

PRELIMINARY OFFICIAL STATEMENT DATED MAY 8, 2026

RENEWAL ISSUE

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Village, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds and the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Notes is included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds and the Notes is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds and the Notes. See "TAX MATTERS."

The Village Will designate the Bonds and the Notes as "qualified tax-exempt obligations" pursuant to the provision of Section 265(b)(3) of the Internal Revenue Code of 1986.

**VILLAGE OF ISLAND PARK
NASSAU COUNTY, NEW YORK (the "Village")**

\$610,000 PUBLIC IMPROVEMENT (SERIAL) BONDS, 2026 (the "Bonds")

Dated: Date of Delivery

**Principal Due: May 15, 2027 - May 15, 2034
(as shown on the inside cover page)**

\$1,200,000 BOND ANTICIPATION NOTES, 2026 (RENEWALS) SERIES B (the "Series B Notes")

Date of Issue: June 4, 2026

Maturity Date: June 4, 2027

\$2,050,000 BOND ANTICIPATION NOTES, 2026 (RENEWALS) SERIES C (the "Series C Notes" and together with the Series B Notes, the "Notes")

Date of Issue: June 10, 2026

Maturity Date: June 10, 2027

The Bonds and the Notes are general obligations of the Village of Island Park, 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 Limitation Law"). (See "TAX INFORMATION - Tax Levy Limitation Law" herein.)

The Bonds are dated their Date of Delivery and shall mature on May 15, in each year as specified on the inside cover page hereof. Interest on the Bonds will be payable May 15, 2027, November 15, 2027 and semi-annually thereafter on May 15 and November 15 in each year until maturity. The Bonds will not be subject to redemption prior to maturity.

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 Bonds and the Notes will be issued in registered form, and at the option of the purchaser(s), the Bonds and the Notes will be (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 Bonds and the Notes are issued in book-entry form, such Bonds and Notes will be delivered to DTC, which will act as the securities depository for the Bonds and the Notes. Individual purchases 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 Bonds and the Notes. Principal of and interest on said Bonds and 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 Bonds and 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".)

THE VILLAGE HAS EXPERIENCED FINANCIAL DIFFICULTIES IN THE PAST SEVERAL YEARS WHICH COULD AFFECT THE MARKETABILITY AND THE MARKET VALUE OF THE NOTES. (SEE "DISCUSSION OF RECENT FINANCIAL OPERATIONS" AND "NEW YORK STATE COMPTROLLER'S OFFICE FISCAL STRESS DESIGNATION" UNDER "FINANCIAL INFORMATION", "MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE" AND "CREDIT RATING" HEREIN.)

The Bonds and the Notes are offered when, as, and if issued and received by the purchaser and subject to the receipt of the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is expected that delivery of the Bonds and the Notes will be made through the facilities of DTC in Jersey City, New Jersey, or such other place as the Village and purchaser shall agree, on or about May 28, 2026 in connection with the Bonds, June 4, 2026 in connection with the Series B Notes and June 10, 2026 in connection with the Series C Notes.

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 CONTINUING DISCLOSURE (AS DEFINED IN THE RULE), AS REQUIRED BY THE RULE, IN CONNECTION WITH THE DELIVERY OF THE BONDS, (SEE "DISCLOSURE UNDERTAKING - THE BONDS," HEREIN). THE VILLAGE WILL DELIVER AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN INFORMATION (AS DEFINED IN THE RULE), AS REQUIRED BY THE RULE, IN CONNECTION WITH THE DELIVERY OF THE NOTES, (SEE "DISCLOSURE UNDERTAKING - THE NOTES," HEREIN).

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.

BOND MATURITY SCHEDULE
\$610,000 Public Improvement (Serial) Bonds, 2026 (the “Bonds”)
(Base CUSIP 464480)[†]

The Bonds mature on May 15 in each year in the following principal amounts.

<u>Year</u>	<u>Amount</u> *	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> †	<u>Year</u>	<u>Amount</u> *	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> †
2027	\$65,000				2031	\$80,000			
2028	65,000				2032	80,000			
2029	70,000				2033	85,000			
2030	75,000				2034	90,000			

* The aggregate principal amount of the Bonds and the principal maturities thereof are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Private Competitive Bond Sale to achieve substantially level annual debt service.

The Bonds will NOT be subject to redemption prior to maturity.

† CUSIP numbers have been assigned by an independent company not affiliated with the Village and are included solely for the convenience of the holders of the Bonds. The Village is not responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as indicated above.

* Preliminary, subject to change

INCORPORATED VILLAGE OF ISLAND PARK

**127 Long Beach Road
Island Park, New York 11558**

VILLAGE OFFICIALS

Mayor

MICHAEL G. MCGINTY

Deputy Mayor

MATTHEW GRACI

Trustees

IRENE P. NAUDUS
ROBERT TICE
BARBARA A. VOLPE-RIED

Village Clerk

CLAUDIA ARMENDINGER

Village Treasurer

NICOLE SCAVONE

Village Attorney

SUSAN B. BOLAND, ESQ.

Bond Counsel

ORRICK, HERRINGTON & SUTCLIFFE, LLP
New York, New York

MUNICIPAL ADVISOR

Liberty  Capital Services

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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 Bonds or 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.

References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

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**OFFICIAL STATEMENT
of the
VILLAGE OF ISLAND PARK
NASSAU COUNTY, NEW YORK**

Relating To

\$610,000 Public Improvement (Serial) Bonds, 2026 (the “Bonds”)

\$1,200,000 Bond Anticipation Notes, 2026 (Renewals) Series B (the “Series B Notes”)

\$2,050,000 Bond Anticipation Notes, 2026 (Renewals) Series C (the “Series C Notes” and together with the Series B Notes, the “Notes”)

This Official Statement, which includes the cover page and appendices hereto, has been prepared by the Village of Island Park, Nassau County, New York (the “Village,” “County,” and “State,” respectively) in connection with the sale by the Village of \$610,000 Public Improvement (Serial) Bonds, 2026 (the “Bonds”), \$1,200,000 Bond Anticipation Notes, 2026 (Renewals) Series B (the “Series B Notes”) and \$2,050,000 Bond Anticipation Notes, 2026 (Renewals) Series C (the “Series C Notes” and together with the Series B Notes, 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 BONDS

The Bonds 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 Bonds 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 Bonds and interest thereon, subject to certain statutory limitations imposed by the Tax Levy Limitation Law. (See “TAX INFORMATION - Tax Levy Limitation Law”, herein.)

The Bonds are dated their date of delivery and shall mature on May 15 in each year as set forth on the inside cover page hereof. Interest on the Bonds will be payable May 15, 2027, November 15, 2027 and semi-annually thereafter on May 15 and November 15 in each year until maturity. The Bonds will not be subject to redemption prior to maturity. The “Record Date” for the Bonds will be the close of business on the last business day of the calendar month preceding each interest payment date.

The Village will act as Paying Agent for any Bonds issued in book-entry form and the purchaser(s) will serve as paying agent for the Bonds registered in the name of the purchaser(s). Paying agent fees, if any, will be paid by the purchaser(s). The Village’s paying agent contact information is as follows: Village Clerk of the Village of Island Park, 127 Long Beach Road, Island Park, NY 11558, email address: carmendinger@villageofislandpark.com

Authorization and Purpose for the Bonds

The Bonds 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 resolution referred to below, duly adopted by the Board of Trustees of the Village on their respective dates for the following purpose:

<u>Purposes</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Notes Outstanding</u>	<u>Principal Payment</u>	<u>Amount to Bonds</u>
To pay the cost of a settlement with the Federal Government payable in the current fiscal year	Jan 21, 2021	\$829,856	\$630,000	\$60,000	\$570,000
Various purposes in and for the Village of Island Park - Remove and dispose of waste at DPW facility	Jul 6, 2020	<u>\$165,000</u>	<u>\$42,500</u>	<u>\$2,500</u>	<u>\$40,000</u>
	Total	<u>\$994,856</u>	<u>\$672,500</u>	<u>\$62,500</u>	<u>\$610,000</u>

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 Limitation Law. (See “TAX INFORMATION - Tax Levy Limitation Law”, herein.)

The Series B Notes are dated June 4, 2026 and will mature, without the option of prior redemption, on June 4, 2027.

The Series C Notes are dated June 10, 2026 and will mature, without the option of prior redemption, on June 10, 2027.

The Village will act as Paying Agent for any Notes issued in book-entry form and the purchaser(s) will serve as paying agent for the Notes registered in the name of the purchaser(s). Paying agent fees, if any, will be paid by the purchaser(s). The Village’s paying agent contact information is as follows: Village Clerk of the Village of Island Park, 127 Long Beach Road, Island Park, NY 11558, email address: carmendinger@villageofislandpark.com

Authorization and Purpose for the Notes

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:

The Series B Notes

<u>Purposes</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Notes Outstanding</u>	<u>Principal Payment</u>	<u>Amount to Notes</u>
To pay the increased cost of the construction of various storm water and drainage improvements in and for said Village	Apr 20, 2023	<u>\$2,000,000</u>	<u>\$1,600,000</u>	<u>\$400,000</u>	<u>\$1,200,000</u>
	Total	<u>\$2,000,000</u>	<u>\$1,600,000</u>	<u>\$400,000</u>	<u>\$1,200,000</u>

The Series C Notes

<u>Purposes</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Notes Outstanding</u>	<u>Principal Payment</u>	<u>Amount to Notes</u>
Curbs, sidewalks, drainage and paving projects in and for the Village of Island Park	Jul 6, 2020	\$100,000	\$67,500	\$2,500	\$65,000
The Little Beach Stabilization Project in and for the Village of Island Park	Jul 6, 2020	1,125,000	875,000	25,000	850,000
Resiliency improvement project at the firehouse in and for the Village of Island Park	Jul 6, 2020	525,000	420,000	15,000	405,000
Little Beach erosion control improvements	11/6/2025 amended 1/15/2026	500,000	500,000	15,000	485,000
Village Hall roof reconstruction	11/6/2025 amended 1/15/2026	<u>250,000</u>	<u>250,000</u>	<u>5,000</u>	<u>245,000</u>
	Total	<u>\$2,500,000</u>	<u>\$2,112,500</u>	<u>\$62,500</u>	<u>\$2,050,000</u>

THE BONDS AND THE NOTES

Nature of Obligation

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

Holders of any series of bonds or notes of the Village may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds and 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 as required by the Constitution and laws of the State. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village, subject to applicable statutory limitations. See "TAX INFORMATION - Tax Levy Limitation Law" herein.

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

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

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40N.Y.2d731 (1976), as follows:

"A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's

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

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977), the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

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

In Quirk v. Municipal Assistance Corp., 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 New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York 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.

Book-Entry-Only System

The following is relevant to the Bonds and to the Notes if such Bonds and Notes are issued in book-entry form (the Securities"). The following discussion assumes that the Bonds and the Notes will be so issued. The Depository Trust Company ("DTC"), Jersey City, New Jersey, will act as securities depository for the Securities, and the Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, each in aggregate principal amount of such maturity and will be deposited with the DTC. One fully-registered Note certificate will be issued for each Note bearing the same rate of interest and CUSIP number, in the aggregate 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 the Securities 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 Bond or 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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village 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, 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 or Agent, 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 Securities at any time by giving reasonable notice to the Village. Under such circumstances, in the event that a successor depository is not obtained, 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, bond and note certificates will be printed and delivered to DTC.

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

Source: The Depository Trust & Clearing Corporation

THE VILLAGE CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS OR NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS OR NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR NOTES, OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO.. ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS OR THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

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 BONDS AND THE NOTES; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS AND/OR 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 BONDS AND/OR NOTES; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER AND/OR NOTEHOLDER.

Certificated Bonds and Notes

DTC may discontinue providing its services with respect to the Bonds and the Notes issued in book-entry form at any time by giving reasonable notice to the Village and discharging its responsibilities with respect thereto under applicable law, or the Village may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds and the Notes will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds and the Notes when due will be payable upon presentation at the principal corporate trust office of a bank or trust company located and authorized to do business and act as a fiscal agent in the State of New York to be named by the Village.

Interest on the Bonds will remain payable on May 15, 2027, November 15, 2027 and semi-annually thereafter on May 15 and November 15, in each year to maturity. Interest on the Notes will remain payable upon maturity. Interest will be payable by check drawn on, the fiscal agent and mailed to the registered owner on such interest payment date at the address as shown on the registration books of the fiscal agent as of the close of business on the last business day of the calendar month immediately preceding each such interest payment date.

Certificated Bonds and Notes may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds or Notes in the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificate of Determination executed by the Village Treasurer authorizing the sale of the Bonds and the Notes and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer exchange of Bonds or Notes between the last day of the calendar month immediately preceding an interest payment date and such interest payment date.

THE VILLAGE

General Information

The Incorporated Village of Island Park, incorporated in 1926, is a waterfront community located in Nassau County, New York on the south shore of Long Island. The Village is approximately 15 miles east of New York City. It has a land area of one-half square mile. The Village is a suburban community, primarily residential in character. There is an active business and shopping area that runs along Long Beach Road, which is the main artery, traversing the Village through its center.

An extensive network of roads lead to and from the Village, giving surface traffic ready access to major east-west arteries leading either to New York City or eastern Long Island. These include: Northern State Parkway, Southern State Parkway, Meadowbrook Parkway and the Long Island Expressway. “Island Park” is a stop on the Long Island Railroad and serves many residents who commute to New York City. The scheduled commuting time between the Village and New York City is under 40-minutes. Kennedy International Airport is located approximately 9 miles west of the Village and provides domestic and international air service.

The Village provides services to its residents including sanitation and highway. The Village also maintains a Village Court and Fire Department. Residents of the Village receive electricity and natural gas services from PSE&G and National Grid. Water is provided by Long Island American Water Company. Police protection is provided by the County of Nassau.

Island Park Union Free School district provides public education to all children in the Village. Grades K through 5 attend the Francis X. Hegarty Elementary School and grades 6 through 8 attend Lincoln Orens Middle School. Island Park students have the choice of attending Long Beach High School or West Hempstead High School.

Selected Listing of Major Employers

<u>Name</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
EmPower Solar	Solar Installation	60
MacKoul & Associates	Coop-Condo Insurance	34
Pop’s Wine & Spirits	Retails	25
DaVinci’s Restaurant	Restaurant	18

Population Characteristics

<u>Year</u>	<u>Village of Island Park</u>	<u>Nassau County</u>	<u>New York State</u>
1970	5,396	1,428,838	18,241,366
1980	4,847	1,321,582	17,557,288
1990	4,860	1,287,348	17,990,445
2000	4,732	1,334,544	18,976,457
2010	4,655	1,339,532	19,378,102
2020	4,928	1,395,774	20,201,249

Comparative Housing, Income and Population Data

<u>Age Distribution</u>	<u>Village</u>	<u>County</u>	<u>State</u>	<u>U.S.</u>
Median Age	39.90	41.10	38.00	37.20
Person/Household	2.9	3.03	2.60	2.60
<u>Housing</u>				
% Owner Occupied Housing Units	54.00	81.70	54.40	64.60
Median Value Owner Occupied Housing	433,500	560,100	340,600	244,900
Median Gross Rent (\$)	1,646	1,940	1,390	1,163
<u>Income:</u>				
Per Capita Income (\$)	36,981	55,763	43,208	37,638
Median Household Income (\$)	84,183	126,576	75,157	69,021
% Below Poverty Level ⁽¹⁾	8.40	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 Gross Rent (\$)” - 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

Budgetary Procedure

The fiscal year of the Village begins on June 1 and ends on the last day of May. The Mayor is the chief budget officer of the Village. The tentative budget for the next fiscal year is sent to the Board on or before March 31st of each year. The Board may make such changes and revisions as they deem appropriate subject to the provisions of the Village Law. Public hearings on the budget are held on or before its adoption. Members of the public may express their views on the budget, but there is no provision for a referendum on the budget. Following the public hearing, the Board adopts the final budget not later than May 1st. A copy of such budget must be filed with the Village Clerk and is available for public inspection. (See "TAX INFORMATION - Tax Levy Limit Law", herein.)

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, 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 Village Clerk is appointed by the Mayor, subject to the confirmation of the Board and serves a four-year term and is the Chief Fiscal Officer of the Village. Duties and responsibilities of the position include: (i) collection of taxes, (ii) maintenance of the Village's accounting systems and records, which includes the responsibility to prepare and file an annual report with the State Comptroller, (iii) custody and investment of Village funds, (iv) debt management, (v) custody of the Village corporate seal, books, records, papers, and all official reports and communications of the Village Board and (vi) keeps the records of Village proceedings.

The Village Attorney and other department heads are also appointed by the Mayor, subject to Board confirmation

Storm Drainage Capital Project

The Village has been awarded funds through the Federal Hazardous Mitigation Grant Program ("HMGP") to mitigate the severe and widespread flooding resulting from Superstorm Sandy of October 29, 2012. \$40.0 million in funds have been awarded to the Village by Homeland Security utilizing FEMA and HUD Funds ("FEMA") via a pass thru system, to fund the necessary work. The Village issued a revenue anticipation note in 2014 to finance the initial phase of the project. The Village intends to continue to issue short-term debt to finance the upfront cost of each project phase to be subsequently reimbursed by FEMA, upon the presentation of project invoices. FEMA has approved and guaranteed expedited reimbursement to the Village. Mitigation work has been ongoing and is expected to be conducted in several phases. The project is expected to include the installation of approximately 42,000 linear feet of lateral storm drains, 330 storm drain catch basins and 19 tidal flex valves through out the Village, as well as the associated design, engineering and construction oversight services.

The initial phase has already been completed at a cost of \$1.8 million and has been fully reimbursed by FEMA. It included a mitigation modeling study as well as the hi-pressure hydraulic cleaning of stormwater drains throughout the Village.

The second phase was completed in January 2021 at a cost of \$1.0 mil., and has been fully reimbursed by FEMA. This phase included design and engineering for the project and represents approximately 30% of the total design, engineering

and construction oversight cost. As with the first phase of the project, the Village issued short-term financing, in the form of Bond Anticipation Notes to finance the upfront costs.

As a result of the design and engineering work completed thus far, the estimated cost of the entire project is now expected to exceed \$100 million, exceeding the initial \$40.0 million previously approved by FEMA. Subsequently the Village submitted an application with FEMA for these additional necessary funds. Upon review of this application, FEMA directed the Village to obtain a cost-benefit analysis and resubmit its application during FEMA's next grant cycle. The Village submitted its application in November 2023. Such application is currently under review by FEMA and Homeland Security.

The third phase includes the construction and installation of the lateral storm drains, catch basins and tidal flex valves along with the associated engineering and construction management services. Work is being conducted in sub-phases and not to exceed the remaining funding level initially awarded to the Village, now estimated to be \$33.2 million after accounting for the two previous phases of work. The third phase commenced in January 2022 upon FEMA approval of design and engineering specifications. This third phase is 100% completed at this time. The Series B Notes are being reissued to finance the costs of project over runs in addition to direct assistance/management costs. It is not known whether these other costs will be fully reimbursed by FEMA funding. (See "VILLAGE INDEBTEDNESS - Details of Outstanding Indebtedness" herein.)

Most recently the Village completed an additional \$6.0 million grant application through the United States Congressional Committee of the Interior to fund additional lateral drains and drain boxes which will further increase the efficiency of storm water drainage and storm water storage. As with the above noted FEMA grants, this grant requires that the Village finance the upfront costs of this work and will be fully reimbursed by this federal grant. Congress has approved this grant in the amount of \$2.75 mil. Final appropriation is expected soon, at which time the Village anticipates issuing a BAN to fund this work.

Transit Oriented Development District

The Village developed a Transit Oriented Development District, an "overlay district" in its downtown, to encourage economic development. Implementation required a change in the Village zoning code and a State Environmental Quality Review ("SEQRA"). The Village initially expected to adopt a revised zoning code and make a negative declaration in connection with the SEQRA review in May 2021, enabling the Village to move forward with the planned district. However, due to additional necessary planning work, including New York State Department of Environmental Conservation requirements unknown at the time, the code revisions establishing the Transit Oriented Development District were adopted in December 2021. (See "TAX INFORMATION - Real Estate Taxes and Tax Collection Record" herein.)

Most recently, the Village was awarded a \$600,000 grant from the United States Congressional Committee of the Interior to fund improvements in the Transit Oriented Development District. These funds will finance additional improvements to the Village's drainage system and reconstruction of multiple municipal parking lots, contiguous to mass transit. As with the above noted FEMA grants, this grant requires that the Village finance the upfront costs of this work and will be fully reimbursed by this federal grant. The Village is presently preparing bid documents for the design and engineering services for this work.

Employees

The Village provides services through approximately 12 full time and 25 part time employees. Additional part-time workers are added in summer months in connection with the beach and recreation programs. Employees are not represented by any collective bargaining organizations.

Employee Pension Benefits

All full-time 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.

Due to significant capital market declines in certain years, the State's Retirement System portfolio experienced negative investment performance and severe downward trends in market earnings. In certain years, the State has maintained the employer contribution rate for the State's Retirement System higher than the 4.5% minimum contribution rate established by law. To mitigate the 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 laws Tier 5 and Tier 6 employees were required to accumulate 10 years in the system before being vested. The State's FY 2023 budget rolls back the required number of years to be accumulated to five.

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:

Year Ending May 31st:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Budget	\$154,885	\$154,885	\$170,374	\$187,411	\$215,150	\$257,690
Contribution	157,947	181,252	132,540	127,908	131,548	156,195

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

The Village's FY 2027 budget includes \$200,000 for its ERS payments.

The Village does not intend to amortize a portion of its FY 2027 ERS liability. The Village has not amortized its ERS liability.

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

Other Post Employment Benefits

GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), require state and local governments to account for and report their costs associated with post retirement healthcare benefits and other non-pension benefits, known as "other post employment benefits" ("OPEB"). GASB 75, which the Village has adopted on June 1,

2018 for the 2018-2019 fiscal year. GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

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

GASB 75 do not require that unfunded liabilities actually be funded, only that the Village account for its unfunded accrued liability. According to GASB 75, the Village is required to perform an actuarial evaluation every 2 years. The Village contracts with an actuarial firm to perform the required analysis.

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 as such. The smallest area for which such statistics are available (which includes the Village) is the Town of Hempstead, (the “Town”). The information set forth below with respect to the Town, 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 the Town, County or the State is necessarily representative of the Village, or vice versa.

	<u>YEARLY AVERAGE</u>					
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Town of Hempstead	8.80%	5.00%	3.20%	3.30%	3.40%	-
Nassau County	8.30%	4.70%	3.00%	3.10%	3.30%	-
New York State ⁽³⁾	9.80%	7.10%	4.30%	4.00%	4.20%	4.30% ⁽³⁾⁽⁴⁾

	<u>2025 - 2026 MONTHLY FIGURES</u>													
	<u>Jan.</u>	<u>Feb.</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>
Town of Hempstead	3.70%	4.00%	3.50%	2.70%	2.80%	3.10%	3.60%	3.90%	3.80%	- ⁽²⁾	3.50%	3.20% ⁽¹⁾	3.70% ⁽¹⁾	-
Nassau County	3.50%	3.80%	3.30%	2.60%	2.70%	2.90%	3.50%	3.70%	3.60%	- ⁽²⁾	3.30%	3.10% ⁽¹⁾	3.50% ⁽¹⁾	-
New York State ⁽³⁾													4.70%	5.20% ⁽¹⁾

⁽¹⁾ Preliminary

⁽²⁾ Data unavailable due to the 2025 lapse in appropriations.

⁽³⁾ Data subject to revision on April 8, 2026.

⁽⁴⁾ Annual estimates for 2025 are 11 month that exclude October. Data for October 2025 were not collected due the 2025 lapse in appropriations.

Source: US Department of Labor – Bureau of Labor and Statistics. Data extracted on 4/22/26 (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. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Village has implemented certain security and operational control measures, and has obtained a cybersecurity liability policy. However, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial. The Village has not experienced any known data breaches to date.

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 debt may 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 document does not include the financial data of any political subdivision having power to levy taxes within the Village.

The Village is in compliance with the procedures for the validation of the Notes provided in Title 6 of Article 2 of the Local Finance Law.

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. In addition, the financial affairs of the Village are subject to periodic review by the State Comptroller. 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. A more in-depth discussion of the Village’s basis of accounting and fund structure appears in the Village’s most recently available audited financial statements.

The most recently available audit covers the fiscal year ended May 31, 2025 and is included as part of the Official Statement as APPENDIX B.

A summary of Revenues, Expenditures and Fund Balance; Comparison of Budget and Actual Results; and Balance Sheets for the Village, based on the most recently available Village audit is included as Appendix A.

Fiscal Year 2021-2022 Adopted Budget

The Mayor submitted the Village’s Fiscal Year 2021-2022 Tentative Budget in March 2021, which mirrored the Village’s Fiscal Year 2020-2021 Adopted Budget. Proposed amendments to the 2021-2022 Tentative Budget presented to the Board by the Mayor in May 2021 were not approved. No subsequent modifications have been made to the budget. (See also “APPENDIX A” and “APPENDIX A-1,” herein.)

Deficit Fund Balances

As of May 31, 2025 the general fund has a deficit unassigned fund balance of \$487,588. Such deficit is attributable to a Bond Anticipation Note in the amount of \$650,000, which is primarily related to pay the cost of a settlement with the Federal government and is expected to be alleviated upon the issuance of the Bonds. (See “APPENDIX B - FY 2025 Audited Financial Statements - Note 1.d.3 Deficit Fund Balance ” herein.)

As of May 31, 2025 the capital projects fund has a deficit unassigned fund balance of \$3,301,644. Such deficit is attributable to Bond Anticipation Notes issued in the amount of \$3,655,000 and is expected to be alleviated when the Bond Anticipation Notes are either converted to long-term permanent financing or paid in full. A portion of the Bonds in the principal amount of \$40,000 will be providing long-term permanent financing for one of these Village capital projects. (See “APPENDIX B - FY 2025 Audited Financial Statements - Note 1.d.3 Deficit Fund Balance ” herein.)

(See also “APPENDIX B - FY 2025 Audited Financial Statements - Note 14 Prior Period Adjustments” herein.)

New York State Comptroller’s Office Fiscal Stress Designation

The Village’s designation(s) for the past several years is as follows: (See “OFFICE OF THE NEW YORK STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM,” herein).

<u>Fiscal Year</u> <u>Ending May 31st:</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2017	Significant Fiscal Stress	78.3
2018	Moderate Fiscal Stress	55.8
2019	Susceptible Fiscal Stress	53.8
2020	Significant Fiscal Stress	66.7
2021	Not filed	—
2022	Not filed	—
2023	Not filed	—
2024	Significant Fiscal Stress	81.7
2025	Significant Fiscal Stress	65.0

Statutes Governing Village Investment Policy

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. 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.

The Village is permitted to invest only in the following investments: (1) special time deposits in, or certificates of deposits issued by, a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Village; (6) obligations of New York public benefit corporations which are made lawful investments for the Village pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and (8) in the case of Village moneys held in certain reserve funds established pursuant to law, obligations issued by the Village. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, as that term is defined in the law.

State and Federal Aid

The General Fund received financial assistance from the State as indicated below:

<u>Fiscal Year</u> <u>Ending May 31st:</u>	<u>Total</u> <u>Revenues</u>	<u>Federal and State</u> <u>Aid</u>	<u>State Aid to</u> <u>Revenues (%)</u>
2021	\$4,563,341	\$252,993	5.54%
2022	4,635,309	238,904	5.15%
2023	5,458,323	943,707	17.29%
2024	5,015,448	169,661	3.38%
2025	5,455,484	199,880	3.66%
2026 (Budget)	7,216,145	1,977,339	27.40%
2027 (Budget)	6,875,646	1,078,119	15.68%

Source: Village of Island Park Budgets and Village Audits (Table itself not audited)

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, 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. (See also "RISK FACTORS" herein.)

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 or by a mid-year reduction in State aid, 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.

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 will be allocated to state and local governments, including villages, to assist with budget shortfalls and other items related to the COVID-19 pandemic. The Village received Act funds of approximately \$249,545 in July 2021 and \$250,356 in August 2022. No additional Act funds are expected. Such funds have been spent and all reporting filed properly identifying Act eligible uses.

Discussion of Recent Financial Operations

(See "APPENDIX A", "APPENDIX A-1" and "APPENDIX A-2" herein)

During Covid-19 years, FY 2020 and FY 2021, Village finances performed as it had done in past years. Through a mix of controlling unanticipated expenditures and compensating revenues via Federal grant aid, it maintained minimum fund balances (both positive and negative.) The Village did not issue Revenue Anticipation Notes during these years. (See FINANCIAL INFORMATION - Impact of COVID-19" herein.)

The Mayor's budget proposal for fiscal year 2021-2022 was met with strong opposition by the Village Board. Village Trustees were reticent and strongly opposed to the 5% property tax increase, proposed but not yet included in the presented tentative budget. The budget was not amended to include the 5% property tax increase, resulting in a fallback to the previous year's budget, insufficient property tax revenue for FY 2022 and a cumulative effect of an operating deficit moving forward. (See "FINANCIAL INFORMATION- Fiscal Year 2021-2022 Adopted Budget" herein.)

The Village recently received \$500,000 in unbudgeted grant funds from FEMA for modifications to its Village Hall Project. It also has an additional grant receivable due from FEMA for extraneous building department expenses due to storm repair permits and the subsequent certificates of completion. FEMA has informed the Village that it will be receiving approximately \$71,000 in connection with this grant. The Village has requested additional grant funds from FEMA for this project. It is not known at this time if this additional grant request will be approved. The Village anticipates that such monies will have a positive impact on its financial position.

The Village's FY 2023 Adopted Budget included a 5% property tax increase. The Village's auditing firm is in the process of preparing the Village's preliminary financial statements, the results of which are not known at this time. (See "FINANCIAL INFORMATION - Financial Statements" herein.)

The Villages FY 2024 Adopted Budget included a 5% property tax increase. The Village anticipates that its 2023-2024 fiscal year will close with a “break-even” or small operating deficit.

The Villages FY 2025 Adopted Budget included a 7% property tax increase. The Village is continuing to pursue additional recurring revenues and grant based funding to continue to finance . (See “THE VILLAGE - Budgetary Procedure” herein.)

The Villages FY 2026 and FY 2027 Adopted Budgets included a 9% and 7% property tax levy increase, respectively. The Village is continuing to pursue additional recurring revenues and grant based funding to continue to finance . (See “THE VILLAGE - Budgetary Procedure”

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	\$7,856,789	\$7,768,036	\$7,938,748	\$7,982,747	\$8,027,668	\$8,014,710
State Equalization Rate	1.30%	1.42%	1.38%	1.18%	1.12%	0.99%
	\$604,368,385	\$547,044,789	\$575,271,594	\$676,503,983	\$716,756,071	\$809,566,667

Source: Village of Island Park and NYS Office of Real Property Management

Larger Taxpayers

<u>Name</u>	<u>Type</u>	<u>FY 2027 Assessed Valuations</u> ⁽¹⁾
PSEG - Long Island	Utility	307,585 ⁽²⁾
National Grid	Utility	127,737
Long Island Water Corp./NY American Water SSC	Utility	115,625 ⁽²⁾
TZVI Shoel, LLC	Nursing Home/PILOT	90,000
Empire Offshore Wind, LLC	Marina	73,926 ⁽²⁾
Quebec Development, LLC ⁽³⁾	Vacant Land	70,660
Quebec 41 IP	Apartments	35,000 ⁽²⁾
S&S Realty	Apartments	25,000 ⁽²⁾
Island Beach Apartments	Apartments	23,000 ⁽²⁾
Double R. Management	Apartments	21,300
		<u>\$889,833</u>

⁽¹⁾ May include multiple properties

⁽²⁾ This taxpayer has filed a tax certiorari case against the Village which remains unsettled. (See “TAX INFORMATION - Tax Certiorari Matters” and “LITIGATION” herein)

⁽³⁾ See “TAX INFORMATION - Real Estate Taxes and Tax Collection Record” and “LITIGATION” herein.

Source: Village of Island Park

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. The Village's tax certiorari counsel is of the opinion that the most significant cases against the Village have been resolved. 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:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Budgeted	\$2,500	\$2,500	\$2,500	\$22,000	\$2,500
Expended	74,238	61,417	71,167	9,028	4,231

As of April 27, 2026 the Village expended \$12,900 in tax certiorari and/or SCAR payments for which it budgeted \$2,500. The Village's FY 2027 budget includes \$2,500 for the payment of tax certioraris and/or SCARS. The Village has financed tax certiorari and SCAR settlements in the past and may continue to finance any future judgment or settlement, if necessary, so as to mitigate any impact on future budgets.

Tax Collection Procedure

Property taxes are levied annually no later than April 15 and become a lien on the first day of the levy year. Taxes are payable on June 1. Thereafter penalties and interest are imposed pursuant to the Real Property Tax Law. After the certification and return of the tax warrant to the Board of the uncollected tax items an annual sale of the tax liens is held pursuant to the provisions of the Real Property Tax Law. Tax Sale Certificates are issued for all uncollected property taxes, in anticipation of the sale of properties in satisfaction of the property tax items.

Tax Rate per \$100 (Assessed)

Year Ending May 31st:	<u>2021</u>	<u>2022</u> ⁽¹⁾	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u> ⁽²⁾
Tax Rate	\$35.71	\$34.20	\$35.28	\$37.04	\$39.39	\$43.01	\$46.42

(1) See "FINANCIAL INFORMATION - Fiscal Year 2021-2022 Adopted Budget", herein.

(2) Based on a taxable assessment of \$7,950,437

Source: New York State Comptroller's Office and Village of Island Park Budgets (Figures are rounded).

Real Estate Taxes and Tax Collection Record

Year Ended May 31st:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>As of 4/25/26 2026</u>
Levy and Tax Collections:						
Taxes on Roll	\$2,805,914	\$2,805,914	\$2,740,755	\$2,957,128	\$3,149,381	\$3,447,008
Current Years Taxes	2,754,992	2,630,658	2,672,308	2,923,788	3,053,173	3,323,246
Tax Lien Sales	6,825	43,175	23,089	12,753	2,440	18,776
Total Collections During Year	<u>\$2,761,817</u>	<u>\$2,673,833</u>	<u>\$2,695,397</u>	<u>\$2,936,541</u>	<u>\$3,055,613</u>	<u>\$3,342,022</u>
% Collected Current Year Taxes	<u>98.19%</u>	<u>93.75%</u>	<u>97.50%</u>	<u>98.87%</u>	<u>96.95%</u>	<u>96.41%</u>
% Total Collections	<u>98.43%</u>	<u>95.29%</u>	<u>98.35%</u>	<u>99.30%</u>	<u>97.02%</u>	<u>96.95%</u>

Source: Village of Island Park

A large portion of uncollected property taxes, the purpose of which the Village issued Tax Anticipation Notes in March 2021 and March 2022 is due to unpaid taxes from two properties within the Village, Railroad Place and One Quebec

Road. (See “TAX INFORMATION - Larger Taxpayers” herein.) The owner of the Railroad Place property subsequently satisfied all delinquent property taxes, fees and penalties in FY 2023. The owner has also paid its FY 2024 property taxes. (See “THE VILLAGE - Transit Oriented Development District” herein.) With respect to the One Quebec Road property, a private party purchased the property from the prior owner and paid the tax arrears due to the Village. Fiscal years 2023 through 2026 property taxes remain unpaid. The Village is taking action to recover these arrears estimated to be \$250,000. The new owner is planning to develop the property under the transit oriented development overlay. The new owner is also responsible for a necessary environmental clean-up of the property and is currently negotiating with the NYS Department of Environmental Conservation for full reimbursement for such work.

Constitutional Taxing Power

(See also “TAX INFORMATION- Tax Levy Limit Law” herein)

Fiscal Year Ending May 31:	<u>2025</u>	<u>2026</u>	<u>2027</u> ⁽¹⁾
Five Year Average Full Valuation	\$582,976,070	\$623,988,964	\$665,028,621
Tax Limit (2%)	11,659,521	12,479,779	13,300,572
Add: Total Exclusions	<u>0</u>	<u>0</u>	<u>1,151,299</u>
Total Taxing Power	11,659,521	12,479,779	14,451,871
Less Tax Levy	<u>3,161,930</u>	<u>3,447,008</u>	<u>3,690,321</u>
Tax Margin	<u>\$8,497,591</u>	<u>\$9,032,771</u>	<u>\$10,761,550</u>
Percent of Tax Limit Exhausted	<u>27.12%</u>	<u>27.62%</u>	<u>19.09%</u>

(1) As submitted to the Office of the NYS Comptroller. Review pending.

Source: New York State Comptroller’s Office and Village of Island Park

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York city, the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are affected indirectly by applicability to their respective City). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

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

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

While the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of the Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer’s levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the

Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such a statutory tax levy limitation is not clear.

Real Property Tax Rebate

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

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved “government efficiency plan” which demonstrates “three years savings and efficiencies of at least one percent per year from shared services, cooperation agreements and/or mergers or efficiencies”.

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the Village are uncertain at this time.

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 within 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 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, and unless substantially level or declining debt service is utilized, no installment may be more than fifty percent in excess of the smallest prior installment. 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 or such required annual installments on its 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, as has been noted under "Nature of Obligation", 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 Limitation 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 Limitation Law. (See "TAX INFORMATION - Tax Levy Limitation 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. If a bond resolution is submitted to the voters by the Board of Trustees, then only a three-fifths vote of the Board of Trustees is needed for adoption.

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.

The Village is in compliance with such estoppel procedure with respect to the bond resolution(s) adopted in connection with the issuance of the Notes. (See "THE VILLAGE - Other Information" herein.)

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, budget notes and deficiency notes.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village as of May 11, 2026 (figures rounded).

	<u>Maturity</u>		<u>Amount</u>
<u>Bonds</u>			
General Fund Debt	2026-2041	<u>\$2,710,000</u>	
Total Bonds			2,710,000
<u>Bond Anticipation Notes</u>			
Bond Anticipation Notes, 2025 (Renewals) Series B	June 5, 2026	1,600,000 ⁽¹⁾	
Bond Anticipation Notes, 2025 (Renewals) Series C	June 11, 2026	2,035,000 ⁽²⁾	
Bond Anticipation Notes, 2025 Series D	June 11, 2026	750,000 ⁽³⁾	
Bond Anticipation Notes, 2026 (Renewals) Series A	January 14, 2027	<u>200,000</u>	
Total Bond Anticipation Notes			4,585,000
<u>Installment Purchase Debt</u>			
Ferrara Pumper and Chief's Cars	2026-2032	675,227	
Total Installment Purchase Debt			<u>675,227</u>
Total Debt Outstanding			<u>\$7,970,227</u>

⁽¹⁾ To be redeemed at maturity from the proceeds of the Series B Notes along with available Village funds.

⁽²⁾ To be redeemed at maturity from the proceeds of the Bonds and the Series C Notes along with available Village funds.

⁽³⁾ To be redeemed at maturity from the proceeds of the Series C Notes along with available Village funds.

Source: Village of Island Park

Bonded Debt Service

The following table reflects the debt service requirements to maturity on the Village's outstanding bonded debt as of May 11, 2026 (figures rounded):

Fiscal Year	Total Principal		
<u>Ended May 31st</u>	<u>Principal</u>	<u>Interest</u>	<u>and Interest</u>
2027	\$220,000	\$118,688	\$338,688
2028	225,000	109,006	334,006
2029	230,000	99,219	329,219
2030	245,000	88,994	333,994
2031	250,000	78,331	328,331
2032	260,000	67,444	327,444
2033	120,000	59,188	179,188
2034	125,000	53,787	178,787
2035	125,000	48,163	173,163
2036	135,000	42,537	177,537
2037	140,000	36,462	176,462
2038	145,000	30,162	175,162
2039	155,000	23,275	178,275
2040	165,000	15,912	180,912
2041	<u>170,000</u>	<u>8,075</u>	<u>178,075</u>
Totals:	<u>\$2,710,000</u>	<u>\$879,243</u>	<u>\$3,589,243</u>

Computation of Debt Limit

The following table sets forth the debt limitation of the Village (figures rounded):

Fiscal Year Ending <u>May 31st:</u>	Assessed Valuation of Taxable <u>Real Estate</u>	State Equalization <u>Rate</u>	Full Valuation of Taxable <u>Real Estate</u>
2026	\$8,014,710	0.99%	\$809,566,667
2025	8,027,668	1.12%	716,756,071
2024	7,982,747	1.18%	676,503,983
2023	7,938,748	1.38%	575,271,594
2022	7,768,036	1.42%	<u>547,044,789</u>
Total five year valuation			3,325,143,104
Five year average full valuation			665,028,621
Debt Limit - 7% of average five year full valuation			<u>\$46,552,003</u>

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

Debt Statement Summary

Summary of Debt Limit, Total Gross Direct Indebtedness, Total New Indebtedness and Net Debt-Contracting Margin as of May 11, 2026 (figures rounded):

Debt Contracting Limitation:		\$46,552,003
<u>Inclusions</u>		
Bonds:	2,710,000	
Bond Anticipation Notes	4,585,000	
Installment Purchase Debt	<u>675,227</u>	
Total Inclusions		<u>7,970,227</u>
<u>Exclusions:</u>		
Appropriations: Bonds	0	
Appropriations: BANS	530,000	
Appropriations: Installment Purchase Debt	<u>0</u>	
Total Exclusions:		<u>530,000</u>
Total Net Direct Indebtedness		<u>\$7,440,227</u>
Net Debt Contracting Margin		<u>\$39,111,776</u>
Percent of Debt-Contracting Power Exhausted		<u>15.98%</u>

The issuance of the Bonds and the Notes will not increase the Total Net Direct Indebtedness of the Village.

Failure to Make Timely Debt Service Payments

No principal or interest payment on the Village's debt is currently past due; however the Village failed to make the timely payment of principal and interest at the maturity of its Bond Anticipation Notes, 2021 Series B. Although funds were on hand with the bank holding the Note to make payment in full, the actual transfer of funds to the proper account at the bank did not take place timely. Payment of principal and interest have now been paid in full, with the funds having been transferred to the appropriate account. The Village filed a Notice of Material Event on EMMA on September 28, 2021 in connection with

this delinquency. (See “DISCLOSURE UNDERTAKING - Compliance History” herein.)

As described in a material event notice filed on December 8, 2023, the Village failed to make a timely interest payment on its Public Improvement (Serial) Bonds, 2022 due December 1, 2023. Payment was subsequently made on December 5, 2023.

Debt Outstanding End of Fiscal Year

Fiscal Year Ended May 31:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$0	\$0	\$1,230,000	\$965,000	\$2,795,000
Bond Anticipation Notes	7,556,856	7,808,856	6,310,000	7,780,000	4,305,000
Tax Anticipation Notes	508,000	165,490	0	0	0
Installment Purchase Debt	440,442	142,218 ⁽¹⁾	700,000	641,885	581,469
Total Debt Outstanding	<u>\$8,505,298</u>	<u>\$8,116,564</u>	<u>\$8,240,000</u>	<u>\$9,386,885</u>	<u>\$7,681,469</u>

⁽¹⁾ As Restated (See prior period adjustments Note #13 of the Village’s FY 2023 Audited Financial Statements included as APPENDIX B, herein)

Source: Audited Financial Statements of the Village.

Capital Project Plans

The Village will have the following authorized and unissued projects after the issuance of the Notes. (See also “THE VILLAGE - Storm Drainage Capital Project”)

<u>Purposes</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Amount Unissued</u>
Revenue Anticipation Notes in anticipation of funds from FEMA and New York State	February 8, 2019	\$500,000	\$500,000 ⁽¹⁾
		<u>\$500,000</u>	<u>\$500,000</u>

⁽¹⁾ The Village does not anticipate issuing debt under this resolution.

The Village of Island Park

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. The estimated outstanding indebtedness of such political subdivisions is as follows:

<u>Unit</u>	<u>Date of Report</u>	<u>Outstanding Indebtedness</u>	<u>Exclusions ⁽¹⁾</u>	<u>Net Indebtedness</u>	<u>Net % Within Village</u>	<u>Applicable Net Indebtedness</u>
County of Nassau	3/31/25	\$3,223,388,000	\$331,005,000	\$2,892,383,000	0.18%	\$5,206,289
Town of Hempstead	6/2/25	610,832,712	199,712,713	411,119,999	0.46%	1,891,152
Island Park UFSD	6/30/25	11,620,000	0	11,620,000	20.00%	<u>2,324,000</u>
					Total	<u>\$9,421,441</u>

⁽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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditor's Provision

Each Note, when duly issued and paid for, will constitute a contract between the Village and the holder thereof. Under current law, provision is made for contract creditors of the Village to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Village upon any judgement or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine percent annum from the due date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property

As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the village may not be enforced by levy and execution against property owned by the Village.

Authority to File For Municipal Bankruptcy

The Federal Bankruptcy Code allows public bodies, such as the counties, cities, towns and villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the state or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District court or court of bankruptcy under any provision of the laws of the United states, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

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 rights of the owners of Notes to receive interest and principal from the Village could be adversely affected by the restructuring of the Village's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holder of debt obligations issued by the Village (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Village under the Federal Bankruptcy code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law

There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue action in any court to collect or enforce certain short term obligations of the City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the state's highest court, declared such act to be invalid on

the ground that it violates the provisions of the State Constitution requiring a pledge by such city of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of title 6-A of Article 2 of the Local Finance Law, as described below, 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.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law

The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court i county in which municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. a stay maybe vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a "material change in circumstances" the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards

Pursuant to Article IX Section 2(b)(2) of the state Constitution, any local government 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 approve collective bargaining agreements in certain cases. Implementation is 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, on a certificate of necessity of the governor reciting facts which in the judgment of 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 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 such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town and village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any 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. See “SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT - General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation

In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of noteholders and bondholders, such courts might

hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “DESCRIPTION OF THE NOTES - Nature of Obligation” and “SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT - State Debt Moratorium Law” herein.

No Past Due Debt

No principal of or interest on Village indebtedness is past due.

LITIGATION

In common with other Villages, the Village from time to time receives notices of claim and is party to litigation. In the opinion of the attorney for the Village, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the Village, would have an adverse material effect on the financial condition of the Village.

The Long Island Power Authority filed a tax grievance in the Appellate Division against the Village, which is currently open/unresolved.

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

MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE

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

There can be no assurance that the State appropriation for State Aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State Aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the /state budget and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the Village can be paid only if the /state has such monies available therefore. (See "FINANCIAL INFORMATION - State Aid" herein).

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, 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 or by a reduction in State Aid or its elimination, 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 "FINANCIAL INFORMATION - State Aid" herein.)

Should the Village fail to receive monies expected from the State in the amounts and at the times expected, the Village is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the Village. Any such future legislation would have an adverse effect on the market value of the Notes (see "TAX MATTERS" herein).

The enactment of Chapter 97 of the Laws of 2011 on June 24, 2011, which imposes a tax levy limitation upon municipalities, school districts, including the Village and fire districts in the State could have an impact upon operations of the Village and as a result, the market price for the Notes. (see "TAX INFORMATION - Tax Levy Limitation Law" herein).

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds and the Series B and Series C Notes will be subject to the delivery of an approving legal opinion of Orrick Herrington & Sutcliffe LLP, substantially in the forms appearing respectively in "APPENDIX C", "APPENDIX D" and "APPENDIX E", hereto.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). In the further opinion of Bond Counsel, interest on the Bonds and the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds and the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds and the Notes is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX C and APPENDIX D hereto.

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

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

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

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds and the Notes to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of

the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds and the Notes. Prospective purchasers of the Bonds and the Notes should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

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

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

CREDIT RATING

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

The Village's debt is currently unrated.

DISCLOSURE UNDERTAKING

The Bonds

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Village has agreed to provide, or cause to be provided, during the period in which the Bonds are outstanding:

- (i) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement expected to be dated May 20, 2026 of the Village relating to the Bonds under the headings "THE VILLAGE", "FINANCIAL INFORMATION", "TAX INFORMATION", "VILLAGE INDEBTEDNESS", "LITIGATION" and all Appendices (other than Appendix C, D and other than any Appendix related to bond insurance) by the end of the ninth month following the end of each succeeding fiscal year, commencing with the fiscal year ending May 31, 2026, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending May 31, 2026; such audit, if any, will be so provided on or prior to the later of either the end of the ninth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Village of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the ninth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if

available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Village of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

(ii) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults; if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) 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 Bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of Bondholders; if material
- (h) bond calls, if material, and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Bonds; if material
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the Village;
- (m) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, 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; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (o) incurrence of a “financial obligation” (as defined in the Rule) of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Village, any of which affect Bondholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Village, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Bonds.

With respect to event (d) the Village does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

For the purposes of the event identified in (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The Village may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above, if the Village determines that any such other event is material with respect to the Bonds; but the Village does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

- (iii) in a timely manner, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The Village reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the Village no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The Village acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Village's obligations under its continuing disclosure undertaking and any failure by the Village to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The Village reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Village, provided that, the Village agrees that any such modification will be done in a manner consistent with the Rule.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

The Notes

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") the Village has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices of determination with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Noteholders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the Village
- (m) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, 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 action, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined by the Rule) of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Village, any of which affect Noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Village, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers, dated

September 19, 1995. However, event (c) is not applicable, since no “debt service reserves” will be established for the Note.

With respect to event (d) the Village does not undertake to provide any notice with respect to credit enhancement added after the primary offerings of the Notes.

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

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledge as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The Village may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Village determines that any such other event is material with respect to the Notes; but the Village does not undertake to commit any such notice of the occurrence of any material event except those events listed above or any failure to comply in a timely manner with the requirements of the Rule.

The Village reserves the right to terminate its obligation to provide the aforescribed notice of material events, as set forth above, if and when the Village no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The Village acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Village’s obligations under its material events notices undertaking and any failure by the Village to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages. A Material Event Notices Certificate to the effect shall be provided to the purchaser at closing.

Compliance History

The Village voluntarily entered into a Continuing Disclosure Undertaking in connection with the issuance of its Public Improvement (Serial) Bonds, 2022. The Village has also entered into disclosure undertakings to provide or cause to be provided notices of certain material events, in connection with several notes issued by the Village, which are currently outstanding.

On September 28, 2021 the Village filed a Notice of Material Event in connection with a principal and interest payment delinquency. (See “VILLAGE INDEBTEDNESS - Failure to Make Timely Debt Service Payments” herein.)

As described in material event notices dated March 1, 2023 and June 1, 2023, the Village failed to file its FY 2022 unaudited and/or audited financial statements, as required by a certain disclosure undertaking. The Village subsequently filed its audited financial statements on September 7, 2023.

On May 1, 2023 the Village filed a Notice of Material Event - Notice of Incurrence of a Financial Obligation in connection with a lease purchase agreement it entered into on July 7, 2022. Concurrently with such notice, the Village filed a Notice of Material Event - Failure to Provide Event Information as Required.

On December 8, 2023 the Village filed a Notice of Material Event in connection with a interest payment delinquency. (See “VILLAGE INDEBTEDNESS - Failure to Make Timely Debt Service Payments” herein.)

As described in material event notices dated March 1, 2024 and June 3, 2024, the Village failed to file its FY 2023 unaudited and/or audited financial statements, as required by a certain disclosure undertaking. The Village’s FY 2023 audited financial statements were subsequently filed on February 6, 2025.

On February 10, 2025 the Village filed a Notice of Material Event - Notice of Incurrence of a Financial Obligation in connection with a lease purchase agreement it entered into on October 1, 2024. Concurrently with such notice, the Village filed a Notice of Material Event - Failure to Provide Event Information as Required.

As described in material event notices dated March 3, 2025 and June 2, 2025, the Village failed to file its FY 2024 unaudited and/or audited financial statements, as required by certain Village disclosure undertakings. The Village's FY 2024 audited financial statements were subsequently filed on November 10, 2025.

As described in material event notices dated March 2, 2026, the Village failed to file its FY 2025 unaudited and/or audited financial statements, as required by certain Village disclosure undertakings.

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.

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

This disclosure document has been duly executed and delivered by the Village Treasurer of the Village of Island Park. Additional information may be obtained from the office of the Village Treasurer - Nicole Scavone, 127 Long Beach Road, Island Park, NY. 11558, (516) 431-0600 or the Village's municipal advisor, Liberty Capital Services, LLC at (516) 877-0797.

**Dated: Island Park, New York
May 8, 2026**

**/s/Nicole Scavone
Village Treasurer**

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Village of Island Park
Revenues, Expenditures and Fund Balances
General Fund

APPENDIX A

Year Ended May 31:	<u>2021</u>	<u>2022</u> ⁽¹⁾	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>REVENUES</u>					
Real Property Taxes	\$2,657,223	\$2,802,662	\$2,744,070	\$2,863,890	\$3,060,473
Other Tax Items	19,268	33,288	155,406	45,220	39,758
Non-Property Tax Items	244,586	259,046	209,456	232,989	229,466
Departmental Income	115,127	177,860	189,077	221,357	435,302
Intergovernmental Charges	593,650	581,830	520,647	602,867	568,090
Use of Money and Property	156,052	(37,564)	32,962	155,902	131,409
Licenses and Permits	271,439	276,074	248,577	335,689	371,006
Fines and Forfeitures	125,301	217,532	232,476	222,755	352,473
Sale of property and compensation for loss	1,390	12,517	24,659	89,770	16,987
Federal and/or State Sources	252,993	238,904	943,707	169,661	199,880
Miscellaneous	<u>126,312</u>	<u>73,160</u>	<u>157,286</u>	<u>75,348</u>	<u>50,640</u>
Total Revenues	<u>4,563,341</u>	<u>4,635,309</u>	<u>5,458,323</u>	<u>5,015,448</u>	<u>5,455,484</u>
<u>EXPENDITURES</u>					
General Government Support	1,288,850	1,735,212	1,809,289	1,762,823	1,769,583
Public Safety	861,181	874,538	917,569	815,063	849,281
Health	2,645	3,568	3,900	3,070	1,495
Transportation	68,943	236,601	99,807	95,967	109,570
Economic Assistance and Opportunity	2,115	2,250	2,250	2,250	2,250
Culture & Recreation	247,559	205,956	248,373	184,866	126,300
Home & Community Services	804,567	918,421	866,797	888,095	1,096,211
Employee Benefits	926,031	1,054,754	1,017,498	1,137,270	1,099,751
Debt Service	<u>230,760</u>	<u>920,503</u>	<u>1,702,649</u>	<u>948,926</u>	<u>604,958</u>
Total Expenditures	<u>4,432,651</u>	<u>5,951,803</u>	<u>6,668,132</u>	<u>5,838,330</u>	<u>5,659,399</u>
Excess of Revenues over (under) Expenditures	130,690	(1,316,494)	(1,209,809)	(822,882)	(203,915)
Other Financing Sources (Uses):					
Operating Transfers In	186,648	772,085	801,976	0	0
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>186,648</u>	<u>772,085</u>	<u>801,976</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	317,338	(544,409)	(407,833)	(822,882)	(203,915)
Fund Balance Beginning of Year	<u>941,739</u>	<u>1,259,077</u>	<u>714,668</u>	<u>(555,919)</u>	<u>197,197</u>
Restated Fund Balance Beginning of Year			<u>(862,754)</u>	<u>1,020,079</u>	<u>2,549,197</u> ⁽²⁾
Fund Balance End of Year	<u>\$1,259,077</u>	<u>\$714,668</u>	<u>(\$555,919)</u>	<u>\$197,197</u>	<u>\$2,345,282</u>

⁽¹⁾ See "FINANCIAL INFORMATION - Fiscal Year 2021-2022 Adopted Budget" herein

⁽²⁾ See "APPENDIX B - FY 2025 Audited Financial Statements - Note 14 Prior Period Adjustments" herein.

Village of Island Park
Comparison of Budget(s) and Actual Results General Fund

APPENDIX A-1

Year Ended May 31:	2025		2026	2027
	Adopted Budget	Actual ⁽¹⁾	Adopted Budget	Adopted Budget
REVENUES				
Real Property Taxes	\$3,164,125	\$3,060,473	\$3,385,616	\$3,690,321
Real Property Tax Items	75,000	39,758	61,392	60,500
Non-Property Tax Items	220,000	229,466	225,000	250,000
Departmental Income	431,000	435,302	347,500	392,500
Intergovernmental Charges	664,635	568,090	605,370	618,206
Use of Money and Property	22,500	131,409	20,000	36,000
Licenses and Permits	315,000	371,006	245,000	345,000
Fines and Forfeitures	230,000	352,473	210,000	300,000
Sale of property and compensation for loss	0	16,987	50,000	50,000
Federal and State Sources	2,645,427	199,880	1,977,339	1,078,119
Miscellaneous	<u>75,000</u>	<u>50,640</u>	<u>88,928</u>	<u>55,000</u>
Total Revenue	<u>\$7,842,687</u>	<u>\$5,455,484</u>	<u>\$7,216,145</u>	<u>\$6,875,646</u>
EXPENDITURES				
General Governmental Support	1,725,694	1,769,583	1,947,359	2,034,858
Public Safety	806,589	849,281	883,356	854,079
Health	2,000	1,495	1,500	1,500
Transportation	158,925	109,570	311,786	145,000
Economic Assistance and Opportunity	0	2,250	0	4,250
Culture & Recreation	196,550	126,300	196,250	177,500
Home & Community Service	861,567	1,096,211	864,492	1,018,992
Employee Benefits	1,484,357	1,099,751	1,724,691	1,394,516
Debt Service	<u>4,640,140</u>	<u>604,958</u>	<u>1,286,711</u>	<u>1,244,951</u>
Total Expenditures	<u>9,875,822</u>	<u>5,659,399</u>	<u>7,216,145</u>	<u>6,875,646</u>
Excess of Revenues Over (under) Expenditures	(2,033,135)	(203,915)	0	0
Other Financing Sources (Uses):				
Operating Transfers In	2,033,135	0	0	0
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>2,033,135</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$0</u>	<u>(\$203,915)</u>	<u>\$0</u>	<u>\$0</u>

⁽¹⁾ As accounted for in the Village's FY 2025 Audit - Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds.

**Village of Island Park
Balance Sheets
General Fund**

APPENDIX A-2

As of May 31:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>ASSETS</u>					
Cash and Cash Equivalents (unrestricted)	\$797,189	\$541,475	\$263,133	\$162,258	\$721,324
Cash and Cash Equivalents (restricted)	0	0	0	1,988,749	2,002,300
Restricted LOSAP plan assets	1,164,809	1,113,345	1,066,662	1,097,762	1,168,503
Tax Sale Certificates/Taxes	386,095	463,542	26,726	30,568	76,873
Due from State and Federal	0	0	0	0	8,352
Accounts Receivable/Other	59,103	49,745	68,596	0	0
Due from Other Governments	30,110	25,997	38,579	234,120	44,672
Due from Other Funds	93,166	93,166	93,166	0	0
Other	0	0	0	67,495	66,573
Prepaid Expenses	<u>14,763</u>	<u>31,715</u>	<u>74,451</u>	<u>191,775</u>	<u>230,067</u>
TOTAL ASSETS	<u>\$2,545,235</u>	<u>\$2,318,985</u>	<u>\$1,631,313</u>	<u>\$3,772,727</u>	<u>\$4,318,664</u>
<u>LIABILITIES</u>					
Accounts Payable					
and Accrued Expenses	\$327,897	\$718,297	\$244,818	\$766,426	\$792,622
Due to other governments	30,209	22,090	21,174	21,925	0
Due to other funds	11,264	11,264	973,704	1,911,611	185,099
Due to employee retirement system	0	0	0	0	26,033
Security deposits held for others	22,693	13,845	77,536	85,000	183,955
Bond anticipation notes payable	0	0	870,000	760,000	650,000
Unearned Revenue	0	0	0	0	58,800
Tax anticipation note payable	<u>508,000</u>	<u>165,490</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>900,063</u>	<u>930,986</u>	<u>2,187,232</u>	<u>3,544,962</u>	<u>1,896,509</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unearned Revenue	386,095	673,331	0	0	0
Unavailable Tax Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,568</u>	<u>76,873</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>386,095</u>	<u>673,331</u>	<u>0</u>	<u>30,568</u>	<u>76,873</u>
<u>FUND EQUITY</u>					
Fund Balances:					
Nonspendable	14,763	31,715	74,451	191,775	230,067
Restricted	1,164,809	1,113,345	1,066,662	2,518,511	2,602,803
Assigned	0	0	0	0	0
Unassigned	<u>79,505</u>	<u>(430,392)</u>	<u>(1,697,032)</u>	<u>(2,513,089)</u>	<u>(487,588)</u> ⁽¹⁾
TOTAL FUND EQUITY (DEFICIT)	<u>1,259,077</u>	<u>714,668</u>	<u>(555,919)</u>	<u>197,197</u>	<u>2,345,282</u>
TOTAL LIABILITIES, DEFERRED REVENUE AND FUND EQUITY	<u>\$2,545,235</u>	<u>\$2,318,985</u>	<u>\$1,631,313</u>	<u>\$3,772,727</u>	<u>\$4,318,664</u>

⁽¹⁾ See "APPENDIX B - FY 2025 Audited Financial Statements - Note 14 Prior Period Adjustments" herein.

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INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Basic Financial Statements
Supplementary Information and
Independent Auditors' Report

May 31, 2025

“Such Financial Statements, Supplementary Information and Independent Auditor’s Report were prepared as of the date hereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.”

INCORPORATED VILLAGE OF ISLAND PARK,
NEW YORK

Basic Financial Statements
Supplementary Information and
Independent Auditors' Report

May 31, 2025

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

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INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

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INDEPENDENT AUDITORS' REPORT

The Mayor and Members of the
Village Board of Trustees
Incorporated Village of Island Park, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Incorporated Village of Island Park, New York (the Village), as of and for the year ended May 31, 2025, and the related notes to 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 and each major 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 (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

Emphasis of Matters

As discussed in note 14 to the financial statements, restatements of the prior period financial statements were made during the year ended May 31, 2025. Our opinions are not modified with respect to these matters.

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.

Auditors' 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 auditors' 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 GAAS and Government 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 GAAS 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

Management has omitted the management's discussion and analysis and the schedule of revenue, expenditures and changes in fund balance - budget to actual - general fund that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted the United States of America require that the additional information on pages 38 through 41 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 GASB 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 GAAS, 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 accompanying 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 GAAS. In our opinion, 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 April 27, 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 an audit performed in accordance with Government Auditing Standards in considering the Village's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 27, 2026

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Statement of Net Position
May 31, 2025

	<u>Governmental Activities</u>
Assets:	
Current assets:	
Cash and equivalents - unrestricted	\$ 964,511
Receivables:	
Taxes receivable, net of allowance of \$415,347	76,873
Due from State and Federal	45,060
Due from other governments	157,995
Other	66,573
Prepaid expenses	<u>100,067</u>
Total current assets	<u>1,411,079</u>
Noncurrent assets:	
Cash and equivalents - restricted	2,002,300
LOSAP plan assets - restricted	1,168,503
Capital assets, net	<u>48,730,366</u>
Total noncurrent assets	<u>51,901,169</u>
Total assets	<u>53,312,248</u>
Deferred outflows of resources:	
Pension - ERS	230,081
Pension - LOSAP	379,286
OPEB	<u>2,874,955</u>
Total deferred outflows of resources	<u>3,484,322</u>
Liabilities:	
Current liabilities:	
Accounts payable	976,499
Accrued interest	220,081
Due to employees' retirement system	26,033
Bid deposits and guarantees	183,955
Unearned revenue	65,905
Bond anticipation notes	4,305,000
Current installments of installment purchase debt	62,890
Current installments of bonds payable	<u>85,000</u>
Total current liabilities	<u>5,925,363</u>
Long-term liabilities:	
Installment purchase debt, net of current installments	518,579
Bonds payable, net of current installments	2,710,000
Compensated absences	115,833
Net pension liability - proportionate share - ERS	541,863
Total pension liability - LOSAP	2,015,712
Total OPEB liability	<u>4,020,011</u>
Total long-term liabilities	<u>9,921,998</u>
Total liabilities	<u>15,847,361</u>
Deferred inflows of resources:	
Pension - ERS	36,676
Pension - LOSAP	758,012
OPEB	<u>1,187,586</u>
Total deferred inflows of resources	<u>1,982,274</u>
Net position:	
Net investment in capital assets	41,728,387
Restricted	2,602,803
Unrestricted (deficit)	<u>(5,364,255)</u>
Total net position	<u>\$ 38,966,935</u>

See accompanying notes to financial statements.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Statement of Activities
Year ended May 31, 2025

		<u>Program Revenue</u>			Net (Expense)
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	Revenue and
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	Changes in
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
Functions and programs:					
General government support	\$ 2,624,641	-	179,630	-	(2,445,011)
Public safety	1,097,087	581,466	20,250	1,971,918	1,476,547
Health	81,431	2,200	-	-	(79,231)
Transportation	109,570	197,757	-	26,621	114,808
Economic assistance and opportunity	4,622	-	-	-	(4,622)
Culture and recreation	235,700	45,739	-	-	(189,961)
Home and community services	1,733,128	176,230	-	-	(1,556,898)
Interest expense	<u>336,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(336,809)</u>
Total functions and programs	<u>\$ 6,222,988</u>	<u>1,003,392</u>	<u>199,880</u>	<u>1,998,539</u>	<u>(3,021,177)</u>
General revenue:					
Real property taxes					3,146,536
Nonproperty tax items					229,466
Use of money and property					132,128
Licenses and permits					371,006
Fines and forfeitures					352,473
Miscellaneous					<u>169,746</u>
Total general revenue					<u>4,401,355</u>
Change in net position					<u>1,380,178</u>
Net position at beginning of year, as previously stated					37,546,738
Prior period adjustments (note 14)					<u>40,019</u>
Net position at beginning of year, as restated					<u>37,586,757</u>
Net position at end of year					<u>\$ 38,966,935</u>

See accompanying notes to financial statements.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Balance Sheet - Governmental Funds
May 31, 2025

	<u>General Fund</u>	<u>Special Grant Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and equivalents:				
Unrestricted	\$ 721,324	29,820	213,367	964,511
Restricted	2,002,300	-	-	2,002,300
Restricted LOSAP plan assets	1,168,503	-	-	1,168,503
Receivables:				
Taxes, net of allowance of \$415,347	76,873	-	-	76,873
Due from State and Federal	8,352	-	36,708	45,060
Due from other funds	-	11,264	173,835	185,099
Due from other governments	44,672	-	113,323	157,995
Other	66,573	-	-	66,573
Prepaid expenditures	230,067	-	-	230,067
Total assets	<u>\$ 4,318,664</u>	<u>41,084</u>	<u>537,233</u>	<u>4,896,981</u>
Liabilities, deferred inflows of resources and fund balances (deficit):				
Liabilities				
Accounts payable	792,622	-	183,877	976,499
Due to other funds	185,099	-	-	185,099
Due to employees' retirement system	26,033	-	-	26,033
Bid deposits and guarantees	183,955	-	-	183,955
Unearned revenue	58,800	7,105	-	65,905
Bond anticipation notes	650,000	-	3,655,000	4,305,000
Total liabilities	<u>1,896,509</u>	<u>7,105</u>	<u>3,838,877</u>	<u>5,742,491</u>
Deferred inflows of resources - unavailable tax revenue	76,873	-	-	76,873
Fund balances (deficit):				
Nonspendable	230,067	-	-	230,067
Restricted	2,602,803	-	-	2,602,803
Assigned	-	33,979	-	33,979
Unassigned (deficit)	(487,588)	-	(3,301,644)	(3,789,232)
Total fund balances (deficit)	<u>2,345,282</u>	<u>33,979</u>	<u>(3,301,644)</u>	<u>(922,383)</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 4,318,664</u>	<u>41,084</u>	<u>537,233</u>	<u>4,896,981</u>

See accompanying notes to financial statements.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
May 31, 2025

Total governmental fund balances (deficit)		\$ (922,383)
Amounts reported for governmental activities in the statement of net position are different because:		
Prepaid debt service principal payments are reported in the governmental funds to the extent that those payments have matured. Additionally, prepaid debt service expenditures are considered prepaid expenditures in the balance sheet - governmental funds, but are reductions of bonds payable in the statement of net position.		(130,000)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Historical cost	\$ 59,124,201	
Accumulated depreciation	<u>(10,393,835)</u>	48,730,366
Long-term liabilities are reported in the statement of net position, but not in the governmental funds because they are not due and payable in the current period.		
Accrued interest	(220,081)	
Installment purchase debt	(581,469)	
Bonds payable	(2,795,000)	
Compensated absences	(115,833)	
Net pension liability - proportionate share - ERS	(541,863)	
Total pension liability - LOSAP	(2,015,712)	
Total OPEB liability	<u>(4,020,011)</u>	(10,289,969)
Unavailable real property taxes are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		76,873
Some deferred outflows of resources and deferred inflows of resources are not reported in the funds. These consist of the following:		
Deferred outflows of resources:		
Pension - ERS	230,081	
Pension - LOSAP	379,286	
OPEB	2,874,955	
Deferred inflows of resources:		
Pension - ERS	(36,676)	
Pension - LOSAP	(758,012)	
OPEB	<u>(1,187,586)</u>	<u>1,502,048</u>
Net position of governmental activities		<u>\$ 38,966,935</u>

See accompanying notes to financial statements.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Statement of Revenue, Expenditures and Changes in Fund Balances -
Governmental Funds
Year ended May 31, 2025

	General Fund	Special Grant Fund	Capital Projects Fund	Total Governmental Funds
Revenue:				
Real property taxes	\$ 3,060,473	-	-	3,060,473
Real property tax items	39,758	-	-	39,758
Nonproperty tax items	229,466	-	-	229,466
Departmental income	435,302	-	-	435,302
Intergovernmental charges	568,090	-	-	568,090
Use of money and property	131,409	153	566	132,128
Licenses and permits	371,006	-	-	371,006
Fines and forfeitures	352,473	-	-	352,473
Sale of property and compensation for loss	16,987	-	-	16,987
State sources	199,880	-	26,621	226,501
Federal sources	-	-	1,971,918	1,971,918
Miscellaneous	50,640	-	118,576	169,216
Total revenue	<u>5,455,484</u>	<u>153</u>	<u>2,117,681</u>	<u>7,573,318</u>
Expenditures:				
General government support	1,769,583	-	-	1,769,583
Public safety	849,281	-	-	849,281
Health	1,495	-	-	1,495
Transportation	109,570	-	-	109,570
Economic assistance and opportunity	2,250	-	-	2,250
Culture and recreation	126,300	-	-	126,300
Home and community services	1,096,211	-	-	1,096,211
Capital outlay	-	-	2,499,808	2,499,808
Employee benefits	1,099,751	-	-	1,099,751
Debt service:				
Principal	190,416	-	-	190,416
Interest	414,542	-	-	414,542
Total expenditures	<u>5,659,399</u>	<u>-</u>	<u>2,499,808</u>	<u>8,159,207</u>
Excess (deficiency) of revenue over expenditures	<u>(203,915)</u>	<u>153</u>	<u>(382,127)</u>	<u>(585,889)</u>
Other financing sources:				
Proceeds from bond issuance	-	-	1,960,000	1,960,000
Premium on BAN issuances	-	-	530	530
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,960,530</u>	<u>1,960,530</u>
Net change in fund balances	<u>(203,915)</u>	<u>153</u>	<u>1,578,403</u>	<u>1,374,641</u>
Fund balances (deficit) at beginning of year, as previously stated	197,197	33,826	(2,476,724)	(2,245,701)
Prior period adjustments (note 14)	<u>2,352,000</u>	<u>-</u>	<u>(2,403,323)</u>	<u>(51,323)</u>
Fund balances (deficit) at beginning of year, as restated	<u>2,549,197</u>	<u>33,826</u>	<u>(4,880,047)</u>	<u>(2,297,024)</u>
Fund balances (deficit) at end of year	<u>\$ 2,345,282</u>	<u>33,979</u>	<u>(3,301,644)</u>	<u>(922,383)</u>

See accompanying notes to financial statements.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Reconciliation of the Statement of Revenue, Expenditures and Changes in
Fund Balances - Governmental Funds to the Statement of Activities
Year ended May 31, 2025

Net change in governmental fund balances		\$ 1,374,641
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>		
Additions	\$ 2,488,125	
Disposals, net	(78,326)	
Depreciation expense	<u>(486,448)</u>	1,923,351
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Proceeds from bond issuance	(1,960,000)	
Principal paid on installment purchase debt	60,416	
Principal paid on bonds payable	<u>130,000</u>	(1,769,584)
<p>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.</p>		
Accrued interest	77,733	
Compensated absences	947	
Net pension liability - proportionate share - ERS	(76,883)	
Total pension liability - LOSAP	98,188	
Total OPEB liability	<u>207,492</u>	307,477
<p>Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the governmental funds - change in unavailable tax revenue.</p>		
		46,305
<p>Changes in deferred outflows of resources and deferred inflows of resources in the statement of activities do not provide current financial resources and are not reported in the governmental funds.</p>		
Deferred outflows of resources:		
Pension - ERS	(123,055)	
Pension - LOSAP	(173,173)	
OPEB	(574,641)	
Deferred inflows of resources:		
Pension - ERS	242,671	
Pension - LOSAP	111,680	
OPEB	<u>14,506</u>	<u>(502,012)</u>
Change in net position of governmental activities		<u>\$ 1,380,178</u>

See accompanying notes to financial statements.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements

May 31, 2025

(1) Summary of Significant Accounting Policies

The financial statements of the Incorporated Village of Island Park, New York (the Village) have been prepared in accordance 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. Significant accounting principles and policies used by the Village are described below.

(a) Financial Reporting Entity

The Village, incorporated in 1926, is governed by its charter, Village local laws, the general laws of the State of New York (the State) and various other local laws. The Village Board of Trustees (the Board) is the legislative body responsible for overall operations. The Mayor serves as Chief Executive Officer and the Clerk Treasurer is the Chief Financial Officer.

The Village provides the following basic services: general government support, public safety, health, transportation, economic assistance and opportunity, culture and recreation and home and community services.

All governmental activities and functions performed for the Village are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity 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 Statements No. 14, and No. 39, and No. 61.

The decision to include a potential component unit in the Village's reporting entity is based on several criteria set forth in GASB Statements No. 14, No. 39 and No. 61 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no component units included in the Village's reporting.

(b) Government-Wide Financial Statements

The Government-Wide financial statements (i.e. the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government as a whole. Internal activity, such as receivables and payables between funds, has been eliminated in the Government-Wide financial statements.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Government-Wide Financial Statements, Continued

The statement of net position presents the financial position of the Village at the end of its fiscal year. The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to customers or applicants who purchase, use or directly benefit from goods or services or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenue are reported as general revenue.

(c) Fund Financial Statements

The accounts of the Village are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenue, expenditures and other financing sources or uses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is presented in a separate column. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the Government-Wide financial statements, reconciliations to the statement of net position and statement of activities are presented. The Village's resources are reflected in the fund financial statements in accordance with GAAP.

Governmental Funds - 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 determination of financial position and changes in financial position.

Major Funds:

General Fund - The principal operating fund and includes all operations not required to be accounted for in other funds.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Fund Financial Statements, Continued

Governmental Funds, Continued

Major Funds, Continued

Special Revenue Fund - Special Grant Fund - This fund is used to account for other revenue which is raised to provide special services to areas that encompass less than the whole area of the Village. The special grant fund is used to account for the community development block grant; a federal program that provides communities with resources to address a wide range of community development needs, and other nonfederal community funding.

Capital Projects Fund - The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

(d) Budgetary Data

(1) Budget Policies - The Village's budget policies are as follows:

- No later than March 20, the budget officer submits a tentative budget to the Board for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for the general fund.
- After public hearings are conducted to obtain taxpayer comments, the Board adopts the budget.
- All modifications of the budget subsequent to its adoption must be approved by the governing board (however, the Clerk Treasurer is authorized to transfer certain budgeted amounts within departments).

(2) Budget Basis of Accounting - The budget is adopted annually on a basis consistent with GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

(3) Deficit Fund Balance - At May 31, 2025, the general fund has a deficit unassigned fund balance of \$487,588. The deficit unassigned fund balance is attributable to a Bond Anticipation Note (BAN) in the amount of \$650,000, which is primarily related to pay the cost of a settlement with the Federal government. The deficit unassigned fund balance will be alleviated when the BAN is converted to long-term permanent financing or when the BAN is repaid in full.

The capital projects fund has a deficit unassigned fund balance of \$3,301,644. The deficit unassigned fund balance is attributable to BANs in the amount of \$3,655,000, which are primarily related to the following:

- Construction of various water and drainage improvements;
- Removal and disposal of waste at the department of public works facility;
- Curbs, sidewalks, drainage and paving projects;
- Little beach stabilization project; and
- Resiliency improvements at the firehouse

The deficit unassigned fund balance will be alleviated when the BANs are converted to long-term permanent financing.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Cash and Equivalents

Cash and equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Certain assets are classified as restricted because their use is limited. Restrictions represent amounts to support fund balance/net position restrictions.

(f) Concentrations of Credit Risk

Financial instruments that potentially subject the Village to concentrations of credit risk consist principally of cash and equivalents. The Village places its cash and equivalents in financial institutions and requires the financial institution to hold collateral in the Village's name for deposits in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

(g) Receivables

Receivables are shown net of an allowance for uncollectible accounts, if any. Allowance for uncollectible accounts as of May 31, 2025 was \$415,347, in the statement of net position and balance sheet - governmental funds. The allowance for uncollectible accounts has been established to offset taxes receivable of \$492,220, as management has determined that these amounts are not likely to be collected.

(h) Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(i) Fair Value Measurements

GAAP established a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under generally accepted accounting principles are as follows:

- Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the Village has the ability to access.
- Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are not observable directly, or indirectly.
- Level 3 - Valuations are based on inputs that are unobservable and significant to overall fair value measurement.

(j) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the Government-Wide and Fund financial statements, and are expensed as the time period passes.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(k) Capital Assets

Capital assets are reported in the Government-Wide financial statements at historical cost. Donated assets are reported at estimated fair market value at the time received. The cost of normal maintenance and repairs that does not add to the value of the assets or materially extend their lives is not capitalized. Major outlays for capital assets and improvements are capitalized as construction in progress until the projects are completed.

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 Government-Wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Useful Life in Years</u>
Land	\$ 500	N/A
Construction-in-progress	500	N/A
Buildings	500	20 - 50
Land improvements	500	20
Machinery and equipment	500	5 - 20
Infrastructure	500	5 - 100

(l) Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria has been satisfied. In the Government-Wide and Fund financial statements, unearned revenue consists of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

(m) Short-Term Debt

The Village may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenue. These notes are recorded as a liability of the fund that will receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished using expendable, available resources of that fund. The Village may issue BANs, in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will receive the proceeds from the issuance of bonds. State law requires that BANs issued from capital purposes are converted to long-term financing within five years after the original issue date.

(n) Compensated Absences

It is the Village's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which can be paid to employees upon separation from the Village's service, or can be used toward payment of future health insurance costs.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Compensated Absences, Continued

The cost of sick leave is generally recognized as earned by employees. A long-term liability of \$115,833 for accrued vacation and sick leave at May 31, 2025, has been recorded in long-term liabilities, representing the Village's commitment to fund such costs from future operations.

Pursuant to a resolution of the Village Board, Village employees are entitled to accumulate a maximum of 200 days of sick leave and 120 days of vacation leave. An individual who leaves the employ of the Village is entitled to be paid for unused vacation leave to a maximum of 120 days. Also, upon retirement or termination, a percentage of the cash value of the unused sick leave may be paid based upon length of service as follows:

- 50% after 10 years of completed service;
- 75% after 15 years of completed service;
- 100% after 20 years of completed service.

(o) Net Pension System - Proportionate Share - ERS

The net pension liability represents the Village's participation in the New York State and Local Employees' Retirement System (ERS or the System). The financial reporting of these amounts is presented in accordance with the provisions of GASB Statement No. 68 - Accounting and Financial Reporting for Pensions, and GASB Statement No. 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68.

(p) Total Pension Liability - LOSAP

The total pension liability represents the Village's Length of Service Award Program (LOSAP) established for the active volunteer firefighters. The financial reporting of these amounts is presented in accordance with the provisions of GASB Statement No. 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within The Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68.

(q) Other Postemployment Benefits (OPEB)

The total OPEB liability represents the Village's liability for health and dental insurance coverage for retired employees and their dependents. The financial reporting of these amounts is presented in accordance with GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

(r) Measurement Focus Basis of Accounting and Financial Presentation

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Measurement Focus Basis of Accounting and Financial Presentation, Continued

The Government-Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenue are considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. Fees and other similar revenue are not susceptible to accrual because they are generally not measurable until received in cash. When expenditures are the prime factor for determining eligibility, revenue from Federal and State grants is accrued when the expenditures are made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and pension costs are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

(s) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has three items that qualify for reporting in this category. These amounts are related to pension - ERS, pension - LOSAP and OPEB reported in the Government-Wide statement of net position.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has three items that qualify for reporting. These amounts are related to pension - ERS, pension - LOSAP and OPEB reported in the Government-Wide statement of net position.

(t) Property Taxes

Real property taxes are levied annually by the Village. Taxes are collected during the period from June 1 through May 31. The Village assumes enforcement responsibility for all taxes levied in the Village.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity and Fund Balance Classifications

In the Government-Wide statements equity is classified as net position and displayed in three components:

- (i) Net investment in capital assets - consists of capital assets reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (ii) Restricted - consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- (iii) Unrestricted - consists of net position without constraints.

In the fund financial statements, fund balances are broken down into five different classifications:

- (i) Nonspendable - consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.
- (ii) Restricted - consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- (iii) Committed - consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board is the decision-making authority that can, by Board resolution, commit fund balance.
- (iv) Assigned - consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.
- (v) Unassigned - represents the residual classification for the government's general fund, and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity and Fund Balance Classifications, Continued

When resources are available from multiple classifications, the Village spends funds in the following order: nonspendable, restricted, committed, assigned, unassigned.

(v) Restricted Resources

(i) LOSAP

The Village maintains assets that are restricted for the purpose of providing benefits to volunteer firefighters of the Village. The balance of this reserve amounted to \$1,168,503 at May 31, 2025.

(ii) Escrow Accounts

As more fully described in note 10 to the financial statements, the Village maintains various escrow accounts for the benefit of the United States Department of Housing and Urban Development (HUD). The balance of these reserves amounted to \$1,434,300 at May 31, 2025.

(w) Program Revenue

Amounts reported as program revenue include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenue rather than as program revenue.

(2) Cash and Equivalents

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 FDIC insured commercial banks or trust companies located within the State. The Supervisor 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.

Restricted cash and equivalents represents cash restricted by law or third parties for specific purposes and can be used only according to the purpose for which it was established.

Collateral is required for demand deposits and certificates of deposit for all deposits not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States, an agency thereof, or a United States government-sponsored corporation.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least 105% of the cost of the repurchase agreement.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(2) Cash and Equivalents, Continued

The carrying amount of cash and equivalents, including restricted cash and equivalents, at May 31, 2025, totaled \$2,966,811 and the bank balances were \$2,977,473. These bank balances were covered by Federal depository insurance or collateral as follows:

Amount insured by FDIC	\$ 266,480
Collateral held by a third party	<u>2,710,993</u>
Total insured and collateralized	<u>\$ 2,977,473</u>

(3) Capital Assets

Capital asset activity as of and for the year ended May 31, 2025 was as follows:

	<u>Balance at</u> <u>June 1, 2024*</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance at</u> <u>May 31, 2025</u>
Capital assets, not being depreciated:				
Land	\$ 571,200	-	-	571,200
Construction-in-progress	<u>40,348,077</u>	<u>2,319,385</u>	<u>(3,116,113)</u>	<u>39,551,349</u>
Total capital assets, not being depreciated	<u>40,919,277</u>	<u>2,319,385</u>	<u>(3,116,113)</u>	<u>40,122,549</u>
Capital assets, being depreciated:				
Buildings	1,635,201	-	2,955,290	4,590,491
Land improvements	1,283,577	-	47,500	1,331,077
Machinery and equipment	5,324,518	168,740	(296,426)	5,196,832
Infrastructure	<u>7,769,929</u>	<u>-</u>	<u>113,323</u>	<u>7,883,252</u>
Total capital assets, being depreciated	<u>16,013,225</u>	<u>168,740</u>	<u>2,819,687</u>	<u>19,001,652</u>
Less accumulated depreciation:				
Buildings	(754,232)	(31,084)	-	(785,316)
Land improvements	(715,632)	(41,725)	-	(757,357)
Machinery and equipment	(4,141,218)	(269,504)	218,100	(4,192,622)
Infrastructure	<u>(4,514,405)</u>	<u>(144,135)</u>	<u>-</u>	<u>(4,658,540)</u>
Total accumulated depreciation	<u>(10,125,487)</u>	<u>(486,448)</u>	<u>218,100</u>	<u>(10,393,835)</u>
Total capital assets, being depreciated, net	<u>5,887,738</u>	<u>(317,708)</u>	<u>3,037,787</u>	<u>8,607,817</u>
Total capital assets	<u>\$46,807,015</u>	<u>2,001,677</u>	<u>(78,326)</u>	<u>48,730,366</u>

* Restated for correction of error as described in note 14 to the financial statements.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(3) Capital Assets, Continued

Depreciation expense was charged to the following governmental activities for the year ended May 31, 2025, as follows:

General government support	\$ 111,588
Public safety	131,888
Transportation	79,936
Culture and recreation	45,319
Home and community services	<u>117,717</u>
	<u>\$ 486,448</u>

(4) Interfund Activity

Interfund receivables and payables exist for cash flow purposes. These are short-term in nature and are repaid within the next fiscal year. The interfund balances at year-end are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ -	185,099
Special grant fund	11,264	-
Capital projects fund	<u>173,835</u>	<u>-</u>
Total	<u>\$ 185,099</u>	<u>185,099</u>

Interfund payables and receivables are primarily comprised of funds primarily used for the payment of bond principal and interest on existing debt.

(5) Short-Term Debt

The following is an analysis of short-term debt transactions for the year ended May 31, 2025:

<u>Type</u>	<u>Fund</u>	<u>Description</u>	<u>Issue Date</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance at June 1, 2024</u>	<u>Additons</u>	<u>Reductions</u>	<u>Balance at May 31, 2025</u>
BAN	Capital	2023 Series B	6/7/2023	6/7/2024	4.59%	3,250,000	-	(3,250,000)	-
BAN	General/Capital	2023 Series C	6/13/2023	6/13/2024	4.59%	2,390,000	-	(2,390,000)	-
BAN	Capital	2024 Series A	2/29/2024	2/28/2025	4.00%	2,140,000	-	(2,140,000)	-
BAN	Capital	2024 Series B	6/6/2024	6/6/2025	4.48%	-	2,000,000	-	2,000,000
BAN	General/Capital	2024 Series C	6/12/2024	6/12/2025	4.33%	-	2,105,000	-	2,105,000
BAN	Capital	2025 Series A	1/15/2025	1/15/2026	4.29%	-	200,000	-	200,000
						<u>\$7,780,000</u>	<u>4,305,000</u>	<u>(7,780,000)</u>	<u>4,305,000</u>

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(5) Short-Term Debt, Continued

Interest on short-term debt was composed of the following:

Interest paid	\$ 344,476
Plus interest accrued at May 31, 2025	176,523
Less interest accrued at May 31, 2024	<u>(273,684)</u>
	<u>\$ 247,315</u>

(6) Long-Term Liabilities

The changes in the Village's long-term liabilities during the year ended May 31, 2025 are summarized as follows:

	Balance at June 1, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance at May 31, <u>2025</u>	<u>Due Within One Year</u>
Long-term debt:					
Installment purchase debt	\$ 641,885	-	(60,416)	581,469	62,890
Bonds payable	<u>965,000</u>	<u>1,960,000</u>	<u>(130,000)</u>	<u>2,795,000</u>	<u>85,000</u>
Total long-term debt	1,606,885	1,960,000	(190,416)	3,376,469	147,890
Other long-term liabilities:					
Compensated absences	116,780	-	(947)	115,833	-
Net pension liability - proportionate share	464,980	76,883	-	541,863	-
Total pension liability - LOSAP	2,113,900	-	(98,188)	2,015,712	-
Total OPEB liability	<u>4,227,503</u>	<u>-</u>	<u>(207,492)</u>	<u>4,020,011</u>	<u>-</u>
Total other long-term debt	<u>6,923,163</u>	<u>76,883</u>	<u>(306,627)</u>	<u>6,693,419</u>	<u>-</u>
Total long-term liabilities	<u>\$ 8,530,048</u>	<u>2,036,883</u>	<u>(497,043)</u>	<u>10,069,888</u>	<u>147,890</u>

(a) Installment Purchase Debt

Installment purchase debt at May 31, 2025 is composed of the following:

<u>Fund</u>	<u>Description</u>	<u>Issue Date</u>	<u>Maturity</u>	<u>Interest Rate</u>	Balance at June 1, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance at May 31, <u>2025</u>
General	Ferrari Ladder Truck	7/1/2022	7/1/2032	3.97%	\$ 641,885	<u>-</u>	<u>(60,416)</u>	<u>581,469</u>

Interest on installment purchase debt was composed of the following:

Interest paid	\$ 26,291
Plus interest accrued at May 31, 2025	21,859
Less interest accrued at May 31, 2024	<u>(24,130)</u>
	<u>\$ 24,020</u>

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(6) Long-Term Liabilities, Continued

(a) Installment Purchase Debt, Continued

The following is a summary of debt service requirements for installment purchase debt:

<u>Year ended May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 62,890	23,817	86,707
2027	65,466	21,241	86,707
2028	68,148	18,559	86,707
2029	70,939	15,768	86,707
2030	73,845	12,862	86,707
2031 - 2033	<u>240,181</u>	<u>19,940</u>	<u>260,121</u>
Total	<u>\$ 581,469</u>	<u>112,187</u>	<u>693,656</u>

(b) Bonds Payable

Bonds payable at May 31, 2025 are composed of the following:

<u>Fund</u>	<u>Description</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance at June 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at May 31, 2025</u>
General	2022 Public Improvement Bonds	6/1/2022	6/1/2031	4.25%	\$ 965,000	-	(130,000)	835,000
Capital	2025 Public Improvement Bonds	2/27/2025	2/15/2041	4.50%	-	1,960,000	-	1,960,000
Total					<u>\$ 965,000</u>	<u>1,960,000</u>	<u>(130,000)</u>	<u>2,795,000</u>

Interest on bonds payable was composed of the following:

Interest paid	\$ 43,775
Plus interest accrued at May 31, 2025	<u>21,699</u>
	<u>\$ 65,474</u>

The following is a summary of debt service requirements for bonds payable:

<u>Year ended May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 85,000	86,795	171,795
2027	220,000	121,451	341,451
2028	225,000	111,876	336,876
2029	230,000	102,088	332,088
2030	245,000	92,075	337,075
2031 - 2035	880,000	313,075	1,193,075
2036 - 2040	740,000	148,350	888,350
2041	<u>170,000</u>	<u>8,075</u>	<u>178,075</u>
Total	<u>\$ 2,795,000</u>	<u>983,785</u>	<u>3,778,785</u>

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Notes to Financial Statements, Continued

(7) Pension Plan

(a) Plan Description and Benefits Provided

The Village participates in the System. This is a cost-sharing multiple-employer retirement system. The Public Employees' Group Life Insurance Plan (GLIP) provides death benefits in the form of life insurance. GLIP amounts are apportioned to and included in ERS. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244 or on-line at www.osc.ny.gov/retirement/resources/financial-statements-and-supplementary-information.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 generally contribute 3% to 6% of their salary for the entire length of service. 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.

(b) Pension System, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At May 31, 2025, the Village reported the following system for its proportionate share of the net pension system. The net pension system was measured as of March 31, 2025. The total pension liability used to calculate the net pension system was determined by an actuarial valuation dated April 1, 2024. The Village's proportion of the net pension system was based on a projection of the Village's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Village.

Measurement date	3/31/2025
Actuarial valuation date	4/1/2024
Net pension system - proportionate share	\$ 541,863
Village's proportion of the net pension liability	0.0031603%
Change in proportion since prior measurement date	0.0000023

For the year ended May 31, 2025, the Village's recognized pension expense of \$99,269 for ERS in the statement of activities.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(7) Pension Plan, Continued

(b) Pension System, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension, Continued

At May 31, 2025, the Village's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 134,494	6,344
Changes of assumptions	22,725	-
Net difference between projected and actual earnings on pension plan investments	42,513	-
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	4,316	30,332
Village's contributions subsequent to the measurement date	<u>26,033</u>	<u>-</u>
Total	\$ <u>230,081</u>	<u>36,676</u>

Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension system in the year ending May 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

<u>Year ending</u>	
2026	\$ 82,378
2027	128,580
2028	(46,599)
2029	<u>3,013</u>
	\$ <u>167,372</u>

(c) Actuarial Assumptions

The total pension liability as of the measurement date were determined by using actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension system to the measurement date. The actuarial valuation used the following actuarial assumptions:

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(7) Pension Plan, Continued

(c) Actuarial Assumptions, Continued

Measurement date	March 31, 2025
Actuarial valuation date	April 1, 2024
Investment rate of return, (net of investment expense including inflation)	5.9%
Salary scale	4.3%
Cost-of-living adjustments	1.5%
Inflation rate	2.9%

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

Demographic assumptions used in the April 1, 2024 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period of April 1, 2015 - March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

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

<u>Asset Class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Domestic equity	25%	3.54%
International equity	14%	6.57%
Private equity	15%	7.25%
Real estate	12%	4.95%
Opportunistic/ARS portfolio	3%	5.25%
Credit	4%	5.40%
Real assets	4%	5.55%
Fixed income	22%	2.00%
Cash	<u>1%</u>	0.25%
	<u>100%</u>	

* The real rate of return is net of the long-term inflation assumption of 2.90%.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(7) Pension Plan, Continued

(d) Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the 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.

(e) Sensitivity of the Proportionate Share of the Net Pension System to the Discount Rate Assumption

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

	1% Decrease (4.9%)	Current Rate (5.9%)	1% Increase (6.9%)
Net pension asset(liability)	\$ (1,568,221)	(541,863)	315,146

(f) Pension Plan Fiduciary Net Position

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

	(Dollars in Millions)
Employers' total pension liability	\$ (247,600)
Plan fiduciary net position	<u>230,454</u>
Employers' net pension system	\$ <u>(17,146)</u>
Ratio of plan net position to the employers' total pension liability	93.08%

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(7) Pension Plan, Continued

(g) Payables to the Pension Plan

Village contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of May 31, 2025 represent the projected employer contribution for the period of April 1, 2025 through May 31, 2025 based on paid wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of May 31, 2025 amounted to \$26,033 for the System. This amount has been recorded as an expenditure in the statement of revenue, expenditures and changes in fund balance and as deferred outflows of resources in the statement of net position. Retirement contributions paid to the System amounted to \$135,655 for the year ended May 31, 2025.

(8) Length of Service Awards Program - LOSAP

(a) General Information

The Village established a defined benefit Length of Service Award Program (LOSAP or Program) under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 1994 for the active volunteer firefighter members of the Island Park Fire Department (the Fire Department). The Program was established pursuant to Article 11-A of the New York State General Municipal Law. 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.

An eligible program participant is defined to be an active volunteer firefighter who is at least 18 years of age and has earned one year of service award program service credit. An active volunteer firefighter earns a year of service credit for each calendar year after the establishment of the Program in which he or she accumulates 50 points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive service credit for five years of active volunteer firefighting service rendered prior to the establishment of the Program.

Participants acquire a non-forfeitable right to be paid a service award after earning five years of service credit, becoming totally and permanently disabled, dying while an active volunteer or upon attaining the Program's entitlement age while an active volunteer. The Program's entitlement age is age 65, and is the age at which benefits begin to be paid to participants.

The Village's financial statements are for the year ended May 31, 2025. The information contained in this note is based on information for the LOSAP for the plan year ending on December 31, 2024, which is the most recent plan year for which complete information is available.

For a complete explanation of the Program, see the program document, a copy of which is available from the Village.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(8) Length of Service Awards Program - LOSAP, Continued

(b) Participation, Vesting and Service Credit

A participant's service award benefit is paid as a ten-year certain and continuous monthly payment life annuity. The amount payable each month equals \$15 multiplied by the total number of years of service credit earned by the participant. The maximum number of years of service credit a participant may earn under the Program is 20 years. Currently, there are no other forms of payment of a volunteer's earned service award under the Program.

(c) Benefits

Except in the case of pre-entitlement age death or total and permanent disablement, a participant's service award will not be paid until he or she attains the entitlement age. Volunteers who are active after attaining the entitlement age and who may have commenced receiving a service award have the opportunity to earn service credit and, thereby, increase their service award payments. The pre-entitlement age death and disability benefit is equal to the actuarial value of the participant's earned service award at the time of death or disablement. The Program does not provide extra line-of-duty death or disability benefits. All death and disability benefits are self-insured and are paid from the Program Trust Fund.

(d) Fiduciary Investment and Control

After the end of each calendar year, the Fire Department prepares and certifies a list of names of all persons who were active volunteer members of the fire department during the year indicating which volunteers earned fifty points. The certified list is delivered to the Board for the Board's review and approval. The Fire Department must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Board.

The Board has retained Firefly Inc. (Firefly), to assist in the administration of the program. The designated program administrator's function includes maintaining all records of investments and earnings, and making all program disbursements. In addition, the administrator maintains all participant information. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by a written certification from Firefly and the written directive from the authorized representatives of the Village.

Authority to invest the Program assets is vested in the Program trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with the investment policy statement adopted by the Board.

The Board of Trustees is required to retain an actuary to determine the amount of the Village's contributions to the plan. The actuary retained by the Village for this purpose is of Firefly Admin Inc. Portions of the following information are derived from a report prepared by the actuary dated June 11, 2025.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(8) Length of Service Awards Program - LOSAP, Continued

(e) Restricted LOSAP Assets

(i) Program Financial Condition

Actuarial present value of benefits at January 1, 2025		\$ 1,866,284
Less - assets available for benefits:		
Cash and equivalents (level 1)	\$ 29,677	
Fixed income (level 2)	366,467	
Equity funds (level 2)	324,378	
Exchange traded funds (level 1)	215,402	
Annuity (level 2)	224,609	
Other	<u>7,970</u>	
Total assets available for benefits		(1,168,503)
Unfunded liability		697,781
Less - unfunded liability for prior service costs *		<u>(767,828)</u>
Unfunded normal benefits(surplus)		\$ <u>(70,047)</u>

* Prior service costs are being amortized over 16 years.

(ii) Receipts and Disbursements

Program net assets as of June 1, 2024		\$ 1,097,762
Changes during the year:		
Plan contributions		116,482
Net investment income		80,744
Benefits paid		<u>(126,485)</u>
Total changes		<u>70,741</u>
Program net assets as of May 31, 2025		\$ <u>1,168,503</u>

(iii) Contributions

Amount of sponsor's recommended contributions		\$ <u>116,482</u>
Amount of sponsor's actual contributions		\$ <u>116,482</u>

(iv) Administration Fees

Fees paid for investment management		\$ <u>10,130</u>
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(v) Funding Methodology and Actuarial Assumptions

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the unit credit actuarial cost method. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return	5.00% (net of investment fees)
Mortality tables	RP-2014 male/female without projection for mortality improvement

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(8) Length of Service Awards Program - LOSAP, Continued

(f) Total Pension Liability

(i) Participants Covered by the Benefit Terms

Current membership in the Program is comprised of the following as of the measurement date:

Participants currently receiving benefit payments	39
Inactive participants entitled to but not yet receiving benefit payments	26
Active participants	<u>55</u>
Total	<u>120</u>

(ii) Contributions

New York State General Municipal Law Section 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.

(iii) Trust Assets

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to Program 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 of GASB Statement No. 73, paragraph 4.

(iv) 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. The significant assumptions used were as follows:

Actuarial Cost Method:	Entry Age Normal
Discount Rate:	4.28% (S&P Municipal Bond 20 Year High Grade Rate Index)
Mortality Rates	RP-2014 male/female without projection for mortality improvement.

(v) Changes in the Total Pension Liability

Total pension liability as of December 31, 2023	\$ 2,113,900
Service cost	40,106
Interest	83,655
Changes of assumptions or other inputs	(70,173)
Differences between expected and actual experience	(25,291)
Benefit payments	<u>(126,485)</u>
Net changes	<u>(98,188)</u>
Total pension liability as of December 31, 2024	\$ <u>2,015,712</u>

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(8) Length of Service Awards Program - LOSAP, Continued

(f) Total Pension Liability, Continued

(vi) Sensitivity of the Total Pension Liability to Changes in the Discount Rate

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

	1% Decrease (3.28%)	Current Rate (4.28%)	1% Increase (5.28%)
Total pension liability	\$ <u>2,285,240</u>	<u>2,015,712</u>	<u>1,793,796</u>

(vii) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended May 31, 2025, the Village recognized pension expense of \$115,385 in the statement of activities.

Components of pension expense:

Service cost	\$ 40,106
Interest	83,655
Changes of assumptions or other inputs	2,614
Differences between expected and actual experience	(19,190)
Administration fees	<u>8,200</u>
Total pension expense	\$ <u>115,385</u>

At May 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,040	99,329
Changes of assumptions or other inputs	300,946	658,683
Benefit payments and administrative expenses subsequent to the measurement date	<u>64,300</u>	<u>-</u>
Total	\$ <u>379,286</u>	<u>758,012</u>

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

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(8) Length of Service Awards Program - LOSAP, Continued

(f) Total Pension Liability, Continued

(vii) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension, Continued

Year ending

2026	\$	(29,359)
2027		(95,234)
2028		(118,509)
2029		(124,823)
2030		<u>(75,101)</u>
	\$	<u>(443,026)</u>

(9) Other Postemployment Benefits (OPEB)

(a) Plan Description

The Village sponsors a single employer health care plan that provides postemployment medical benefits for eligible retirees and their spouses 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 Village does not issue a publicly available financial report for the plan.

(b) Benefits and Contributions and Funding Policy

The Plan provides medical and dental insurance for retiree and their spouse for the life of the retiree, upon retirement the age of 55 with at least 25 years of service. Beginning June 1, 2010 retired participants are provided with health coverage under the Empire Plan. Within the Empire Plan, family and individual options are available.

The Plan provides that a specified percentage of the retiree health premium (and, if applicable, the retiree's spouse's premium) charged by the insurance carrier is paid by the Village.

For current retirees the Village pays the entire premium for health coverage, including family coverage where applicable, while the retiree is still alive. Upon death of the retiree, the Village discontinues payments for coverage of the surviving spouse.

For full-time employees with fifteen years of service, the Village will pay 100% of the individual employee's health premium and 100% of the excess premium (i.e. the difference between the family premium and the individual premium).

The required contribution is based on a projected pay-as-you-go financing requirement. The contribution requirements of Plan members and the Village are established by the Board.

There are no assets accumulated in a trust that meet the definition of GASB Statement No. 75, paragraph 4.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(9) Other Postemployment Benefits (OPEB), Continued

(c) Employees Covered by Benefit Terms

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

Retirees	9
Active participants	<u>13</u>
Total participants	<u>22</u>

(d) Total OPEB Liability

The Village's total OPEB liability of \$4,020,011 was measured as of May 31, 2025 and was determined by an actuarial valuation as of May 31, 2024, using the entry age normal cost method.

(e) Actuarial Assumptions and Other Inputs

The total OPEB liability in the May 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, unless otherwise specified:

Discount rate	4.81% based on the S&P Municipal Bond 20-year High Grade Rate Index as of May 30, 2025
Inflation rate	3.00%
Salary increases	3.00%
Healthcare cost trend rates	7.00% in 2025 decreasing to 4.50% in ten years

Mortality rates were based on PUB-2010 mortality table with MP-2021 projection.

(f) Changes in the Total OPEB Liability

Total OPEB liability as of June 1, 2024	\$ <u>4,227,503</u>
Changes for the year:	
Service cost	122,299
Interest	181,241
Changes of assumptions	(217,010)
Differences between expected and actual experience	(77,260)
Benefit payments	<u>(216,762)</u>
Total changes	<u>(207,492)</u>
Total OPEB liability as of May 31, 2025	\$ <u>4,020,011</u>

(g) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Village's total OPEB liability calculated using the current discount rate (4.81%), as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.81%) or 1-percentage point higher (5.81%) than the current discount rate:

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(9) Other Postemployment Benefits (OPEB), Continued

(g) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate, Continued

	1% Decrease <u>(3.81%)</u>	Current Rate <u>(4.81%)</u>	1% Increase <u>(5.81%)</u>
Total OPEB liability	\$ <u>4,645,421</u>	<u>4,020,011</u>	<u>3,520,668</u>

(h) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Costs Trend Rates

The following presents the Village's total OPEB liability calculated using the current healthcare cost trend rates, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	\$ <u>3,484,916</u>	<u>4,020,011</u>	<u>4,707,147</u>

(i) OPEB Expense and 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 \$569,405. At May 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,874,485	171,269
Changes of assumptions	<u>470</u>	<u>1,016,317</u>
Total	\$ <u>2,874,955</u>	<u>1,187,586</u>

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

<u>Year ending</u>	
2026	\$ 108,526
2027	204,834
2028	208,968
2029	208,968
2030	208,966
Thereafter	<u>747,107</u>
	\$ <u>1,687,369</u>

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(10) Judgements and Claims

The Village was a defendant in a lawsuit with HUD, involving the Section 235 Housing Program in Island Park and the alleged pre-selection of homeowners for 44 homes that were constructed under the program between 1979 and 1983. In April 2014, the Village received an unfavorable judgment in the amount of \$1,961,000, which required them to fund various escrow accounts as follows:

Fair housing administrative escrow account	\$ 300,000
Monetary relief escrow account	568,000
Injunctive and further relief escrow account	<u>1,093,000</u>
	\$ <u>1,961,000</u>

The fair housing administrator escrow account was established in an interest bearing account and is to be used to hire an independent administrator to provide services and marketing related to fair housing. The balance of the fair housing administrator account amounted to \$306,447 at May 31, 2025.

The monetary relief escrow account was established in an interest bearing account and is to be used to pay HUD for the Village's violation of the false claims act within four years from the date of the judgment. As of May 31, 2025, the Village had not paid HUD in accordance with the judgment and accordingly, the amount payable under this judgment is recorded as accounts payable in the fiduciary fund - custodial fund. The balance of the monetary relief fund and the judgment payable amounted to \$597,117 at May 31, 2025.

The injunctive and further relief escrow account was established in an interest bearing account and is to be used to provide affirmative outreach under the fair housing act. The balance of the injunctive and further relief escrow account amounted to \$1,098,736 at May 31, 2025.

(11) Commitments and Contingencies

Commitments and contingencies at May 31, 2025 consist of the following:

(a) Grants

The Village is a recipient of a number of State and Federal grants. These grants are administered by various agencies. These grants are subject to various compliance and financial audits by the respective agencies administering the grants, which could result in certain disallowances. Management believes that they have substantially complied with the rules and regulations as specified under the various grant agreements as well as rules and regulation of the respective agency for each grant.

(b) Tax Certiorari

There are presently pending against the Village a number of real property tax review proceedings requesting reductions in assessed valuations of various properties for both past and current years. The financial exposures in these cases are indeterminable at this time.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(11) Commitments and Contingencies, Continued

(c) Litigation

The Village is subject to litigation in the ordinary conduct of its affairs. Management does not believe however, that such litigation, individually or in the aggregate, is likely to have a material effect on the financial statements.

(12) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 102 - Certain Risk Disclosures. Effective for fiscal years beginning after June 15, 2024.

Statement No. 103 - Financial Reporting Models. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

Statement No. 105 - Subsequent Events. Effective for fiscal years beginning after June 15, 2026.

(13) Subsequent Events

Management has evaluated subsequent events through the date of the report which is date the financial statements were available to be issued. The following are actions that have occurred subsequent to May 31, 2025:

- (a) On June 5, 2025, the Village renewed a BAN in the amount of \$1,600,000 with an interest rate of 5.50% and a maturity date of June 5, 2026.
- (b) On June 11, 2025, the Village renewed a BAN in the amount of \$2,035,000 with an interest rate of 5.50% and a maturity date of June 11, 2026.
- (c) On January 14, 2026, the Village renewed a BAN in the amount of \$200,000 with an interest rate of 6.5% and a maturity date of January 14, 2027.
- (d) On December 2, 2025, the Village closed on a BAN in the amount of \$750,000 with an interest rate of 5.0% and a maturity date of June 11, 2026.

(14) Prior Period Adjustments

The Village made adjustments to certain May 31, 2024 balances. A summary of these adjustments are as follows:

- (a) Capital assets, specifically machinery and equipment acquired in prior periods, were not capitalized and therefore not reported in the Government-Wide financial statements.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Financial Statements, Continued

(14) Prior Period Adjustments, Continued

(b) Unprocessed payments for invoices related to historical capital projects were discovered. These were not reported in the capital projects fund and Government-Wide financial statements.

(c) Principal payments on BANs reported in the capital projects fund were being recorded through the due to/from accounts between the general fund and the capital projects fund in order to show the principal payments as being redeemed through appropriations from the general fund. Those payments originated within the capital projects fund.

Accordingly, net position of governmental activities and fund balances in the general fund and capital projects fund have been restated as follows:

Governmental Activities:

Net position at May 31, 2024, as previously stated		\$ 37,546,738
Prior period adjustments:		
Capitalization of machinery and equipment, net of accumulated depreciation	\$ 91,342	
Unprocessed capital projects invoices	<u>(51,323)</u>	
Total prior period adjustments		<u>40,019</u>
Net position at May 31, 2024, as restated		\$ <u>37,586,757</u>

General Fund:

Fund balance at May 31, 2024, as previously stated		\$ 197,197
Prior period adjustments - BAN principal payments		<u>2,352,000</u>
Fund balance at May 31, 2024, as restated		\$ <u>2,549,197</u>

Capital Projects Fund:

Fund balance at May 31, 2024, as previously stated		\$ (2,476,724)
Prior period adjustments:		
Unprocessed capital projects invoices	(51,323)	
BAN principal payments	<u>(2,352,000)</u>	
Total prior period adjustments		<u>(2,403,323)</u>
Fund balance at May 31, 2024, as restated		\$ <u>(4,880,047)</u>

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
 Required Supplementary Information
 Schedule of the Village's Proportionate Share of the Net Pension Asset/Liability
 Year ended May 31, 2025

<u>The System</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Village's proportion of the net pension asset/liability	0.0031603%	0.0031580%	0.0031070%	0.0040033%	0.0040118%	0.0043353%	0.0039441%	0.0037274%	0.0037546%	0.0036006%
Village's proportionate share of the net pension asset (liability)	\$ (541,863)	(464,980)	(666,270)	327,254	(3,995)	(1,148,025)	(279,450)	(120,300)	(309,551)	(577,911)
Village's covered payroll	\$ 969,924	975,357	896,330	1,108,687	1,105,177	1,083,819	1,066,222	989,504	955,601	978,013
Village's proportionate share of the net pension asset/liability as a percentage of covered payroll	55.87%	47.67%	74.33%	29.52%	0.36%	105.92%	26.21%	12.16%	32.39%	59.09%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
 Required Supplementary Information
 Schedule of the Village's Pension Contributions
 Year ended May 31, 2025

<u>The System</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 135,655	127,792	106,726	179,768	157,947	151,961	164,599	147,910	149,838	184,531
Contribution in relation to the contractually required contribution	<u>135,655</u>	<u>127,792</u>	<u>106,726</u>	<u>179,768</u>	<u>157,947</u>	<u>151,961</u>	<u>164,599</u>	<u>147,910</u>	<u>149,838</u>	<u>184,531</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	<u>\$ 969,924</u>	<u>975,357</u>	<u>896,330</u>	<u>1,108,687</u>	<u>1,105,177</u>	<u>1,083,819</u>	<u>1,066,222</u>	<u>989,504</u>	<u>955,601</u>	<u>978,013</u>
Contribution as a percentage of covered payroll	13.99%	13.10%	11.91%	16.21%	14.29%	14.02%	15.44%	14.95%	15.68%	18.87%

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Required Supplementary Information
Schedule of Changes in the Village's
Total Pension Liability - LOSAP
Year ended May 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability								
Service cost	\$ 40,106	45,833	89,259	117,167	84,964	79,483	104,067	36,033
Interest	83,655	90,849	64,789	59,042	80,747	68,994	66,949	80,971
Changes of assumptions or other inputs	(70,173)	77,803	(655,388)	(132,037)	499,348	552,590	(601,887)	183,099
Differences between expected and actual experience	(25,291)	(69,168)	(35,080)	(21,046)	6,004	(14,769)	-	61,383
Benefit payments	<u>(126,485)</u>	<u>(184,901)</u>	<u>(199,628)</u>	<u>(150,433)</u>	<u>(91,560)</u>	<u>(128,704)</u>	<u>(80,963)</u>	<u>(232,755)</u>
Net change in total pension liability	(98,188)	(39,584)	(736,048)	(127,307)	579,503	557,594	(511,834)	128,731
Total pension liability - beginning	<u>2,113,900</u>	<u>2,153,484</u>	<u>2,889,532</u>	<u>3,016,839</u>	<u>2,437,336</u>	<u>1,879,742</u>	<u>2,391,576</u>	<u>2,262,845</u>
Total pension liability - ending	<u>\$ 2,015,712</u>	<u>2,113,900</u>	<u>2,153,484</u>	<u>2,889,532</u>	<u>3,016,839</u>	<u>2,437,336</u>	<u>1,879,742</u>	<u>2,391,576</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to schedule:

Changes of assumptions - Changes of assumptions or other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
4.28%	4.00%	4.31%	2.25%	3.16%	3.64%	3.26%	1.93%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Village is presenting information for those years for which information is available.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 73, paragraph 4.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Required Supplementary Information
Schedule of Changes in the Village's
Total OPEB Liability and Related Ratios
Year ended May 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability							
Service cost	\$ 122,299	230,598	197,499	129,921	197,177	108,886	79,013
Interest	181,241	119,847	117,428	129,523	52,786	63,527	74,233
Change in benefit terms	-	-	-	480,976	-	-	-
Changes in assumptions	(217,010)	(1,162,430)	1,172	-	-	-	-
Differences between expected and actual experience	(77,260)	2,228,962	(21,842)	(962,520)	786,703	246,671	(26,953)
Benefit payments	<u>(216,762)</u>	<u>(225,160)</u>	<u>(122,659)</u>	<u>(104,044)</u>	<u>(69,153)</u>	<u>(76,806)</u>	<u>(112,068)</u>
Net change in total OPEB liability	(207,492)	1,191,817	171,598	(326,144)	967,513	342,278	14,225
Prior period adjustment	-	-	-	(92,436)	-	-	-
Total OPEB liability - beginning	<u>4,227,503</u>	<u>3,035,686</u>	<u>2,864,088</u>	<u>3,282,668</u>	<u>2,315,155</u>	<u>1,972,877</u>	<u>1,958,652</u>
Total OPEB liability - ending	<u>\$4,020,011</u>	<u>4,227,503</u>	<u>3,035,686</u>	<u>2,864,088</u>	<u>3,282,668</u>	<u>2,315,155</u>	<u>1,972,877</u>
Covered payroll	\$ 737,840	725,414	725,414	742,454	742,454	714,105	746,521
Total OPEB liability as a percentage of covered payroll	544.84%	582.77%	418.48%	385.76%	442.14%	324.20%	264.28%

Notes to schedule:

Changes of assumptions - Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
4.81%	4.40%	4.10%	4.06%	3.22%	N/A	N/A

Discount rate was not available for fiscal years 2020 and 2019.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Village is presenting information for those years for which information is available.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

*Prior period adjustment was recorded which impacted the ending balance for the total OPEB liability for the year ended May 31, 2022. All years prior were not restated to reflect this prior period adjustment.

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

The Mayor and Members of the
Village Board of Trustees
Incorporated Village of Island Park, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Incorporated Village of Island Park, New York (the Village) as of and for the year ended May 31, 2025, and the related notes to financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated April 27, 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 Village'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002, that we consider to be material weaknesses.

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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2025-002.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 27, 2026

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Mayor and Members of the
Village Board of Trustees
Incorporated Village of Island Park, New York:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Incorporated Village of Island Park, New York'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 auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the 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 Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Auditors' 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 the 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.

Auditors' 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 GAAS, 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. Non-compliance 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 the major federal program as a whole.

In performing an audit in accordance with GAAS, 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-003. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Auditors' 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.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 27, 2026

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Schedule of Expenditures of Federal Awards
Year ended May 31, 2025

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or pass-through number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Homeland Security - Hazard Mitigation Grant Program	97.039	DHS-C0000757-1160200	<u>\$ 1,971,918</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Notes to Schedule of Expenditures of Federal Awards

May 31, 2025

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Incorporated Village of Island Park, New York (the Village) under programs of the Federal government for the year ended May 31, 2025. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with 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). 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 of the Village.

(2) Summary of Significant Accounting Policies

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. Pass-through entity identifying numbers are presented where available.

(3) Indirect Cost Rate

Indirect costs are included in the reported expenditures to the extent that such costs are included in the Federal financial reports used as the source for the data presented. The de minimis election allows the Village to allocate 10% of indirect costs to grants with periods ending on or before September 30, 2024 and 15% of indirect costs to grant with periods after September 30, 2024. The Village does not use the de minimis election.

(4) Contingencies

The Village participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Uniform Guidance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Schedule of Findings and Questioned Costs

Year ended May 31, 2025

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified?

Yes No

2. Significant deficiency(ies) identified?

Yes None reported

3. Noncompliance material to financial statements noted?

Yes No

Federal Awards:

Internal control over major programs:

4. Material weakness(es) identified?

Yes No

5. Significant deficiency(ies) identified?

Yes None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)(Uniform Guidance)?

Yes No

7. The Village's major program audited was:

Name of Federal Program

Assistance Listing
Number

Hazard Mitigation Grant Program

97.039

8. Dollar threshold used to distinguish between Type A and Type B programs.

\$ 750,000

9. Auditee qualified as low-risk auditee?

Yes No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

See pages 50 - 51.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

See page 52.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Schedule of Findings and Questioned Costs, Continued

Part II - FINANCIAL STATEMENT FINDINGS SECTION

2025-001: Audit Readiness and Financial Records (Material Weakness)

Criteria - The Village must have effective internal control over financial reporting to ensure that the amounts reported are reliable and that management and employees, in the normal course of performing their assigned functions, can prevent, or detect and correct, misstatements on a timely basis.

Condition - Our audit revealed that the Village had not timely reconciled numerous general ledger accounts throughout the fiscal year and this ultimately led to inaccurate financial information for the year ended May 31, 2025.

Cause - The Village did not have sufficient internal controls or procedures in place to ensure that account reconciliations were performed regularly and accurately throughout the year.

Effect of Condition - Adjusting journal entries were required to be recorded in order for the balances to reflect the appropriate amounts. Additionally, a number of prior period adjustments (note 14) were required to be recorded in order to correct balances at May 31, 2024.

Repeat Finding - This is a repeat finding of item 2024-001 from the audit of the year ended May 31, 2024.

Recommendation - The Village should institute processes and procedures to ensure that accounts are reconciled on a regular basis throughout the year. In addition, management should contract with an outsourced accounting firm during the year to provide accounting support as needed.

Views of Responsible Officials and Planned Corrective Action - See corrective action plan on page 54.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Schedule of Findings and Questioned Costs, Continued

Part II - FINANCIAL STATEMENT FINDINGS SECTION, CONTINUED

2025-002: Budgetary Control - Deficit Unassigned Fund Balance (Material Weakness and Noncompliance)

Criteria - The Village must have internal control over budget practices to ensure that the amounts reported are reliable and do not violate the provisions of the Governmental Accounting Standards Board Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions", paragraph 15.

Condition - Our audit revealed, that due to inadequate record keeping and budget practices, the Village had a deficit unassigned fund balance of \$487,588 in the general fund.

Cause - The Village has been renewing short-term debt (a bond anticipation note) that should have been converted to long-term debt. The debt was originally issued to pay the cost of a settlement with the Federal government.

Effect of Condition - The unassigned fund balance in the general fund is in a deficit.

Repeat Finding - This is a repeat finding of item 2024-002 from the audit of the year ended May 31, 2024.

Recommendation - The Village should institute processes and procedures for ensuring that accounts are reconciled on a regular basis throughout the year. This will enable the Village to assess and monitor the amount of fund balance that is available for appropriation.

Views of Responsible Officials and Planned Corrective Action - See corrective action plan on page 54.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK
Schedule of Findings and Questioned Costs, Continued

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

(2025-003) Federal Data Collection Form Submission

Criteria - The Village did not submit the Federal Data Collection Form to the Federal Audit Clearinghouse for the year ended May 31, 2025, within the required 9-month timeframe.

Condition - Title 2, Part 200 Section 200.512 requires auditees to submit the audit, the data collection form, and the reporting package within the earlier of 30 calendar days after the auditee receives the auditors' report, or 9-months after the end of the audit period.

Cause - The Village was not in compliance with the above compliance requirements.

Effect of Condition - Due to management's oversight, the required submissions for the Village's Federal Single Audit were not made within the required timeframes.

Statistical Sampling - The sample was not intended to be, and was not, a statistically valid sample.

Recommendation - We recommend that management contract with appropriate third parties to facilitate the completion of the audits more timely and complete the Federal Data Collection Form submission by the required timeframe.

Views of Responsible Officials and Planned Corrective Action - See corrective action plan on page 54.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Status of Prior Year Audit Findings

Year ended May 31, 2025

2024-001: Audit Readiness and Financial Records (Material Weakness)

Condition - Our audit revealed that the Village had not timely reconciled numerous accounts to the general ledger and this ultimately led to a significant delay in the start of the audit for the year ended May 31, 2025.

Status - The Village hired an external accountant to assist with the reconciling of accounts. The majority of the accounts were reconciled prior to the start of the audit, however, several audit adjusting entries were required in order to correct the financial statements. Accordingly, this finding is being repeated as item 2025-001.

2024-002: Budgetary Control - Deficit Unassigned Fund Balance
(Material Weakness and Noncompliance)

Condition - Our audit revealed, that due to inadequate record keeping and budget practices, the Village had a deficit unassigned fund balance in the general fund.

Status - The Village's unassigned fund balance in the general fund is a deficit balance of \$487,588. Accordingly, this comment is being repeated as item 2025-002.

INCORPORATED VILLAGE OF ISLAND PARK, NEW YORK

Corrective Action Plan

Year ended May 31, 2025

Name of Auditee: Incorporated Village of Island Park, New York

Name of Audit Firm: EFPR Group, CPAs, PLLC

Period Covered by the Audit: Year ended May 31, 2025

CAP Prepared by: Nicole Scavone, Treasurer

Phone: 516-431-0600

(A) Current Findings on the Schedule of Findings and Questioned Costs

(1) Audit Finding 2025-001 - Audit Readiness and Financial Records

- (a) Comments on the finding and recommendation: The Village agrees with the finding. The Village also agrees with the recommendation. See below for actions taken.
- (b) Actions Taken: Management has hired a third party accounting firm to assist with the accounting for the year-end close process, as well as assisting with developing processes and procedures for reconciling accounts during the year.
- (c) Anticipated Completion Date: Management anticipates this finding will be resolved by May 31, 2026.

(2) Audit Finding 2025-002 - Budgetary Control - Deficit Unassigned Fund Balance

- (a) Comments on the finding and recommendation: The Village agrees with the finding. The Village also agrees with the recommendation. See below for actions taken.
- (b) Actions Taken: Management will develop processes and procedures to ensure accounts are reconciled on a regular basis throughout the year to better enable the Village to assess and monitor the amount of fund balance that is available for appropriation. Additionally, management should perform various financial tests and analyses to determine where improvements can be made to mitigate the deficit unassigned fund balance and improve the financial condition of the Village.
- (c) Anticipated Completion Date: Management anticipates this finding will be resolved by May 31, 2026.

(3) Audit Finding 2025-003 - Financial Data Collection Form Submission

- (a) Comments on the finding and recommendation: The Village agrees with the finding. The Village also agrees with the recommendation. See below for actions taken.
- (b) Actions Taken: Management is now aware of the deadline and is working to get current on audits and submission of the data collection form.
- (c) Anticipated Completion Date: Management anticipates this finding will be resolved by May 31, 2026.

FORM OF OPINION OF BOND COUNSEL FOR THE BONDS

[DRAFT FORM OF APPROVING OPINION]

May 28, 2026

Village of Island Park
County of Nassau,
State of New York

Re: Village of Island Park, Nassau County, New York
\$610,000 Public Improvement (Serial) Bonds, 2026

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$610,000 Public Improvement (Serial) Bonds, 2026 (the "Obligations"), of the Village of Island Park, Nassau County, New York (the "Obligor"), dated May 28, 2026, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of _____ centum (_____%) per annum, payable on May 15, 2027 and semi-annually thereafter on November 15 and May 15, and maturing in the amount of \$65,000 on May 15 in each of the years 2027 and 2028, \$70,000 on May 15, 2029, \$75,000 on May 15, 2030, \$80,000 on May 15 in each of the years 2031 and 2032, \$85,000 on May 15, 2033, and \$90,000 on May 15, 2034.

We have examined:

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

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of

their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation(s) is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

FORM OF OPINION OF BOND COUNSEL FOR THE SERIES B NOTES

[DRAFT FORM OF APPROVING OPINION]

June 4, 2026

Village of Island Park
County of Nassau,
State of New York

Re: Village of Island Park, Nassau County, New York
\$1,200,000 Bond Anticipation Notes, 2026 (Renewals) Series B

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$1,200,000 Bond Anticipation Notes, 2026 (Renewals) Series B (the "Obligation"), of the Village of Island Park, Nassau County, New York (the "Obligor"), dated June 4, 2026, numbered ____, of the denomination of \$1,200,000, bearing interest at the rate of _____% per annum, payable at maturity, and maturing June 4, 2027.

We have examined:

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

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference

should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

FORM OF OPINION OF BOND COUNSEL FOR THE SERIES C NOTES

[DRAFT FORM OF APPROVING OPINION]

June 10, 2026

Village of Island Park
County of Nassau,
State of New York

Re: Village of Island Park, Nassau County, New York
\$2,050,000 Bond Anticipation Notes, 2026 (Renewals) Series C

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$2,050,000 Bond Anticipation Notes, 2026 (Renewals) Series C (the "Obligation"), of the Village of Island Park, Nassau County, New York (the "Obligor"), dated June 10, 2026, numbered ____, of the denomination of \$2,050,000, bearing interest at the rate of _____% per annum, payable at maturity, and maturing June 10, 2027.

We have examined:

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

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference

should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP