time has a more than a 50% chance to be used for time off or otherwise paid in cash or settled through noncash means. In addition, the liability also recognizes an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. The compensated absence liability is recorded as current and non-current obligations in the Village-wide financial statements. The current portion of this debt is estimated based on historical trends or expected payouts. In the fund financial statements, only the amount of matured liabilities is accrued within the General Fund for example, as a result of an employee's resignation or retirement before year end and payment is made after year end with expendable available financial resources.

P. Post-employment benefits

In addition to providing pension benefits, the Village provides health insurance coverage and survivor benefits for retired employees and their survivors that meet the requirements within the Village's policies. 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 an insurance company whose premiums are based on the benefits paid during the year. The Village recognizes the cost of providing benefits by recording its share of insurance premiums as expenditures in the year paid. The liability for other post-employment benefits is recorded as a long-term obligation in the Village-wide financial statements.

Q. Net position

In the Village-wide financial statements, there are three classes of net position:

1. 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

2. Restricted: consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

3. Unrestricted: is the amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund financial statements

In the fund financial statements, there are five classifications of fund balance:

1. Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes prepaid expenses in the amount of $107,424.

2. Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Village has $5,037,494 in restricted fund balances as of May 31, 2025.

3. Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, i.e. the Board. The Village Board of Trustees is the decision-making authority that can, by Board resolution, commit fund balance. The Village has no committed fund balances as of May 31, 2025.

4. Assigned - Includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed, except for tax stabilization agreements. The intent can be expressed by the Board or through the Board delegating this responsibility to the Village administration through the budgetary process. The classification also includes the remaining positive fund balances for all governmental funds except for the General Fund.

5. Unassigned - Includes all other General Fund fund balance that does not meet the definition of the above four classifications and are deemed to be available for general use by the Village. The unassigned classification also includes negative residual balances of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

Fund balances for all governmental funds as of May 31, 2025 were distributed as follows:

	General	Water	Community Development	Capital Projects	Total Governmental Funds
Nonspendable:					
Prepaid expenditures	$ 91,775	$ 15,649	$ -	$ -	$ 107,424
Restricted:					
Debt service	140,829	166,748	-	-	307,577
Service award program	3,011,375	-	-	-	3,011,375
Parkland Trust	54,558	-	-	-	54,558
Capital improvements	-	-	-	1,663,984	1,663,984
Total restricted	3,206,762	166,748	-	1,663,984	5,037,494
Assigned:					
Designated for special purpose	1,309,668	2,418,704	-	-	3,728,372
Designated for subsequent year's expenditures	345,000	-	-	-	345,000
Encumbrances	246,378	4,645	-	-	251,023
Total assigned	1,901,046	2,423,349	-	-	4,324,395
Unassigned	2,730,054	-	(1,238)	-	2,728,816
	$ 7,929,637	$ 2,605,746	$ (1,238)	$ 1,663,984	$ 12,198,129

Order of use of fund balance

The Village's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as either assigned or restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

Net position and fund balance flow assumptions

Sometimes the Village will fund outlays for a particular purpose from both restricted (i.e. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the Village-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

R. Insurance

The Village assumes the liability for most risk including, but not limited to, property damage and personal injury liability. The Village maintains insurance policies in amounts and on terms generally standard for municipalities to insure against these liabilities. These insurance policies limit the overall exposure to Village assets by providing a third party insurer to assume the risk and liabilities relating to claims.

Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

S. 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, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. 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.

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND FINANCIAL STATEMENTS AND VILLAGE-WIDE FINANCIAL STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the fund financial statements and the Village-wide financial 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 focus of the Statement of Activities, compared with current financial resources focus of the governmental 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 funds Balance Sheet.

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. The categories are shown below:

1. Long-term revenue/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.

2. Capital related differences

   Capital related differences include the difference between proceeds from the sale of capital assets reported on fund financial 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 financial statements and depreciation expense on those items as recorded in the Statement of Activities.

3. Long-term debt transaction differences

   Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund financial 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.

4. Pension and LOSAP 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. Differences also occur as a result of changes in the LOSAP total pension liability and related deferred inflows and outflows of resources.

5. 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.

3. CHANGE IN ACCOUNTING PRINCIPLE

Effective for the 2025 fiscal year, the Village implemented GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 101 provides guidance for identifying and recognizing compensated absence liabilities. Previously recognized was the value of unused leave time owed to employees upon separation from employment. In accordance with the new guidance, the Village must also recognize as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. The implementation of this standard did not require a restatement to the Village's financial statements.

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary data

1. Budget policies

a. No later than March 20, the Budget Officer submits a tentative budget to the Village Board of Trustees for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.

b. After public hearings are conducted to obtain taxpayer comments, no later than May 1, the Village Board of Trustees adopts the budget.

c. All modifications of the budget must be approved by the Village Board of Trustees.

2. Budget basis of accounting

Budgets are adopted annually for the General and Water Funds on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies, are recorded for budgetary control purposes to reserve that portion of the applicable appropriation, is employed in the governmental funds. Appropriations for all governmental funds lapse at year-end. However, encumbrances reserved against fund balances are re-appropriated in the ensuring year. Encumbrances are reported as assigned fund balances since they do not constitute expenditures or liabilities. Expenditure for such commitments are recorded in the period in which the liability is incurred.

5. CASH AND CASH EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, AND INTEREST RATE RISKS

The Village's aggregate bank balances, including balances not covered by depository insurance at year-end, are collateralized as follows:

Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Village's name	$ 3,969,053

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $466,956 within the governmental funds.

Investment and deposit policy

The Village's investment policies are governed by State statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in Federal Deposit Insurance Corporation ("FDIC") insured commercial banks or trust companies located within the State. The Village Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of New York State or its localities.

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Village has the following recurring fair value measurements as of May 31, 2025:

	Total	Level 1	Level 2	Level 3
U.S. Government fixed income	$ 8,932,002	$ 8,932,002	$ -	$ -
Mutual funds	2,618,604	2,618,604	-	-
Fixed income	280,402	-	280,402	-
Exchange traded products	89,177	89,177	-	-
Equities	23,192	23,192	-	-
	$ 11,943,377	$ 11,662,975	$ 280,402	$ -

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

Interest-rate risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Village's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Village is exposed to interest-rate risk as follows:

		Investment Maturities (in years)		
	Fair Value	Less Than 1 Year	One To Five Years	Six To Ten Years
U.S. Government fixed income	$ 8,932,002	$ 8,932,002	$ -	$ -
Mutual funds	2,618,604	2,618,604	-	-
Fixed income	280,402	59,521	203,857	17,024
Exchange traded products	89,177	89,177	-	-
Equities	23,192	23,192	-	-
	$ 11,943,377	$ 11,722,496	$ 203,857	$ 17,024

Credit risk

The Village's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Village's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

* Interest bearing demand accounts
* Certificates of deposit
* Obligations of the United States Treasury and United States agencies
* Obligations of New York State and its localities

The quality of ratings of investments are as follows:

Average Rating	Mutual Funds	Fixed Income	Exchange Traded Products	Equities
AAA	$ -	$ 19,604	$ -	$ -
A-	-	38,241	-	-
BBB+	-	186,726	-	-
BBB	-	35,831	-	-
Unrated	2,618,604	-	89,177	23,192
	$ 2,618,604	$ 280,402	$ 89,177	$ 23,192

U.S. government fixed income is backed in full faith and credit by the United States.

Custodial credit risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Village's investment and deposit policy, all deposits of the Village including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the FDIC shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The Village restricts the securities to the following eligible items:

* Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United states agencies;
* Obligations issued or fully insured or guaranteed by New York State and its localities,
* Obligations issued by other than New York State in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

6. INTERFUND BALANCES AND ACTIVITY

Interfund receivable and payable balances and activity as of May 31, 2025 are as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 107,525	$ 296,135	$ 197,999	$ 373,843
Water Fund	39,408	95,389	3,059,164	5,792
Community Development Fund	-	10,488	13,800	-
Capital Projects Fund	274,321	19,242	274,321	3,165,649
Totals	$ 421,254	$ 421,254	$ 3,545,284	$ 3,545,284

7. LEASES RECEIVABLE

As of May 31, 2025, the Village had the following leases receivable:

Asset	Start Date	End Date	Interest Rate	Monthly Payment
Land usage	4/5/2004	4/4/2034	3.23%	$ 3,829
Land usage	12/11/2007	12/10/2037	4.07%	5,101
Land usage	6/1/2019	5/31/2034	2.83%	6,028
Land usage	9/1/2024	8/31/2029	4.09%	6,000

The following is a summary of the maturity schedule for the Village's leases receivable:

Year ended May 31,	Principal	Interest	Total
2026	$ 180,966	$ 64,152	$ 245,118
2027	191,987	57,574	249,561
2028	207,570	50,561	258,131
2029	224,325	42,877	267,202
2030	175,773	35,508	211,281
2031-2035	771,869	94,656	866,525
2036-2038	167,067	8,927	175,994
	$ 1,919,557	$ 354,255	$ 2,273,812

8. CAPITAL ASSETS

Capital asset balances and activity for the year ended May 31, 2025 were as follows:

	Beginning Balance	Additions	Reductions/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets not depreciated:				
Land	$ 2,702,470	$ -	$ -	$ 2,702,470
Construction in progress	14,670,893	6,711,335	(7,056,567)	14,325,661
Total non-depreciable capital assets	17,373,363	6,711,335	(7,056,567)	17,028,131
Capital assets that are depreciated:				
Buildings	9,374,912	178,769	814,289	10,367,970
Improvements, other than buildings	3,265,213	27,661	129,261	3,422,135
Furniture and equipment	7,750,903	420,574	(234,709)	7,936,768
Roads, curbs, sidewalks and drainage	36,806,051	623,080	-	37,429,131
Water mains	10,088,591	244,900	6,106,937	16,440,428
Total depreciable capital assets	67,285,670	1,494,984	6,815,778	75,596,432
Less accumulated depreciation:				
Buildings	1,617,276	285,790	-	1,903,066
Improvements, other than buildings	1,869,295	144,078	(6,080)	2,007,293
Furniture and equipment	5,417,920	507,057	(224,424)	5,700,553
Roads, curbs, sidewalks and drainage	23,252,998	1,091,925	-	24,344,923
Water mains	6,720,196	287,347	-	7,007,543
Total accumulated depreciation	38,877,685	2,316,197	(230,504)	40,963,378
Total capital assets, net	$ 45,781,348	$ 5,890,122	$ (10,285)	$ 51,661,185

Depreciation expense was charged to governmental functions as follows:

General government	$ 229,144
Public safety	345,081
Transportation	1,275,793
Culture and recreation	63,741
Home and community services	402,438
	$ 2,316,197

9. SHORT-TERM DEBT

Bond anticipation notes ("BANs") are used as a temporary means of financing capital expenditures in the Capital Projects Fund. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12 month period thereafter. Liabilities for BANs are generally accounted for in the Capital Projects Fund. BANs are generally paid from the proceeds of bond issuance after renewal of these notes.

The Village records BANs payable as long-term liabilities within the governmental activities when it has demonstrated the ability to consummate refinancing, such as obtaining permanent financing or renewing the notes prior to the issuance of the financial statements.

A summary of changes in short-term debt for the Village for the year ended May 31, 2025 is as follows:

	Beginning Balance	Issued	Redeemed/ Renewed	Ending Balance
BAN matured on 1/30/25 at 4.25%	$ 2,845,000	$ -	$ 2,845,000	$ -
BAN maturing on 1/29/26 at 4.00%	-	3,535,000	-	3,535,000
	$ 2,845,000	$ 3,535,000	$ 2,845,000	$ 3,535,000

10. LONG-TERM DEBT

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable	$ 11,140,000	$ 2,895,000	$ 1,220,000	$ 12,815,000	$ 1,335,000
Unamortized bond premiums	53,954	-	13,406	40,548	13,406
Bonds payable, net	11,193,954	2,895,000	1,233,406	12,855,548	1,348,406
Bond anticipation note	19,030,000	-	2,130,000	16,900,000	5,050,000
Installment purchase debt	1,119,604	251,609	330,975	1,040,238	340,806
Compensated absences	192,243	22,105	-	214,348	21,435
Judgments and claims payable	64,929	-	53,579	11,350	-
Total long-term liabilities	$ 31,600,730	$ 3,168,714	$ 3,747,960	$ 31,021,484	$ 6,760,647

Serial bonds and installment purchase debt - the Village borrows money in order to acquire land or equipment or to construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government.

The following is a summary of maturity of long-term bond indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at 5/31/2025
Public improvement serial bonds	8/15/2016	8/15/2026	1.000-2.000%	$ 1,045,000
Public improvement serial bonds	10/31/2018	7/15/2032	3.000-3.250%	4,670,000
Public improvement serial bonds	10/17/2019	10/15/2030	1.69%	180,000
Public improvement serial bonds	10/17/2019	10/15/2049	2.500-2.625%	4,025,000
Public improvement serial bonds	1/29/2025	1/15/2046	4.00%	2,895,000
				$ 12,815,000

The following table summarizes the Village's future bonded debt service requirements:

Year Ended May 31,	Principal	Interest	Total
2026	$ 1,335,000	$ 365,773	$ 1,700,773
2027	1,350,000	335,882	1,685,882
2028	885,000	305,140	1,190,140
2029	905,000	278,127	1,183,127
2030	905,000	250,501	1,155,501
2031-2035	3,235,000	868,672	4,103,672
2036-2040	1,535,000	537,744	2,072,744
2041-2045	1,620,000	282,394	1,902,394
2046-2050	1,045,000	70,153	1,115,153
	$ 12,815,000	$ 3,294,386	$ 16,109,386

The following is a summary of maturity of installment purchase debt:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at 5/31/2025
Two Rosenbauer Pumpers	11/20/2017	11/15/2027	3.000%	$ 330,394
Payloader	9/24/2019	9/24/2025	1.250%	7,601
Street Sweeper	4/1/2021	3/1/2026	3.210%	46,763
Payloader	6/15/2022	6/15/2027	3.750%	103,825
Meters	9/15/2022	9/15/2027	4.072%	103,598
Backhoe	3/1/2023	3/1/2028	6.290%	69,232
Two DPW Trucks	7/7/2023	6/7/2028	5.740%	72,268
Code Enforcement Vehicles	8/25/2023	7/25/2028	5.960%	71,058
DPW Vehicles	1/15/2025	2/15/2029	5.710%	235,499
				$ 1,040,238

The following table summarizes the Village's future installment purchase debt requirements:

Year Ended May 31,	Principal	Interest	Total
2026	$ 340,806	$ 42,227	$ 383,033
2027	299,185	28,753	327,938
2028	305,641	15,428	321,069
2029	61,106	3,670	64,776
2030	33,500	641	34,141
	$ 1,040,238	$ 90,719	$ 1,130,957

The following is a summary of long-term bond anticipation notes:

	Beginning Balance	Issued	Renewed/ Redeemed	Ending Balance
2023 Series B	$ 13,500,000	$ -	$ 13,500,000	$ -
2024 Series A	5,530,000	-	5,530,000	-
2024 Series B	-	13,500,000	-	13,500,000
2025 Series A	-	3,400,000	-	3,400,000
	$ 19,030,000	$ 16,900,000	$ 19,030,000	$ 16,900,000

Interest on long-term debt for the year was comprised of:

Interest paid	$ 1,366,486
Less interest accrued in the prior year	(82,665)
Plus interest accrued in the current year	114,742
Amortization of original issue bond premium	(13,406)
Interest expense	$ 1,385,157

Other long-term debt - in addition to the above long-term debt, the Village had the following non-current liabilities:

Compensated absences - represents the value of earned and unused portion of the liability for compensated absences. Compensated absence liabilities are typically liquidated by the fund that gave rise to the liability.

Judgments and claims - represents the remaining monies due on judgments given to the Village, including unpaid tax certiorari proceedings which are expected to be paid from future appropriations. The General Fund is typically used to liquidate this liability.

11. PENSION PLANS

Plan description

The Village participates in the New York State and Local Employees' Retirement System ("NYSERS") which is referred to as New York State and Local Retirement System (the "System"). This is a cost-sharing multiple-employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York (the "Comptroller") serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at 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.

Benefits provided

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) NYSERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

Contributions

The System is noncontributory except for employees who joined the NYSERS after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2025	$	307,814
2024		245,111
2023		209,261

Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions

At May 31, 2025, the Village reported a liability of $989,125 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2024. Update procedures were used to roll forward the pension liability to March 31, 2025. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At May 31, 2025, the Village reported the following liability for its proportionate share of the net pension liability for the System:

Actuarial valuation date		April 1, 2024
Net pension liability	$	989,125
Village's portion of the Plan's total net pension liability		0.0057689%
Change in proportion since the prior measurement date		-0.0006655%

For the year ended May 31, 2025, the Village recognized pension expense of $261,036. At May 31, 2025, 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
Difference between expected experience and actual experience	$ 245,507	$ (11,581)
Changes of assumptions	41,482	-
Net difference between projected and actual earnings on pension plan investments	77,604	-
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	114,974	(71,112)
Employer contributions subsequent to the measurement date	56,576	-
Total	$ 536,143	$ (82,693)

Deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended May 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:		
2026	$	199,698
2027		272,945
2028		(76,401)
2029		632

Actuarial assumptions

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025. The actuarial valuation used the following actuarial assumptions:

Measurement date	March 31, 2025
Actuarial valuation date	April 1, 2024
Interest rate	5.90%
Salary scale	4.30%
Decrement tables	April 1, 2015 to March 31, 2020 System's Experience
Inflation rate	2.90%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term 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 returns net of investment expense 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 each target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025 are summarized below:

	Target allocation	Long-term rate
Measurement date	March 31, 2025	March 31, 2025
Asset type		
Cash	1.00%	0.25%
Credit	4.00%	5.40%
Domestic equity	25.00%	3.54%
Fixed income	22.00%	2.00%
International equity	14.00%	6.57%
Opportunistic portfolio	3.00%	5.25%
Private equity	15.00%	7.25%
Real assets	4.00%	5.55%
Real estate equity	12.00%	4.95%
	100.00%	

Discount rate

The discount rate used to calculate the total pension liability was 5.90%. 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. Based upon the assumptions, the System's 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 asset (liability) calculated using the discount rate of 5.90%, 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 (4.90%) or 1-percentage-point higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset/(liability)	$ (2,862,651)	$ (989,125)	$ 575,271

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of March 31, 2025, were as follows:

Valuation date	(Dollars in Thousands) April 1, 2024
Employers' total pension liability	$ (247,600,239)
Plan net position	230,454,512
Employers' net pension liability	$ (17,145,727)
Ratio of plan net position to the employers' total pension liability	93.08%

12. LENGTH OF SERVICE AWARD PROGRAM ("LOSAP" OR "PROGRAM")

Program description

The Village sponsors a defined benefit LOSAP effective January 1, 1992 for active volunteer firefighter members of the Village. The Program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Village is the Sponsor of the Program and the Program Administrator.

Funding policy

The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program is non-contributory. The Village is required to contribute the total amount sufficient to cover the normal cost of the plan.

Participation, vesting and service credit

Active volunteer firefighters who have reached the age of 17 and who have earned one (1) year of service credit are eligible to participate in the Program. In general, an active volunteer firefighter earns service credit for each calendar year after the establishment of the Program in which he or she accumulates fifty (50) points. Points are granted for attending various activities of the Fire Department in accordance with a Point System adopted by the Village in accordance with the General Municipal Law.

A participant acquires a non-forfeitable right to be paid a benefit from the Program after earning five (5) years of service credit, becoming totally and permanently disabled, dying while an active volunteer, or upon attaining the Program's entitlement age.

Benefits

Participants become eligible to be paid a benefit at the entitlement age, which is age 62 for all active firefighters on/after January 1, 2005; the entitlement age is 65 for all other participants. The benefit payable is equal to $20 for each year of service credit earned, up to a maximum of $400 for 20 years of service credit. This benefit is paid as a lifetime monthly annuity guaranteed for 10 years.

The monthly benefit of a participant that remains active after the entitlement age and earns additional service credit is increased by $20 beginning with the January 1 payment after the year in which the service credit was earned.

The Program provides a pre-entitlement age death benefit of a lump sum equal to the actuarial present value of the accrued benefit. If the Participant is an active volunteer firefighter of the Fire Department at the time of the pre-entitlement age death, the minimum death benefit payable is $10,000.

If a participant dies after the entitlement age, the beneficiary has the option to continue to receive the remaining portion of the guaranteed monthly payments or be paid a one-time actuarial equivalent lump sum. If the Participant is an active volunteer firefighter of the Fire Department at the time of the benefit commencement date, an additional $10,000 death benefit is payable.

The Program provides a pre-entitlement age disability benefit of a lump sum equal to the actuarial present value of the accrued benefit.

Participants covered by the benefit terms

At the December 31, 2024 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	36
Inactive participants entitled to but not yet receiving benefit payments	53
Active participants	72
Total	161

Contributions

New York State General Municipal Law §219(d) requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village.

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 73.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2024 measurement date was determined using an actuarial valuation as of that date.

Actuarial assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	N/A
Salary Scale:	N/A

Mortality rates were based on the RP-2014 Mortality Table without projection for mortality improvement.

Discount rate

The discount rate used to measure the total pension liability was 4.28%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2024. 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.

Changes in the Total Pension Discount Rate

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 4.00% for the December 31, 2023 measurement date, and 4.28% for the December 31, 2024 measurement date.

Changes in the Total Pension Liability

Balance as of December 31, 2023 measurement date	$ 3,483,875
Service cost	62,104
Interest	139,293
Changes of assumptions or other inputs	(143,358)
Differences between expected and actual experience	14,557
Benefit payments	(128,560)
Balance as of December 31, 2024 measurement date	$ 3,427,911

Sensitivity of the total LOSAP pension liability to changes in the discount rate

The following presents the total LOSAP pension liability of the Village as of the December 31, 2024 measurement date, calculated using the discount rate of 4.28 percent, as well as what the Village's total LOSAP pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.28 percent) or 1-percentage point higher (5.28 percent) than the current rate:

	1% decrease (3.28%)	Current discount rate (4.28%)	1% increase (5.28%)
Total LOSAP pension liability	$ 3,983,501	$ 3,427,911	$ 2,981,058

Pension expense, deferred outflows of resources and deferred inflows of resources related to LOSAP pensions

For the year ended May 31, 2025, the Village recognized pension expense of $178,364. At May 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to LOSAP pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 28,291	$ (267,755)
Changes of assumptions or other inputs	425,086	(1,366,828)
Benefit payments and administrative expenses subsequent to the measurement date	65,240	-
Total	$ 518,617	$ (1,634,583)

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 May 31, 2026.

Other amounts reported as deferred outflows of resources related to LOSAP pensions will be recognized in pension expense as follows:

For the year ended May 31,:		
2026	$	(71,073)
2027		(320,887)
2028		(336,206)
2029		(278,878)
2030		(174,162)

13. POST-EMPLOYMENT BENEFITS

A. General information about the OPEB plan

Plan description

The Village sponsors a multi-employer agent healthcare plan that provides postemployment medical benefits for eligible retirees and their spouses and some eligible dependents through the New York State Health Insurance Plan ("NYSHIP") (the "Plan"). Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. The Plan is a comprehensive health benefits plan which pays for hospital services, doctor expenses and other medical related necessities which include prescription drugs, and mental health/substance abuse services, subject to provisions and limitations. The Plan is not a separate entity or trust and does not issue stand-alone financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided

The Village provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the Village offices and are available upon request.

Employees covered by benefit terms

As of May 31, 2025, the following employees were covered by the benefit terms:

Inactive participants currently receiving benefit payments	22
Inactive participants entitled to but not yet receiving benefit payments	-
Active participants	32
Total	54

B. Total OPEB liability

The Village's total OPEB liability of $8,190,437 was measured as of May 31, 2025, and determined by an actuarial valuation report dated November 12, 2025.

Actuarial assumptions and other inputs

The total OPEB liability in the May 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, with update procedures used to roll forward the total OPEB liability to the measurement date, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	Based on estimated cost of living
Discount rate	4.81%
Healthcare cost trend rates	5.8% for 2025, decreasing to an ultimate rate of 4.1% in ten years
Retirees' share of benefit-related costs	Rates increase in accordance with health care trend rates

The discount rate was based on the May 31, 2025 S&P Municipal Bond 20-Year High Grade Rate Index.

Mortality rates were based on the Pub-2010 Mortality tables, with mortality improvement projected for ten years.

C. Changes in the total OPEB liability

Balance as of May 31, 2024	$ 7,633,887
Changes for the year -	
Service cost	489,147
Interest	350,662
Effect of economic/demographic gains or losses	450,855
Change in assumptions or other inputs	(387,338)
Benefit payments	(346,776)
Net changes	556,550
Balance as of May 31, 2025	$ 8,190,437

Sensitivity of the total OPEB liability to changes in the discount rate

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 one percentage point lower (3.81%) or one percentage point higher (5.81%) than the current discount rate:

	1% Decrease (3.81%)	Current assumption (4.81%)	1% Increase (5.81%)
Total OPEB liability as of May 31, 2025	$ 9,215,387	$ 8,190,437	$ 7,334,935

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

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 one percentage point lower (4.80%) or one percentage point higher (6.80%) than the current discount rate:

	1% Decrease (4.80% decreasing to 3.10%)	Current assumption (5.80% decreasing to 4.10%)	1% Increase (6.80% decreasing to 5.10%)
Total OPEB liability as of May 31, 2025	$ 7,208,647	$ 8,190,437	$ 9,373,329

D. OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended May 31, 2025, the Village recognized OPEB expense of $903,326.

As of May 31, 2025, the Village did not report any deferred outflows of resources or deferred inflows of resources related to the total OPEB liability.

14. COMMITMENTS AND CONTINGENCIES

A. Risk management and litigation

In common with other municipalities, the Village receives numerous notices of claims. Although the eventual outcome of the claims cannot presently be determined, it is the opinion of the Village and 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 a material adverse effect on the financial condition of the Village, in view of the Village's ability to fund the same through use of appropriate funding mechanisms provided by the Local Finance Law. The Village is insured for worker's compensation insurance and disability insurance.

B. Government grants

The Village receives grants which are subject to audit by agencies of the State and local governments. Such audits may result in disallowances and a request for a return of funds to the State and Federal governments. Based on past experience, the Village administration believes disallowances, if any, would be immaterial.

C. Real property tax litigation

On an ongoing basis, the Village is a party to litigation including tax certiorari proceedings. Such proceedings will occasionally result in settlements, whereby the Village will be required to rebate certain real property taxes. Such rebates are recognized when realized. Based on past experience, the Village Administration believes the ultimate resolution of current legal actions, if any, would be immaterial.

D. Property tax cap

In June 2011, the New York State Legislature enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions. For fiscal years through June 15, 2020, the growth factor in the property tax levy (the total amount to be raised through property taxes charged on a municipality's taxable assessed value of property) will be capped at 2% or the rate of inflation factor (but never less than a 1% factor), whichever is less, with some exceptions. The New York State Comptroller recently set the allowable levy growth factor for local governments for fiscal years beginning June 1, 2024 at 1.02 (before exemptions). Local governments can exceed the tax levy limit by a 60% vote of the governing body, or by local law.

15. FUTURE ACCOUNTING STANDARDS

The Village will evaluate the impact each of these upcoming pronouncements may have on its financial statements and will implement them as applicable and when material. The following is a list of GASB pronouncements issued but not yet effective.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
Statement No. 102	Certain Risk Disclosures	May 31, 2026
Statement No. 103	Financial Reporting Model Improvements	May 31, 2027
Statement No. 104	Disclosure of Certain Capital Assets	May 31, 2027
Statement No. 105	Subsequent Events	May 31, 2028

16. SUBSEQUENT EVENTS

The Village has evaluated subsequent events occurring after the Statement of Net Position through the date of May 18, 2026 which is the date the financial statements were available to be issued, noting the following:

On September 24, 2025, the Village reissued a Bond Anticipation Note in the amount of $11,850,000. The note bears interest at 4.25% and matures in September 2026.

On January 28, 2026, the Village reissued a Bond Anticipation Note in the amount of $4,235,000. The note bears interest at 3.25% and matures in January 2027.

Dish Wireless leases space on the Village's cell tower and in November 2025, prior to the issuance of these financial statements, has requested to terminate their agreement. At this time, it is not known what, if any, proceeds may be paid to the Village from the lease agreement. For the year ended May 31, 2025, cash paid to the Village's Water Fund under this lease agreement was $76,000. At May 31, 2025, in accordance with GASB Statement No. 87, the related lease receivable and deferred inflow of resources were $300,309 and $293,690, respectively. The termination will be accounted for in the year ending May 31, 2026, by reducing the carrying amounts of the lease receivable and deferred inflow of resources and recognizing the resulting gain or loss in that period. No adjustment has been made to the accompanying 2025 financial statements for this subsequent event; however, management believes disclosure is necessary for a proper understanding of these financial statements

REQUIRED
SUPPLEMENTARY
INFORMATION

INCORPORATED VILLAGE OF FARMINGDALE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED MAY 31, 2025

	Budget Amounts				
	Original Budget	Revised Budget	Actual	Year-End Encumbrances	Variance
REVENUES					
Real property taxes	$ 4,290,970	$ 4,290,970	$ 4,277,327		$ (13,643)
Other tax items	245,519	245,519	263,798		18,279
Non-property tax items	447,000	447,000	422,360		(24,640)
Departmental income	721,100	1,274,580	1,287,183		12,603
Intergovernmental charges	310,000	110,000	115,675		5,675
Fines and forfeitures	969,842	1,154,842	1,159,213		4,371
Use of money and property	157,590	257,590	585,254		327,664
Licenses and permits	120,860	120,860	142,490		21,630
State and local aid	268,902	268,902	217,894		(51,008)
Sale of property and compensation for loss	500	45,500	78,027		32,527
Miscellaneous	26,500	26,500	27,077		577
Total revenues	7,558,783	8,242,263	8,576,298		334,035
OTHER FINANCING SOURCES					
Transfers in	-	80,000	197,999		117,999
Prior year encumbrances	205,968	205,968	-		(205,968)
Appropriated fund balance	49,295	444,182	-		(444,182)
Total revenues and other financing sources	7,814,046	8,972,413	8,774,297		(198,116)
EXPENDITURES					
Current:					
General government	1,979,345	2,070,998	2,069,648	$ 1,350	-
Public safety	1,195,629	1,393,674	1,204,726	188,948	-
Transportation	978,650	1,182,603	1,135,953	46,650	-
Economic opportunity and assistance	38,300	57,281	47,851	9,430	-
Culture and recreation	218,674	449,353	449,353	-	-
Home and community services	153,250	162,523	162,523	-	-
Employee benefits	1,635,690	1,631,611	1,629,510	-	2,101
Debt service:					
Principal	1,257,421	1,353,528	1,353,528	-	-
Interest	288,727	296,999	296,999	-	-
Total expenditures	7,745,686	8,598,570	8,350,091	$ 246,378	2,101
Excess (deficiency) of revenues over (under) expenditures	68,360	373,843	424,206		(196,015)
OTHER FINANCING USES					
Transfers out	68,360	373,843	373,843		-
Total other financing uses	68,360	373,843	373,843		-
Change in fund balance	-	-	50,363		$ (196,015)
Fund balance, beginning of year	7,879,274	7,879,274	7,879,274		
Fund balance, end of year	$ 7,879,274	$ 7,879,274	$ 7,929,637		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

INCORPORATED VILLAGE OF FARMINGDALE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
WATER FUND
FOR THE YEAR ENDED MAY 31, 2025

	Budget Amounts				
	Original Budget	Revised Budget	Actual	Year-End Encumbrances	Variance
REVENUES					
Departmental income	$ 2,179,080	$ 2,179,080	$ 2,198,960		$ 19,880
Use of money and property	249,200	249,200	570,435		321,235
Licenses and permits	6,000	6,000	7,350		1,350
Sale of property and compensation for loss	-	-	293,144		293,144
Total revenues	2,434,280	2,434,280	3,069,889		635,609
OTHER FINANCING SOURCES					
Transfers in	-	2,765,000	3,059,164		294,164
Prior year encumbrances	17,518	17,518	-		(17,518)
Appropriated fund balance	480,785	587,985	-		(587,985)
Total revenues and other financing sources	2,932,583	5,804,783	6,129,053		324,270
EXPENDITURES					
Current:					
Home and community services	1,306,568	1,405,028	1,400,383	$ 4,645	-
Employee benefits	279,080	282,029	282,029	-	-
Debt service:					
Principal	277,447	3,042,447	3,042,447	-	-
Interest	1,069,488	1,069,487	1,069,487	-	-
Total expenditures	2,932,583	5,798,991	5,794,346	$ 4,645	-
Excess (deficiency) of revenues over (under) expenditures	-	5,792	334,707		324,270
OTHER FINANCING USES					
Transfers out	-	5,792	5,792		-
Total other financing uses	-	5,792	5,792		-
Change in fund balance	-	-	328,915		$ 324,270
Fund balance, beginning of year	2,276,831	2,276,831	2,276,831		
Fund balance, end of year	$ 2,276,831	$ 2,276,831	$ 2,605,746		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

INCORPORATED VILLAGE OF FARMINGDALE
SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS*

Measurement date	May 31, 2025	May 31, 2024	May 31, 2023	May 31, 2022	May 31, 2021	May 31, 2020	May 31, 2019
Total OPEB liability:							
Service cost	$ 489,147	$ 489,147	$ 489,147	$ 489,147	$ 489,147	$ 489,147	$ 489,147
Interest	350,662	333,163	288,315	263,718	266,272	373,750	369,412
Effect of economic/demographic gains or losses	450,855	(201,002)	(24,381)	(3,990,542)	1,540,432	(2,605,916)	(8,202)
Changes of assumptions or other inputs	(387,338)	(110,786)	(562,301)	(1,816,400)	1,038,641	767,673	276,423
Benefit payments	(346,776)	(303,861)	(258,474)	(294,054)	(251,769)	(268,563)	(313,203)
Net change in total OPEB liability	556,550	206,661	(67,694)	(5,348,131)	3,082,723	(1,243,909)	813,577
Total OPEB liability, beginning of year	7,633,887	7,427,226	7,494,920	12,843,051	9,760,328	11,004,237	10,190,660
Total OPEB liability, end of year	$ 8,190,437	$ 7,633,887	$ 7,427,226	$ 7,494,920	$ 12,843,051	$ 9,760,328	$ 11,004,237
Covered employee payroll	$ 1,838,277	$ 1,941,550	$ 1,893,034	$ 1,910,621	$ 1,701,000	$ 2,045,955	$ 1,959,271
Total OPEB liability as a percentage of covered-employee payroll	445.55%	393.19%	392.35%	392.28%	755.03%	477.05%	561.65%

Note to Required Supplementary Information

Trust assets: The Village has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits, as New York State currently does not allow villages to establish this type of trust. The Village contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The trust assets are not legally protected from creditors of the Village.

** Ten years of historical information is not available upon implementation of GASB Statement No. 75. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.*

INCORPORATED VILLAGE OF FARMINGDALE
SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL PENSION LIABILITY AND RELATED RATIOS - FIRE SERVICE AWARD PROGRAM
LAST EIGHT FISCAL YEARS*

Measurement date	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total pension liability:								
Service cost	$ 62,104	$ 64,908	$ 116,568	$ 114,617	$ 96,338	$ 90,828	$ 40,469	$ 29,337
Interest	139,293	143,049	104,985	90,936	97,254	132,938	120,630	124,954
Changes of assumptions or other inputs	(143,358)	156,138	(1,294,299)	(260,460)	1,827,224	(624,816)	(316,431)	349,350
Differences between expected and actual experience	14,557	(71,173)	(222,610)	3,222	(183,302)	(137,692)	51,819	28,947
Benefit payments	(128,560)	(124,980)	123,040	(113,750)	(140,368)	(130,914)	(94,480)	(94,200)
Net change in total pension liability	(55,964)	167,942	(1,172,316)	(165,435)	1,697,146	(669,656)	(197,993)	438,388
Total pension liability, beginning of year	3,483,875	3,315,933	4,488,249	4,653,684	2,956,538	3,626,194	3,824,187	3,385,799
Total pension liability, end of year	$ 3,427,911	$ 3,483,875	$ 3,315,933	$ 4,488,249	$ 4,653,684	$ 2,956,538	$ 3,626,194	$ 3,824,187
Covered employee payroll	N/A	N/A	N/A	N/A	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	N/A	N/A	N/A	N/A

Note 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, 2024: 4.28%
December 31, 2023: 4.00%
December 31, 2022: 4.31%
December 31, 2021: 2.25%
December 31, 2020: 1.93%
December 31, 2019: 3.26%
December 31, 2018: 3.64%
December 31, 2017: 3.16%

Trust assets: The Village has no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 73 to pay related benefits. The trust assets are not legally protected from creditors of the Village.

** Ten years of historical information is not available upon implementation of GASB Statement No. 73. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.*

REQUIRED SUPPLEMENTARY INFORMATION

INCORPORATED VILLAGE OF FARMINGDALE
SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Village's proportionate share of the net pension asset/(liability)	0.00577%	0.00643%	0.00561%	0.00487%	0.00501%	0.00483%	0.00475%	0.00784%	0.00478%	0.00513%
Village's proportionate share of the net pension asset/(liability)	$ (989)	$ (947)	$ (1,202)	$ 398	$ (5)	$ (1,278)	$ (337)	$ (154)	$ (449)	$ (823)
Village's covered payroll	$ 2,182	$ 2,170	$ 1,983	$ 1,870	$ 1,821	$ 1,844	$ 1,516	$ 1,829	$ 1,684	$ 1,684
Village's proportionate share of the net pension asset/(liability) as a percentage of covered payroll	45.33%	43.66%	60.61%	21.28%	0.27%	69.28%	22.20%	8.44%	26.66%	48.87%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%
Discount rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

INCORPORATED VILLAGE OF FARMINGDALE
SCHEDULE OF VILLAGE PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 308	$ 245	$ 209	$ 288	$ 260	$ 233	$ 220	$ 225	$ 221	$ 280
Contributions in relation to the contractually required contribution	308	245	209	288	260	233	220	225	221	280
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Village's covered-employee payroll	$ 2,260	$ 2,416	$ 2,122	$ 1,870	$ 1,821	$ 1,844	$ 1,516	$ 1,829	$ 1,684	$ 1,684
Contributions as a percentage of covered-employee payroll	13.62%	10.15%	9.86%	15.39%	14.25%	12.65%	14.49%	12.31%	13.13%	16.63%

OTHER SUPPLEMENTARY INFORMATION

INCORPORATED VILLAGE OF FARMINGDALE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
MAY 31, 2025

Federal Grantor/ Pass - Through Grantor/ Cluster Title/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed-through Programs from:			
Nassau County Office of Community Development:			
Community Development Block Grants	14.218	CQHI23000076	$ 19,389
Community Development Block Grants	14.218	CQHI24000014	5,598
Total U.S. Department of Housing and Urban Development			24,987
U.S. Department of Treasury			
Passed-through Programs from:			
Nassau County Office of Management and Budget:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,000,000
New York State Office of the State Comptroller:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	287,633
Total U.S. Department of Treasury			1,287,633
TOTAL FEDERAL EXPENDITURES			$ 1,312,620

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Incorporated Village of Farmingdale (the "Village") under programs of the federal government for the year ended May 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position or fund balance of the Village.

2. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the Village's financial reporting system. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Matching costs (the Village's share of certain program costs) are not included in the reported expenditures.

Non-monetary assistance is reported in the schedule at the fair market value of commodities received, which is provided by New York State.

3. INDIRECT COSTS

The Village has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

4. SUBRECIPIENTS

No amounts were provided to third party subrecipients.

5. OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the Village's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

6. MAJOR PROGRAM DETERMINATION

The Village was not deemed to be a "low-risk auditee", therefore, major programs were determined based on 40% of total federal award expenditures.

NawrockiSmith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S 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 Board of Trustees of the
Incorporated Village of Farmingdale:

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, each major fund and the fiduciary fund of the Incorporated Village of Farmingdale (the "Village"), as of and for the year ended May 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 18, 2026.

Report on 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") as a basis for designing 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 or significant deficiencies may exist that were not identified.

NawrockiSmith

Report on 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 financial statements. 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*.

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.

Hauppauge, New York
May 18, 2026

Nawrocki Smith LLP

NawrockiSmith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR ITS MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of the
Incorporated Village of Farmingdale:

Report on Compliance for Its Major Federal Program

Opinion on Its Major Federal Program

We have audited the Incorporated Village of Farmingdale's (the "Village") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Village's major federal program for the year ended May 31, 2025. The Village's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended May 31, 2025.

Basis for Opinion on Its Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for its major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hauppauge, New York
May 18, 2026

Nawrocki Smith LLP

A. Summary Of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No deficiencies or material weaknesses were reported during the audit of the financial statements.
3. No instances of noncompliance were disclosed during the audit of the financial statements.
4. No deficiencies or material weaknesses were reported during the audit of the major federal award program.
5. The auditor's report on compliance for the major federal award program expresses an unmodified opinion.
6. No audit findings relative to the major federal award program that are required to be reported in accordance with section 2 CFR 200.516 (a) of the Uniform Guidance, were disclosed during the audit.
7. The program tested as a major program included:

ALN	Name of Federal Program
	U.S. Department of Treasury
21.027	Coronavirus State and Local Fiscal Recovery Funds

8. The threshold for distinguishing Type A and B programs was $750,000.
9. Auditee was determined to not be a low-risk auditee.

B. Findings - Financial Statement Audit

None reported.

C. Findings And Questioned Costs - Major Federal Award Programs Audit

None reported.

Findings - Financial Statement Audit

Current year:

None reported.

Prior year:

None reported.

Findings and Questioned Costs - Major Federal Award Programs Audit

Current year:

None reported.

Prior year:

None reported.

APPENDIX C

FORM OF DISCLOSURE UNDERTAKING

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

"Financial Obligation" shall mean "financial obligation" as such term is defined in the Rule.

"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 Farmingdale, in the County of Nassau, 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.

"Purchaser" shall mean the financial institution(s) referred to in the Certificate of Determination, executed by the Village Treasurer as of September 23, 2026.

"Rule 15c2-12" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

"Securities" shall mean the Issuer's $11,450,000 Bond Anticipation Note-2026 Series B, datedSeptember 23, 2026, maturing on September 23, 2027, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any 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) Issuance of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priorities rights, or other similar terms of a financial obligation of the obligated person, 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 obligated person, any of which reflect financial difficulties.

(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. 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 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (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 5. 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 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 5 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 6. 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 in accordance with 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.

Section 7. 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 8. 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 September 23, 2026.

Village of Farmingdale, New York

By____

Village Treasurer

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FORM OF OPINION OF BOND COUNSEL

HAWKINS

HAWKINS DELAFIELD & WOOD LLP
140 BROADWAY, NEW YORK, NY 10005
(212) 820-9300 I HAWKINS.COM

September __, 2026

The Board of Trustees of the
Village of Farmingdale, in the
County of Nassau, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Farmingdale (the "Village"), in the County of Nassau, 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 $11,450,000 Bond Anticipation Note-2026 Series B (the "Note") of the Village, 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 upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions: in

1. The Note is a valid and legally binding general obligation 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 Note 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 Note 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 Note 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 Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income 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 Note, restrictions on the investment of proceeds of the Note 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 Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the Village will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Village represents that it 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 that the interest on the Note 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 Note, 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 Note 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 Note, 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 Note.

We give no assurances as to the accuracy, sufficiency or completeness of the Preliminary Official Statement or Official Statement 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 said Note.

Very truly yours,