

## PRELIMINARY OFFICIAL STATEMENT DATED APRIL 21, 2026

### BOND ANTICIPATION NOTES NEW AND RENEWAL ISSUE

*In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See “Tax Matters” herein.*

*The Village will designate the Notes as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.*

### VILLAGE OF LYNBROOK NASSAU COUNTY, NEW YORK (the “Village”)

### \$4,750,000 BOND ANTICIPATION NOTES – 2026 SERIES A (the “Notes”)

**Date of Issue: May 13, 2026**

**Maturity Date: May 13, 2027**

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

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

The Notes will be issued in registered form, and at the option of the purchaser(s), the Notes will be either (i) registered in the name of the successful bidder(s) or (ii) registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry notes.

If the Notes are issued in book-entry form, such Notes will be delivered to DTC, which will act as the securities depository for the Notes. Individual purchases 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 Notes. Principal of and interest on said Notes will be paid in lawful money of the United States of America (Federal Funds) by the Village to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Village will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See “Book-Entry-Only System” under “DESCRIPTION OF THE NOTES”.)

If the Notes are registered in the name of the purchaser(s), a single note certificate will be issued for those Notes of a series bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Village, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

The Notes are offered when, as, and if issued and received by the purchaser(s) and subject to the receipt of the respective approving legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is expected that delivery of the Notes will be made in New York, New York, or such other place as the Village and purchaser(s) shall agree, on or about May 13, 2026.

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

This Preliminary Official Statement and the information in it are subject to completion and amendment in a final official statement. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy and there may not be any sale of the Notes offered by this Preliminary Official Statement, in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to the registration of qualification under the securities laws of that jurisdiction.

# VILLAGE OF LYNBROOK

One Columbus Drive  
Lynbrook, New York 11563

## VILLAGE OFFICIALS

### Mayor

ALAN C. BEACH

### Deputy Mayor

MICHAEL N. HAWXHURST

### Trustees

ROBERT BOCCIO  
MICHAEL HABERT  
ANN MARIE REARDON

### Village Administrator - Clerk/Treasurer

JOHN GIORDANO

### Deputy Village Treasurer

DARLENE DICARO

### Village Counsel

THOMAS ATKINSON, ESQ.

### Bond Counsel

HAWKINS DELAFIELD & WOOD LLP  
New York, New York

### Municipal Advisor

Liberty  Capital Services

1205 Franklin Avenue, Suite 335  
Garden City, NY 11530  
P: 516.877.0797  
F: 516.877.0069

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 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 since the date hereof.

**TABLE OF CONTENTS**

DESCRIPTION OF THE NOTES .....1  
 Nature of Obligation .....1  
 Authorization and Purpose.....2  
 Book-Entry-Only System.....2  
 THE VILLAGE .....4  
 General Information.....4  
 Employees.....4  
 Population Trends .....5  
 Comparative Housing, Income and Population Data.....5  
 Selected Listing of Major Employers .....5  
 Unemployment Rate Statistics .....5  
 Budgetary Procedure.....6  
 Form of Government.....6  
 Employee Pension Benefits .....6  
 Other Post Employment Benefits.....8  
 Cybersecurity .....8  
 Other Information .....8  
 FINANCIAL INFORMATION .....8  
 Financial Statements .....8  
 Statutes Governing Village Investment Policy .....9  
 State Aid.....9  
 New York State Comptroller’s Office Fiscal Stress  
 Designation .....10  
 TAX INFORMATION .....10  
 Real Property Taxes .....10  
 Valuations.....10  
 Tax Certiorari Matters.....10  
 Constitutional Taxing Power.....11  
 Larger Taxpayers.....11  
 Tax Collection Procedure.....11  
 Real Estate Taxes and Tax Collection Record .....12  
 Tax Rate per \$100 (Assessed).....12  
 Tax Levy Limit Law .....12  
 VILLAGE INDEBTEDNESS.....13  
 Constitutional Requirements.....13  
 Statutory Procedure.....14  
 Debt Outstanding End of Fiscal Year.....14  
 Computation of Debt Limit.....15  
 Debt Statement Summary .....15  
 Details of Outstanding Indebtedness .....16  
 Bonded Debt Service .....16  
 Estimated Overlapping Indebtedness.....16  
 Capital Project Plans .....17  
 REMEDIES UPON DEFAULT.....17  
 MUNICIPAL BANKRUPTCY .....18  
 LITIGATION .....20  
 OFFICE OF THE NEW YORK STATE COMPTROLLER’S  
 FISCAL STRESS MONITORING SYSTEM .....20  
 RISK FACTORS .....21  
 LEGAL MATTERS.....22  
 TAX MATTERS.....22  
 BOND RATING .....24  
 DISCLOSURE UNDERTAKING.....24  
 Compliance History .....24  
 FINANCIAL ADVISOR.....24  
 MISCELLANEOUS.....25

**APPENDICES**

REVENUES, EXPENDITURES AND FUND BALANCE –  
 GENERAL  
 FUND.....APPENDIX A  
 COMPARISON OF BUDGET AND ACTUAL RESULTS –  
 GENERAL FUND.....APPENDIX A-1  
 BALANCE SHEETS – GENERAL FUND .....APPENDIX A-2  
 2025 AUDITED FINANCIAL STATEMENTS.....APPENDIX B  
 FORM OF DISCLOSURE UNDERTAKING FOR THE NOTES  
 .....APPENDIX C  
 FORM OF OPINION OF BOND COUNSEL FOR THE NOTES  
 .....APPENDIX D

**[THIS PAGE WAS INTENTIONALLY LEFT BLANK]**

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

**Relating To  
\$4,750,000 Bond Anticipation Notes - 2026 Series A  
(the “Notes”)**

This Official Statement, which includes the cover page and appendices hereto, has been prepared by the Village of Lynbrook, Nassau County, New York (the “Village,” “County,” and “State,” respectively) in connection with the sale by the Village of \$4,750,000 Bond Anticipation Notes - 2026 Series A (the “Notes”).

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

**DESCRIPTION OF THE NOTES**

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

The Notes are dated May 13, 2026 and will mature, without the option of prior redemption, on May 13, 2027. The Notes will not be subject to redemption prior to maturity.

The Village Clerk will act as Fiscal Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s). The Village Clerk’s contact information is as follows: Village Clerk of the Village of Lynbrook, One Columbus Drive, Lynbrook, New York, 11563, email address: [jgiordano@lynbrookvillage.com](mailto:jgiordano@lynbrookvillage.com).

**Nature of Obligation**

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

The Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the Village has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the

Village, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See “TAX INFORMATION - Tax Levy Limit Law” and “LEGAL MATTERS,” herein.)

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Village’s power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See “TAX INFORMATION - Tax Levy Limit Law,” herein.)

### Authorization and Purpose

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

Purposes	Date <u>Authorized</u>	Amount <u>Authorized</u>	Amount <u>Outstanding</u>	Amount <u>Unissued</u>	Principal <u>Payment</u>	Amount <u>to Notes</u>
Acquisition of a portion of a parcel of land located at 368 Ocean Avenue for use by the highway department	12/19/2022	\$875,000	\$845,000	\$0	\$40,000	\$805,000
Acquisition of an asphalt paver	3/7/2022	175,000	165,000	0	10,000	155,000
Acquisition of three highway department trucks	3/7/2022	165,000	155,000	0	10,000	145,000
Construction of a pedestrian walkthrough in the Village	3/7/2022	1,075,000	180,000	875,000	20,000	860,000
Acquisition of a fire department ladder truck	3/7/2022	1,650,000	1,500,000	150,000	60,000	1,440,000
Construction and installation of street lighting improvements	3/7/2022	250,000	250,000	0	10,000	240,000
Acquisition of four sanitation trucks	3/7/2022	800,000	800,000	0	40,000	760,000
Acquisition of an ambulance for use by the fire department	2/21/2023	<u>375,000</u>	<u>375,000</u>	<u>0</u>	<u>30,000</u>	<u>345,000</u>
Totals:		<u>\$5,365,000</u>	<u>\$4,270,000</u>	<u>\$1,025,000</u>	<u>\$220,000</u>	<u>\$4,750,000</u>

### Book-Entry-Only System

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the

need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

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

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

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

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

---

Source: The Depository Trust & Clearing Corporation

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

## THE VILLAGE

### General Information

The Village of Lynbrook, (the “Village”) incorporated under the Village Law in 1911, is a residential community located in New York State (the “State”), on the south shore of Long Island, five miles east of the New York City limits and nineteen and one half miles by rail from Pennsylvania Station in Manhattan.

Its population of 20,438 (2020 Census) makes it one of the larger Villages in the State encompassing an area of approximately 2.5 square miles.

Commuting facilities include daily train service provided by three branches of the Long Island Railroad. A network of bus lines offers public transportation to New York City, subways in Jamaica and to other areas such as Hempstead, Freeport, Mineola and to nearly all other Nassau County communities. The Village is traversed by east and westbound arteries, including Sunrise Highway and Merrick Road which provide easy access to both New York City and eastern Long Island.

The Village has its own Police force and volunteer Fire Department.

There is one synagogue and nine churches located in the Village.

Lynbrook has a number of banking facilities. Branches of many of the larger commercial banks in the country, including Citibank, Bank of America, Webster Bank, First Central Bank, and Bethpage Federal Credit Union are located in the Village.

A diversified retail business section attracts shoppers from surrounding communities as well as the Village. Municipal parking fields which are centrally located, accommodate shoppers and commuters and aid in traffic control. The Village also has four theaters.

Several areas of the Village are zoned for light industry. During recent years, the Village has seen an increase in the growth of office space occupied by doctors, lawyers, CPA’s, computer firms, and commerce in new and renovated buildings. Lynbrook’s business district is located 25 minutes from Kennedy Airport and 35 minutes by train from Mid-town Manhattan.

### Employees

The Village provides services through approximately 149 full-time, 89 part-time and 67 seasonal employees. The majority of full-time Village employees are represented by the following four labor organizations:

<u>Labor Organization</u>	<u>Number of Employees</u>	<u>Contract Expiration Date</u>
Lynbrook Police Benevolent A	50	May 31, 2026 <sup>(1)</sup>
CSEA - DPW	45	May 31, 2027
CSEA - Lynbrook Police Civilian Unit	5	May 31, 2030
UPSEU (full and part-time)	50	May 31, 2030

<sup>(1)</sup> Under negotiation

## Population Trends

<u>Year</u>	<u>Village of Lynbrook</u>	<u>Nassau County</u>	<u>New York State</u>
1970	23,151	1,428,838	18,241,366
1980	20,431	1,321,582	17,557,288
1990	19,208	1,287,348	17,990,445
2000	19,911	1,334,544	18,976,457
2010	19,427	1,339,532	19,378,102
2020	20,438	1,395,774	20,201,249

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

## 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	40.50	41.10	38.00	37.20
Person/Household	2.85	3.03	2.60	2.60
<u>Housing</u>				
% Owner Occupied Housing Units	74.80	81.70	54.40	64.60
Median Value Owner Occupied Housing	519,200	560,100	340,600	244,900
Median Gross Rent (\$)	1,876	1,940	1,390	1,163
<u>Income:</u>				
Per Capita Income (\$)	55,959	55,763	43,208	37,638
Median Household Income	126,832	126,576	75,157	69,021
% Below Poverty Level <sup>(1)</sup>	4.50	6.10	13.90	11.60

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

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

## Selected Listing of Major Employers

<u>Employer</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
Lynbrook UFSD	Education	431
Village of Lynbrook	Government	229 (F/T & P/T)
Verizon	Telecommunications	111

Source: Village Officials. (Companies employing 100 employees or more).

## Unemployment Rate Statistics

Unemployment statistics are not available for the Village as such. The smallest are 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 Official Statement 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 <sup>(3)</sup>	9.80%	7.10%	4.30%	4.10%	4.20%	4.70% <sup>(1)</sup>

	<u>2025 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>
Town of Hempstead	3.70%	4.00%	3.50%	2.70%	2.80%	3.10%	3.60%	3.90%	3.80%	- <sup>(2)</sup>	3.50%	3.20% <sup>(1)</sup>	-
Nassau County	3.50%	3.80%	3.30%	2.60%	2.70%	2.90%	3.50%	3.70%	3.60%	- <sup>(2)</sup>	3.30%	3.10% <sup>(1)</sup>	-
New York State <sup>(3)</sup>	4.30%	4.40%	4.10%	3.80%	3.80%	4.10%	4.80%	4.98%	4.70%	- <sup>(2)</sup>	4.40%	4.30%	4.70% <sup>(4)</sup>

<sup>(1)</sup> Preliminary

<sup>(2)</sup> Data unavailable due to the 2025 lapse in appropriations.

<sup>(3)</sup> Data subject to revision on April 8, 2026.

<sup>(4)</sup> 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 4/13/26 (Note: Figures not seasonally adjusted).

### **Budgetary Procedure**

As part of the development of the Village’s annual budget, the Budget Officer annually sends budget request forms to the heads of various departments. The approximate timetable for budget development is as follows:

January 1	Budget Officer’s pro-forma budget work papers to all Department Heads.
February 15	All Department Heads return estimates to Budget Officer.
March 1	Budget Officer reviews requests with Department Heads.
March 20	Tentative budget filed with Village Board
March 30	Village Clerk presents Tentative Budget to Board of Trustees; Village Board reviews with Department Heads.
April 15	Public Hearing on budget by this date.
May 1	Adoption of budget and salary scale, and setting of tax rate.

Village budgets are not subject to approval by referendum. See also “TAX INFORMATION - Tax Levy Limit Law” herein.

### **Form of Government**

The governing body of the Village is the Board of Trustees which consists of the Mayor and four Trustees, all of whom are elected to four-year terms. The only other elected official is the Village Justice who also serves a four-year term. Elections are held every two years in odd numbered years. The Village Clerk serves as Budget Officer of the Village. The Village Clerk/Treasurer, Village Attorney, Tax Assessor and other department heads are appointed by the Mayor with the consent of the Board of Trustees.

### **Employee Pension Benefits**

Substantially all employees of the Village are members of the New York State and Local Employees’ Retirement System (“ERS”) or the New York State Local Police and Fire Retirement System (“PFRS”). The obligations of employers and employees to contribute and the benefits to employees are governed by the New York 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.

Following the significant capital market declines in 2008 and 2009, 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. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by law in the near-term. To mitigate the expected increases in the employer contribution rate, legislation has been enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts, who decide to amortize their pension obligations pursuant to the law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance.

In 2013, a pension smoothing option was introduced in the State Legislature that would let municipalities and school districts amortize over seven years some of the upcoming pension cost spikes precipitated by the 2008 financial crash and high pension costs in general for employees across the State. The pension smoothing option, which was approved as part of the State's 2013-14 budget, authorizes municipalities and school districts to contribute 14.13% of employee costs toward pensions each year, 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's General Fund made the following contributions to the Retirement System:

Fiscal Year Ending May 31st:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
ERS	\$1,199,321	\$1,339,321	\$1,200,379	\$1,154,634	\$1,258,122	\$1,404,014
PFRS	<u>1,814,711</u>	<u>2,173,262</u>	<u>2,347,603</u>	<u>2,481,950</u>	<u>3,207,525</u>	<u>3,292,004</u>
	<u>\$3,014,032</u>	<u>\$3,512,583</u>	<u>\$3,547,982</u>	<u>\$3,636,584</u>	<u>\$4,465,647</u>	<u>\$4,696,018</u>

Source: Invoices from the New York State Retirement System. Table itself not audited.

The Village's FY 2027 budget includes \$1,591,200 and \$3,777,000 for its ERS and PFRS payments, respectively.

The Village may amortize a portion of its required contributions over a 10-year period, as permitted by the New York State Comptroller's Office. The Village has not amortized a portion of its ERS and PFRS liability in recent years and does it intend to amortize a portion of its FY 2027 ERS and PFRS liability.

A more in-depth discussion of the Village's 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”), requires 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 supersedes GASB 45, which the Village has adopted on June 1, 2018 for the 2018-2019 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 does not require that the 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, attached as Appendix B.

## **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. Measures include having “cloud” back-ups of all files and operating systems software, which enables the Village to operate from any computer in the world in order to continue operations. The Village also adopted an Internet Outage Continuity Plan in 2022. 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 obtained a \$11.1 million cybersecurity liability policy. To date, the Village has not experienced any cyber attacks.

## **Other Information**

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

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

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

## **FINANCIAL INFORMATION**

### **Financial Statements**

The Village has retained independent certified public accountants to audit its financial affairs. The most recent audit covers the fiscal year ended May 31, 2025 and is included as a part of this Official Statement as Appendix B. In addition, the financial affairs of the Village are subject to periodic review by the State Comptroller.

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, Fund Structure and Accounts appears in the Village’s most recently available audited financial statements.

A summary of Revenues, Expenditures and Fund Balance, Comparison of Budget and Actual Results and Balance Sheets for the Village is included as Appendix A.

**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 deposit 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, that term is defined in the law.

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

The Village has adopted an investment policy which states that the Village will comply with the requirements of New York State statutes, as stated above, concerning the investment of Village monies.

**State Aid**

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

Fiscal Year	Total	Total	State Aid to
<u>Ending May 31st:</u>	<u>Revenues</u>	<u>State Aid</u>	<u>Revenues (%)</u>
2021	\$40,858,991	\$986,977	2.42%
2022	45,724,529	1,003,430	2.19%
2023	45,728,428	697,383	1.53%
2024	47,455,641	766,710	1.62%
2025	48,539,863	825,974	1.70%
2026 (budget)	52,412,862	1,004,900	1.92%
2027 (budget)	53,019,927	1,010,900	1.91%

Source: Village Audits

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained during the current fiscal year or in the future.

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.

**New York State Comptroller’s Office Fiscal Stress Designation**

The Village has been designated by the Office of the New York State Comptroller as “No Designation,” having been assigned a fiscal score of 3.3 based on its “Fiscal Stress Monitoring System 2025 List.” (See “OFFICE OF THE NEW YORK STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM,” herein).

**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.)

Recently, the Village Board of Trustees have adopted budgets which contain tax levies that exceed the Tax Levy Limit Law. (See “TAX INFORMATION - Tax Levy Limit Law,” herein.)

**Valuations**

Year Ending May 31st:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessed Valuation	\$152,408,544	\$153,079,783	\$153,170,686	\$152,974,115	\$153,977,642	\$154,522,211
State Equalization Rate	5.85%	5.18%	5.23%	4.49%	4.31%	
	\$2,605,274,256	\$2,955,208,166	\$2,928,693,805	\$3,406,995,880	\$3,572,567,100	

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

**Tax Certiorari Matters**

During the last decade, the Village has been confronted by numerous tax certiorari proceedings, instituted primarily by the owners of commercial, apartment and condominium buildings, seeking a reduction of the assessed value of said properties and a refund of excess taxes paid by them. The Village no longer pays a tax certiorari refund upon the immediate settlement of a pending case. Instead, the Village does not commit to the payment of a refund until the Village's next fiscal year. This enables the Village to budget for the tax certiorari refunds in their entirety as opposed to estimating what is thought to be necessary for these settlements. The Village’s tax certiorari counsel is of the opinion that most of the 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:

Fiscal Year Ending May 31st:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 As of</u> <u>4/15/26</u>
Budgeted	\$560,000	\$560,000	\$500,000	\$500,000	\$500,000	\$500,000
Expended	484,983	488,630	524,316	487,762	627,245	536,004

The Village's FY 2027 budget includes \$500,000 for the payment of tax certiorari claims against the Village.

The Village has financed tax certiorari judgements in the past and may finance any future judgment or settlement, if necessary, so as to mitigate any impact on future budgets.

The decrease in total assessment valuation resulting from tax certiorari judgments and the associated reduction in tax revenue, is restored by virtue of an increase in the Village tax rate, to assure the level of Village tax revenue is sufficient to balance its annual budget.

### Constitutional Taxing Power

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

Fiscal Year Ending May 31:	<u>2025</u>	<u>2026</u>
Five Year Average Full Valuation	\$2,877,077,006	\$3,093,747,841
Tax Limit (2%)	57,541,540	61,874,957
Add: Total Exclusions	<u>3,269,646</u>	<u>3,209,510</u>
Total Taxing Power	60,811,186	65,084,467
Less Tax Levy	<u>37,293,385</u>	<u>38,522,387</u>
Tax Margin	<u>\$23,517,801</u>	<u>\$26,562,080</u>
Percent of Tax Limit Exhausted	<u>59.13%</u>	<u>57.07%</u>

Source: New York State Comptroller's Office and the Village

### Larger Taxpayers

The following table lists taxable assessments of the Village's largest taxpayers:

<u>Name</u>	<u>Type</u>	<u>2027 Assessed Value</u>
National Grid	Utility	\$2,714,330
Sterling Glen	Adult Living Facility	1,000,000
444 Merrick Road	Office Building	864,475
Fowler Daley Owners	Coop Apartments	805,505
HSRE EB Lynbrook LLC	Mini Warehouse/Self-Storage	758,800 <sup>(1)</sup>
VTR (formerly Atria Lynbrook)	Adult Living Facility	754,000
Long Island American Water	Public Utility	654,345
Wyndham House Owners Corp	Coop Apartments	613,800
Lynbrook Sunrise Realty, LLC	Office Building	575,940
Mequity Lynbrook, LLC	Self-Storage Facility	<u>537,460</u>
		<u>\$9,278,655</u>

Source: The Village

<sup>(1)</sup> This taxpayer has filed a tax certiorari case against the Village, which remains unresolved. (See "TAX INFORMATION-Tax Certiorari Matters" and "LITIGATION" herein)

### Tax Collection Procedure

The Village collects its own taxes. Property taxes are collected twice annually during the months of June and

December. A 5% penalty is added to the 1<sup>st</sup> half payment if not paid by 7/1, with an additional 1% per month until paid. Similarly, a 5% penalty is added to the 2<sup>nd</sup> half if not paid by 12/31, with an additional 1% per month until paid. All unpaid taxes become a Lien after the March Tax Lien Sale, with an additional 1% penalty per month until Lien is satisfied. Pursuant to rates set in Real Property Tax Law.

### Real Estate Taxes and Tax Collection Record

Year Ended May 31:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>As of 4/15/26 2026</u>
Levy and Tax Collections:						
Taxes on Roll	\$32,508,742	\$34,550,110	\$35,091,407	\$36,224,271	\$37,293,385	\$38,522,387
Collections During Year						
Tax Collections (includes mid-year adjustments) <sup>(1)</sup>	32,344,899	34,776,648	35,221,352	36,284,074	37,534,853	38,507,224
Tax Lien Sale (current years taxes) <sup>(2)</sup>	<u>489,099</u>	<u>498,509</u>	<u>496,257</u>	<u>509,208</u>	<u>494,060</u>	<u>426,801</u>
Total Collections During Year	<u>\$32,833,998</u>	<u>\$35,275,157</u>	<u>\$35,717,609</u>	<u>\$36,793,282</u>	<u>\$38,028,913</u>	<u>\$38,934,025</u>
% Collected Taxes End of Year	<u>99.496%</u>	<u>100.656%</u>	<u>100.370%</u>	<u>100.165%</u>	<u>100.647%</u>	<u>99.961%</u>
% Collections End of Year (including tax liens)	<u>101.001%</u>	<u>102.099%</u>	<u>101.784%</u>	<u>101.571%</u>	<u>101.972%</u>	<u>101.069%</u>

<sup>(1)</sup> Collection figures account for payments of penalties, delinquent taxes, and interest and advertising costs associated with the lien sales.

<sup>(2)</sup> The Village conducts tax lien sales in March of each fiscal year. Liens are purchased by the Village to enhance its interest earnings revenue.

Source: The Village

### Tax Rate per \$100 (Assessed)

Fiscal Year Ending May 31st:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u> <sup>(1)</sup>
Tax Rate	\$21.33	\$22.57	\$22.91	\$23.68	\$24.22	\$24.93	\$25.41

<sup>(1)</sup> Based on an assessed value of \$153,752,069.

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

### Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the New York Laws of 2011 on June 24, 2011, all the taxable real property within the Village had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Village and interest thereon without limitation as to rate or amount. However, Chapter 97, as amended (the "Tax Levy Limit Law") imposes a tax levy limitation upon the Village for any fiscal year commencing after January 1, 2012, without providing an exclusion for debt service on obligations issued by the Village. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village is subject to statutory limitations set forth in the Tax Levy Limit Law, unless the Village complies with certain procedural requirements to permit the Village to levy certain year-to-year increases in real property taxes.

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

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

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

## VILLAGE INDEBTEDNESS

### Constitutional Requirements

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

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

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

*Payment and Maturity.* Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid 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 “DESCRIPTION OF THE NOTES - 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 Limit Law imposes a statutory limitation on the Village’s power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See “TAX INFORMATION - Tax Levy Limit Law” herein.)

**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.

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.

**Debt Outstanding End of Fiscal Year**

As of May 31:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$19,631,000	\$16,741,000	\$13,895,000	\$11,490,000	\$9,710,000
Bond Anticipation Notes	0	0	2,315,000	5,240,000	5,095,000
Installment Purchase Debt	<u>1,467,831</u>	<u>1,240,052</u>	<u>1,005,782</u>	<u>764,834</u>	<u>517,019</u>
Total Debt Outstanding	<u>\$21,098,831</u>	<u>\$17,981,052</u>	<u>\$17,215,782</u>	<u>\$17,494,834</u>	<u>\$15,322,019</u>

---

Source: Village Audits

## Computation of Debt Limit

The following table sets forth the debt limitation of the Village:

<u>Fiscal Year</u> <u>Ending May 31st:</u>	<u>Assessed Valuation of</u> <u>Taxable Real Estate</u>	<u>State Equalization</u> <u>Rate (%)</u>	<u>Full Valuation of</u> <u>Taxable Real Estate</u>
2025	\$153,977,642	4.31%	\$3,572,567,100
2024	152,974,115	4.49%	3,406,995,880
2023	153,170,686	5.23%	2,928,693,805
2022	153,079,783	5.18%	2,955,208,166
2021	152,408,544	5.85%	<u>2,605,274,256</u>
Total five year valuation			15,468,739,207
Five year average full valuation			3,093,747,841
Debt Limit - 7% of average five year full valuation			<u>\$216,562,348</u>

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

## Debt Statement Summary

Summary of Debt Limit, Total New Indebtedness and Net Debt-Contracting Margin as of April 16, 2026:

Debt Contracting Limitation: \$216,562,348

### Inclusions

Bonds:	7,945,000	
Bond Anticipation Notes	5,095,000 <sup>(1)</sup>	
Installment Purchase Debt	262,141	
Total Inclusions		<u>13,302,141</u>

### Exclusions:

Appropriations: Bonds	0	
Appropriations: BANS	1,045,000	
Appropriations: Installment Purchase Debt	0	
Total Exclusions:		<u>1,045,000</u>

Total Net Direct Indebtedness	<u>\$12,257,141</u>
Net Debt Contracting Margin	<u>\$204,305,207</u>
Percent of Debt-Contracting Power Exhausted	<u>5.66%</u>

<sup>(1)</sup> To be redeemed at maturity from Note proceeds along with available Village funds.

The issuance of the Notes will increase the Total Net Direct Indebtedness of the Village by \$700,000 and exhaust an additional 0.03% of its debt contracting power.

## Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village as of April 16, 2026:

<u>Bonds</u>	<u>Maturity</u>	<u>Amount</u>
	2026 to 2037	\$7,945,000
 <u>Bond Anticipation Notes</u>		
Bond Anticipation Notes - 2025 Series A	May 14, 2026	4,270,000 <sup>(1)</sup>
Bond Anticipation Notes - 2025 Series B (Federally Taxable)	May 14, 2026	825,000 <sup>(2)</sup>
Bond Anticipation Notes (sub total)		5,095,000
 Installment Purchase Debt		 <u>262,141</u>
Total Debt Outstanding		<u>\$13,302,141</u>

<sup>(1)</sup> To be redeemed at maturity from Note proceeds along with available Village funds.

<sup>(2)</sup> To be redeemed at maturity from available Village funds

---

Source: The Village

## Bonded Debt Service

The below table reflects the debt service requirements to maturity on the Village's outstanding general obligation bonded debt as of April 16, 2026. (Figures may be rounded):

<u>Fiscal Year</u> <u>Ended May 31st:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal</u> <u>and Interest</u>
2027	\$1,600,000	\$162,025	\$1,762,025
2028	1,470,000	123,219	1,593,219
2029	950,000	94,650	1,044,650
2030	735,000	75,875	810,875
2031	735,000	59,250	794,250
2032	735,000	42,275	777,275
2033	280,000	31,250	311,250
2034	280,000	26,000	306,000
2035	285,000	20,350	305,350
2036	295,000	14,550	309,550
2037	290,000	8,700	298,700
2038	<u>290,000</u>	<u>2,900</u>	<u>292,900</u>
TOTALS	<u>\$7,945,000</u>	<u>\$661,044</u>	<u>\$8,606,044</u>

## 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 <sup>(1)</sup></u>	<u>Net Indebtedness</u>	<u>% 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
Lynbrook UFSD	6/30/25	22,315,000	0	22,315,000	70.00%	15,620,500
East Rockaway USFD	7/3/25	14,645,000	0	14,645,000	7.00%	1,025,150
Malverne USFD	6/30/25	20,405,000	0	20,405,000	17.00%	3,468,850
Valley Stream CHSD	6/30/25	21,187,269	0	21,187,269	5.00%	1,059,363
Hewlett-Woodmere UFSD	6/30/24	1,905,000	0	1,905,000	1.00%	<u>19,050</u>
					<b>Total</b>	<b><u>\$28,290,355</u></b>

<sup>(1)</sup> 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.

### Capital Project Plans

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

<u>Purposes</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Amount Issued</u>	<u>Amount Remaining</u>
Construction of a pedestrian walkthrough in the Village	3/7/2022	\$1,075,000	\$900,000	\$175,000
Acquisition of a fire department ladder truck	3/7/2022	1,650,000	1,500,000	150,000
Acquisition of a fire department utility truck	3/7/2022	<u>750,000</u>	<u>0</u>	<u>750,000</u>
<b>Totals:</b>		<b><u>\$3,475,000</u></b>	<b><u>\$2,400,000</u></b>	<b><u>\$1,075,000</u></b>

### REMEDIES UPON DEFAULT

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

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

in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

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

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

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

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

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

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Village should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or

material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

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

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

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

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

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

### ***Financial Control Boards***

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

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon

request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

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

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

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

### ***No Past Due Debt***

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

## **LITIGATION**

The Village is subject to a number of lawsuits in the ordinary conduct of its affairs. The Village maintains insurance coverage which covers certain potential liabilities that may arise from such lawsuits. The Village does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Village. Tax certiorari claims for refunds of prior year's property taxes are currently pending. The final outcome of these matters, which could affect future operating budgets, is not presently determinable. (See "TAX INFORMATION - Tax Certiorari Matters" herein)

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

The New York State Comptroller has reported that New York State's municipalities and school districts are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System, ("FSMS"), to provide independent, objective and quantifiable information to municipal and school district officials and the general public regarding the various levels of fiscal stress, under which the State's municipalities and school districts are operating.

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

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

## RISK FACTORS

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

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

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

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

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget 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 "THE VILLAGE - State Aid" herein.)

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

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

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

An outbreak of disease or similar public health threat, similar to COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Village's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. In the recent past, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, spread globally, including to the United States, and had been declared a pandemic by the World Health Organization. The resurgence and/or spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the Village. The Village is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "THE VILLAGE - State Aid" herein.)

## LEGAL MATTERS

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

## TAX MATTERS

### *Opinion of Bond Counsel*

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the Village (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Village in connection with the Notes, and Bond Counsel has assumed compliance by the Village with certain provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

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

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

### *Certain Ongoing Federal Tax Requirements and Certifications*

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

### *Certain Collateral Federal Tax Consequences*

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes. Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may

be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

### ***Original Issue Discount***

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

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

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

### ***Bond Premium***

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

### ***Information Reporting and Backup Withholding***

Information reporting requirements apply to interest on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient. If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

## **Miscellaneous**

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

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

## **BOND RATING**

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

On July 6, 2023, following the maturity of its Public Improvement Serial Bonds for Separation Payments - 2013, on December 15, 2022 and the Village's determination not to maintain two credit ratings, Moody's Investors Service ("Moody's") withdrew its issuer rating on the Village. The Village had been assigned a rating of "Aa2" at the time of this withdrawal. An explanation of the significance of such rating action can be obtained from Moody's Investors Services, Inc., 7 World Trade Center, New York, New York 10007 (212) 553-0300.

On September 15, 2014 S&P Global upgraded the Village's credit rating on its uninsured outstanding bonds to "AA+/Stable". An explanation of the significance of such rating, should be obtained from S&P Global, 55 Water Street, New York, New York 10041 (212) 904-3070.

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

## **DISCLOSURE UNDERTAKING**

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

## **Compliance History**

As described in a material event notice filed by the Village dated March 27, 2025 the Village failed to file its audited financial statements for the fiscal year ended May 31, 2024 within 30 days availability, as required by certain disclosure undertakings of the Village. The Village's FY 2024 audit was filed concurrently with the filing of such notice on March 27, 2025.

## **FINANCIAL ADVISOR**

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

The Financial 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. The Financial 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 Financial Advisor respecting the accuracy and completeness of information or any other matter related to such information and this Official Statement.

### MISCELLANEOUS

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

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

This Official Statement has been duly executed and delivered by the Village Treasurer of the Village of Lynbrook. Additional information may be obtained from the office of the Village Treasurer (516) 599-8300 or Liberty Capital Services, LLC (516) 877-0797, the Village’s financial advisor.

**Dated: Lynbrook, New York  
April 21, 2026**

**/s/John Giordano  
Village Treasurer**

**[THIS PAGE WAS INTENTIONALLY LEFT BLANK]**

**Village of Lynbrook  
Revenues, Expenditures and Fund Balances - General Fund**

**APPENDIX A**

Year Ended May 31:	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b><u>REVENUES</u></b>					
Real Property Taxes	\$34,776,648	\$35,221,352	\$36,284,074	\$37,534,853	\$39,068,401
Real Property Tax Items	2,005,830	2,046,677	2,346,481	1,954,087	2,184,000
Non-Property Tax Items	900,422	887,727	907,323	929,111	885,000
Departmental Income	1,230,573	1,258,584	1,763,843	1,602,341	1,708,100
Intergovernmental Charges	14,387	13,729	10,095	13,910	11,000
Use of Money and Property	339,379	680,065	1,180,533	1,297,823	850,000
Licenses and Permits	656,830	1,141,144	742,981	1,044,052	745,700
Fines and Forfeitures	2,321,909	2,000,194	2,427,522	2,523,553	2,250,000
Sale of Property and Compensation for Loss	402,057	322,671	320,869	280,069	202,000
State Sources	1,003,430	697,383	766,710	825,974	1,010,900
Federal Sources	1,316,521	997,330	239,045	0	0
Other	<u>306,543</u>	<u>461,572</u>	<u>466,165</u>	<u>534,090</u>	<u>458,500</u>
Total Revenues	<u>\$45,274,529</u>	<u>\$45,728,428</u>	<u>\$47,455,641</u>	<u>\$48,539,863</u>	<u>\$49,373,601</u>
<b><u>EXPENDITURES</u></b>					
General Government Support	4,659,775	4,819,748	5,100,131	5,376,311	5,977,000
Public Safety	14,516,411	14,683,626	15,086,214	15,460,346	16,911,000
Health	34,929	35,264	35,356	41,528	39,300
Transportation	2,434,057	2,515,863	2,607,208	2,792,459	3,342,300
Economic Assistance and Opportunity	70,031	58,527	60,637	68,859	66,800
Culture & Recreation	2,007,184	2,068,228	2,166,634	2,291,296	2,609,000
Home & Community Services	2,811,576	2,784,307	2,725,312	2,740,550	3,139,100
Employee Benefits	11,474,766	11,818,989	13,063,940	14,115,106	16,611,100
Debt Service	0	0	<u>111,825</u>	<u>478,062</u>	<u>461,250</u>
Total Expenditures	<u>38,008,729</u>	<u>38,784,552</u>	<u>40,957,257</u>	<u>43,364,517</u>	<u>49,156,850</u>
Excess of Revenues over (under) Expenditures	7,265,800	6,943,876	6,498,384	5,175,346	216,751
Other Financing Sources (Uses):					
Bond Proceeds	0	0	0	0	0
BANS Redeemed From Appropriations	0	0	0	75,000	0
Operating Transfers In	158,234	0	619	0	0
Operating Transfers Out	<u>(5,286,496)</u>	<u>(4,964,261)</u>	<u>(4,735,852)</u>	<u>(4,056,839)</u>	<u>(3,863,077)</u>
Total Other Financing Sources (Uses)	<u>(5,128,262)</u>	<u>(4,964,261)</u>	<u>(4,735,233)</u>	<u>(3,981,839)</u>	<u>(3,863,077)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	2,137,538	1,979,615	1,763,151	1,193,507	(3,646,326)
Fund Balance Beginning of Year	<u>14,596,131</u>	<u>16,733,669</u>	<u>18,713,284</u>	<u>20,476,435</u>	<u>21,669,942</u>
Fund Balance as Restated					
Fund Balance End of Year	<u>\$16,733,669</u>	<u>\$18,713,284</u>	<u>\$20,476,435</u>	<u>\$21,669,942</u>	<u>\$18,023,616</u>

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

Village of Lynbrook

APPENDIX - A1

Comparison of Budget and Actual Results - General Fund

(Most Recently Available Audited Fiscal Year and Subsequent Years Budget(s))

Year Ended May 31:	2025		2026	2027
	Adopted Budget	Actual	Adopted Budget	Adopted Budget
<b>REVENUES</b>				
Real Property Taxes	\$37,369,522	\$37,534,853	\$38,522,387	\$39,068,401
Real Property Tax Items	1,934,100	1,954,087	1,986,500	2,184,000
Non-Property Tax Items	883,200	929,111	890,200	885,000
Departmental Income	2,138,800	1,602,341	1,776,500	1,708,100
Intergovernmental Charges	11,000	13,910	11,000	11,000
Use of Money and Property	800,000	1,297,823	850,000	850,000
Licenses and Permits	686,000	1,044,052	723,500	745,700
Fines and Forfeitures	1,850,000	2,523,553	2,000,000	2,250,000
Sale of Property and Compensation for Loss	202,000	280,069	202,000	202,000
State Sources	491,300	825,974	1,004,900	1,010,900
Other	319,200	534,090	439,500	458,500
Total Revenues	<u>46,685,122</u>	<u>48,539,863</u>	<u>48,406,487</u>	<u>49,373,601</u>
Appropriated Fund Balance/Reserves	<u>1,549,198</u>	<u>0</u>	<u>4,006,375</u>	<u>3,646,326</u>
Total Revenues and Appropriated Fund Balance	<u>48,234,320</u>	<u>48,539,863</u>	<u>52,412,862</u>	<u>53,019,927</u>
<b>EXPENDITURES</b>				
General Governmental Support	5,636,900	5,376,311	5,754,900	5,977,000
Public Safety	15,936,300	15,460,346	16,394,400	16,911,000
Health	35,500	41,528	38,000	39,300
Transportation	2,932,200	2,792,459	3,255,100	3,342,300
Economic Assistance and Opportunity	57,400	68,859	65,500	66,800
Culture & Recreation	2,290,500	2,291,296	2,529,900	2,609,000
Home & Community Service	2,978,000	2,740,550	3,061,400	3,139,100
Employee Benefits	14,046,100	14,115,106	16,012,400	16,611,100
Debt Service	<u>200,420</u>	<u>478,062</u>	<u>1,242,800</u>	<u>461,250</u>
Total Expenditures	<u>44,113,320</u>	<u>43,364,517</u>	<u>48,354,400</u>	<u>49,156,850</u>
Excess of Revenues Over (under) Expenditures	4,121,000	5,175,346	4,058,462	3,863,077
Other Financing Sources (Uses):				
BANS Redeemed From Appropriations	0	75,000	0	0
Operating Transfers In	0	0	0	0
Operating Transfers Out	<u>(4,121,000)</u>	<u>(4,056,839)</u>	<u>(4,058,462)</u>	<u>(3,863,077)</u>
Total Other Financing Sources (Uses)	<u>(4,121,000)</u>	<u>(3,981,839)</u>	<u>(4,058,462)</u>	<u>(3,863,077)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$0</u>	<u>\$1,193,507</u>	<u>\$0</u>	<u>\$0</u>

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

**Village of Lynbrook**  
**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>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$5,293,837	\$7,738,905	\$4,437,157	\$9,634,685	\$8,063,672
Restricted Cash	309,037	99,266	1,003,759	740,918	527,449
Investments	6,806,562	6,597,723	11,760,763	9,891,536	11,050,988
Investments restricted	4,816,247	5,185,237	5,590,691	5,972,184	7,579,211
Taxes Receivable	844,155	735,612	683,199	675,879	524,796
Accounts Receivable	596,258	692,269	535,302	966,563	945,200
State and Federal aid Receivable	0	125,000	0	31,519	0
Prepaid Expenses	98,976	195,262	559,104	592,439	631,411
Due from Other Funds	<u>3,494,631</u>	<u>3,560,237</u>	<u>2,872,140</u>	<u>1,492,245</u>	<u>1,237,896</u>
Total Assets	<u>\$22,259,703</u>	<u>\$24,929,511</u>	<u>\$27,442,115</u>	<u>\$29,997,968</u>	<u>\$30,560,623</u>
<b><u>LIABILITIES</u></b>					
Accounts Payable	\$548,635	\$466,443	\$398,742	\$638,784	\$658,980
Accrued Liabilities	1,919,056	1,984,391	2,101,523	2,398,726	2,470,854
Due to Other Funds	901,720	1,093,627	44,352	34	0
Bond Anticipation Notes Payable	0	0	900,000	900,000	825,000
Unearned Revenues	30,585	64,179	179,161	58,878	189,458
Judgements and Claims	<u>816,534</u>	<u>710,018</u>	<u>539,318</u>	<u>604,318</u>	<u>727,451</u>
Total Liabilities	<u>4,216,530</u>	<u>4,318,658</u>	<u>4,163,096</u>	<u>4,600,740</u>	<u>4,871,743</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>					
Unavailable property tax receivables	812,965	657,549	592,122	599,403	423,799
Property Taxes Received in Advance	<u>2,634,077</u>	<u>3,219,635</u>	<u>3,973,613</u>	<u>4,321,390</u>	<u>3,595,139</u>
Total Deferred Inflows of Resources	<u>3,447,042</u>	<u>3,877,184</u>	<u>4,565,735</u>	<u>4,920,793</u>	<u>4,018,938</u>
<b><u>FUND BALANCE</u></b>					
Nonspendable	98,976	195,262	559,105	592,439	631,411
Restricted	5,125,284	5,284,503	6,594,450	6,713,102	8,106,660
Assigned	531,450	1,901,026	2,516,538	3,226,145	3,029,357
Unassigned	<u>8,840,421</u>	<u>9,352,878</u>	<u>9,043,191</u>	<u>9,944,749</u>	<u>9,902,514</u>
TOTAL FUND EQUITY (DEFICIT)	<u>14,596,131</u>	<u>16,733,669</u>	<u>18,713,284</u>	<u>20,476,435</u>	<u>21,669,942</u>
TOTAL LIABILITIES, DEFERRED REVENUE AND FUND EQUITY	<u>\$22,259,703</u>	<u>\$24,929,511</u>	<u>\$27,442,115</u>	<u>\$29,997,968</u>	<u>\$30,560,623</u>

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

**[THIS PAGE WAS INTENTIONALLY LEFT BLANK]**

**Incorporated Village of Lynbrook, New York**

Financial Report

Year Ended May 31, 2025

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



INCORPORATED VILLAGE OF  
**LYNBROOK**  
NEW YORK

Financial Report

Year Ended May 31, 2025

# Incorporated Village of Lynbrook, New York

## Financial Report

Year Ended May 31, 2025

### CONTENTS

	Page
<b>Independent Auditor's Report</b> .....	1-3
<b>Basic Financial Statements</b>	
Statement of Net Position .....	4
Statement of Activities .....	5
Balance Sheet - Governmental Funds .....	6
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position .....	7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities .....	9
Statement of Net Position - Fiduciary Funds .....	10
Statement of Revenues, Expenses, and Changes in Net Position - Fiduciary Funds .....	11
Notes to Financial Statements .....	12-39
<b>Required Supplementary Information</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund .....	40
Schedule of Other Postemployment Benefits Liability .....	41
Schedule of Proportionate Share of the Net Pension Liability/Asset .....	42
Schedule of Pension Contributions .....	43
Schedule of Changes in Total Pension Liability - LOSAP .....	44
<b>Supplementary Information</b>	
Combining Balance Sheet - Non-Major Governmental Funds .....	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds .....	46



## Independent Auditor's Report

Mayor and Board of Trustees  
Incorporated Village of Lynbrook, New York

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Incorporated Village of Lynbrook, New York (Village), as of and for the year ended May 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2025, and the respective changes in financial position thereof 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matters***

##### *Correction of Misstatement*

As discussed in Note 1q to the financial statements, the financial statements as of and for the years ended May 31, 2024 and 2023 of the governmental activities and the Capital Projects Fund have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

##### *Adoption of New Accounting Standard*

As discussed as Note 1q to the financial statements, in the year ended May 31, 2025, the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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***

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.



***Required Supplementary Information - Continued***

Management has omitted management's discussion and analysis 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 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.

***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 supplementary information listed in the accompanying table of contents 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 supplementary information 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 February 12, 2026, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Latham, New York  
February 12, 2026



# Incorporated Village of Lynbrook, New York

## Statement of Net Position

	<b>May 31, 2025</b>
	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 8,253,087
Cash and cash equivalents, restricted	771,395
Investments	11,050,988
Investments, restricted	9,684,964
Receivables	
Accounts	996,817
Taxes	524,796
Due from fiduciary fund	96,404
State and federal aid	405,105
Prepaid expenses	659,762
Capital assets	
Non-depreciable	16,069,758
Depreciable, net	29,858,265
Total assets	78,371,341
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension deferrals	9,339,688
LOSAP deferrals	3,120,335
OPEB deferrals	4,754,107
Total deferred outflows of resources	17,214,130
 Total assets and deferred outflows of resources	 95,585,471
 <b>LIABILITIES</b>	
Accounts payable and accrued expenses	2,663,023
Interest payable	75,712
Unearned revenues	194,077
Judgments and claims	727,451
BANs payable	5,095,000
Long-term liabilities	
Due within one year	4,764,920
Due in more than one year	
Compensated absences	5,485,528
Installment purchase debt	262,141
Bonds payable	8,019,929
SBITA liability	508,342
Net pension liability	16,822,054
LOSAP obligations	9,987,471
OPEB	54,247,240
Total liabilities	108,852,888
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Property taxes received in advance	3,595,139
Pension deferrals	875,667
LOSAP deferrals	3,594,681
OPEB deferrals	17,610,255
Total deferred inflows of resources	25,675,742
 Total liabilities and deferred inflows of resources	 134,528,630
 <b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets	30,047,844
Restricted for	
Capital assets	87,486
Employee benefits	355,742
Debt service	845,070
Other	154,221
Unrestricted (deficit)	(70,433,522)
 Total net position (deficit)	 \$ (38,943,159)

See accompanying Notes to Financial Statements.

# Incorporated Village of Lynbrook, New York

## Statement of Activities

Functions/Programs	Year Ended May 31, 2025				Net (Expenses) Revenues and Change in Net Position
	Program Revenues			Capital Grants and Contributions	
	Expenses	Charges for Services	Operating Grants and Contributions		
<b>GOVERNMENTAL ACTIVITIES</b>					
General government support	\$ 7,078,438	\$ 3,569,730	\$ 22,438	\$ -	\$ (3,486,270)
Public safety	24,605,266	418,989	209,593	-	(23,976,684)
Health	41,528	7,782	-	-	(33,746)
Transportation	5,326,174	339,870	-	748,475	(4,237,829)
Economic opportunity and development	112,716	-	-	-	(112,716)
Culture and recreation	5,641,612	672,877	-	-	(4,968,735)
Home and community services	4,227,732	342,238	406,843	185,509	(3,293,142)
Interest on long-term debt	485,047	-	-	-	(485,047)
	<b>\$ 47,518,513</b>	<b>\$ 5,351,486</b>	<b>\$ 638,874</b>	<b>\$ 933,984</b>	<b>(40,594,169)</b>
<b>GENERAL REVENUES</b>					
Real property taxes					37,359,251
Other tax items					1,954,087
Non-property taxes					929,111
Use of money and property					1,414,610
Sale of property and compensation for loss					280,069
Miscellaneous local sources					578,113
Unrestricted state aid					502,639
Total general revenues					43,017,880
<b>Change in net position (deficit)</b>					<b>2,423,711</b>
<b>NET POSITION (DEFICIT), beginning of year, as previously reported</b>					(40,276,508)
Correction of misstatement					107,603
Implementation of GASB Statement No. 101					(1,197,965)
<b>NET POSITION (DEFICIT), beginning of year, as restated</b>					<b>(41,366,870)</b>
<b>NET POSITION (DEFICIT), end of year</b>					<b>\$ (38,943,159)</b>

See accompanying Notes to Financial Statements.

# Incorporated Village of Lynbrook, New York

## Balance Sheet - Governmental Funds

	May 31, 2025				
	Major Funds			Other	Total
	General	Capital Projects	Debt Service	Governmental Funds	Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,063,672	\$ 61,985	\$ -	\$ 127,430	\$ 8,253,087
Cash and cash equivalents, restricted	527,449	-	173,946	70,000	771,395
Investments	11,050,988	-	-	-	11,050,988
Investments, restricted	7,579,211	2,105,753	-	-	9,684,964
Receivables					
Accounts	945,200	-	-	51,617	996,817
Taxes	524,796	-	-	-	524,796
Due from other funds	1,237,896	-	389,648	-	1,627,544
State and federal aid	-	391,750	-	13,355	405,105
Prepaid expenditures	631,411	-	-	28,351	659,762
<b>Total assets</b>	<b><u>\$ 30,560,623</u></b>	<b><u>\$ 2,559,488</u></b>	<b><u>\$ 563,594</u></b>	<b><u>\$ 290,753</u></b>	<b><u>\$ 33,974,458</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 658,980	\$ 217,378	\$ -	\$ 49,042	\$ 925,400
Accrued liabilities	2,470,854	-	-	49,438	2,520,292
Due to other funds	-	1,530,793	-	347	1,531,140
BANs payable	825,000	4,270,000	-	-	5,095,000
Unearned revenues	189,458	-	-	4,619	194,077
Judgments and claims	727,451	-	-	-	727,451
Total liabilities	<u>4,871,743</u>	<u>6,018,171</u>	<u>-</u>	<u>103,446</u>	<u>10,993,360</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes received in advance	3,595,139	-	-	-	3,595,139
Unavailable property tax receivables	423,799	-	-	-	423,799
Total deferred inflows of resources	<u>4,018,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,018,938</u>
<b>FUND BALANCES</b>					
Nonspendable	631,411	-	-	28,351	659,762
Restricted	8,106,660	-	-	70,000	8,176,660
Assigned	3,029,357	-	563,594	88,956	3,681,907
Unassigned	9,902,514	(3,458,683)	-	-	6,443,831
Total fund balances	<u>21,669,942</u>	<u>(3,458,683)</u>	<u>563,594</u>	<u>187,307</u>	<u>18,962,160</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 30,560,623</u></b>	<b><u>\$ 2,559,488</u></b>	<b><u>\$ 563,594</u></b>	<b><u>\$ 290,753</u></b>	<b><u>\$ 33,974,458</u></b>

See accompanying Notes to Financial Statements.

## Incorporated Village of Lynbrook, New York

### Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

	<u>May 31, 2025</u>
Total fund balances in the fund financial statements for the governmental funds	\$ 18,962,160
Amounts reported in governmental activities in the statement of net position are different because:	
Capital assets are included as assets in the government-wide statements and are added, net of accumulated depreciation.	45,928,023
Deferred inflows of resources related to the Village's revenues that will be collected after year-end but are not available soon enough to pay the current period's expenditures are deferred in the funds.	423,799
Some liabilities are not due and payable or available in the current period and, therefore, are not reported in the funds:	
Interest payable	(75,712)
Compensated absences	(6,095,031)
Installment purchase debt	(517,019)
Bonds payable	(9,710,000)
Bond premium	(87,914)
SBITA liabilities	(620,246)
Net pension liability, net of deferred outflows of resources and deferred inflows of resources	(7,575,364)
LOSAP, net of deferred outflows of resources and deferred inflows of resources	(10,831,579)
OPEB, net of deferred outflows of resources and deferred inflows of resources	<u>(68,744,276)</u>
<b>Total net position - governmental activities</b>	<b><u>\$ (38,943,159)</u></b>

# Incorporated Village of Lynbrook, New York

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

	Year Ended May 31, 2025				
	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Capital Projects	Debt Service		
<b>REVENUES</b>					
Real property taxes	\$ 37,534,853	\$ -	\$ -	\$ -	\$ 37,534,853
Other tax items	1,954,087	-	-	-	1,954,087
Non-property taxes	929,111	-	-	-	929,111
Departmental income	1,602,341	-	-	6,643	1,608,984
Intergovernmental charges	13,910	-	-	160,987	174,897
Use of money and property	1,297,823	-	157,650	2,845	1,458,318
Licenses and permits	1,044,052	-	-	-	1,044,052
Fines and forfeitures	2,523,553	-	-	-	2,523,553
Sale of property and compensation for loss	280,069	-	-	-	280,069
Miscellaneous	534,090	474,201	-	315	1,008,606
State aid	825,974	185,509	-	9,277	1,020,760
Federal aid	-	180,000	-	400,536	580,536
Total revenues	48,539,863	839,710	157,650	580,603	50,117,826
<b>EXPENDITURES</b>					
General governmental support	5,376,311	805,812	-	1,080	6,183,203
Public safety	15,460,346	1,434,345	-	-	16,894,691
Health	41,528	-	-	-	41,528
Transportation	2,792,459	53,404	-	-	2,845,863
Economic opportunity and development	68,859	-	-	-	68,859
Culture and recreation	2,291,296	-	-	1,413,027	3,704,323
Home and community services	2,740,550	-	-	400,536	3,141,086
Employee benefits	14,115,106	-	-	555,069	14,670,175
Debt service					
Principal	228,762	-	2,027,814	-	2,256,576
Interest	249,300	-	264,025	-	513,325
Total expenditures	43,364,517	2,293,561	2,291,839	2,369,712	50,319,629
<b>Excess (deficiency) of revenues over expenditures</b>	<b>5,175,346</b>	<b>(1,453,851)</b>	<b>(2,134,189)</b>	<b>(1,789,109)</b>	<b>(201,803)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	-	2,358,340	1,765,000	4,123,340
Operating transfers out	(4,056,839)	(66,501)	-	-	(4,123,340)
Proceeds from subscription-based IT arrangements	-	704,008	-	-	704,008
BANs redeemed from appropriations	75,000	70,000	-	-	145,000
Total other financing sources (uses)	(3,981,839)	707,507	2,358,340	1,765,000	849,008
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>1,193,507</b>	<b>(746,344)</b>	<b>224,151</b>	<b>(24,109)</b>	<b>647,205</b>
<b>FUND BALANCES, beginning of year, as previously reported</b>	20,476,435	(2,819,942)	339,443	211,416	18,207,352
Correction of misstatement	-	107,603	-	-	107,603
<b>FUND BALANCES, beginning of year, as restated</b>	20,476,435	(2,712,339)	339,443	211,416	18,314,955
<b>FUND BALANCES, end of year</b>	<b>\$ 21,669,942</b>	<b>\$ (3,458,683)</b>	<b>\$ 563,594</b>	<b>\$ 187,307</b>	<b>\$ 18,962,160</b>

See accompanying Notes to Financial Statements.

## Incorporated Village of Lynbrook, New York

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

**Year Ended  
May 31, 2025**

Net change in fund balances shown for total governmental funds

\$ 647,205

Amounts reported in governmental activities in the statement of activities are different because of the following:

Capital outlays are reported as expenditures in the governmental funds, and the sale of capital assets is recorded as revenue in the governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital expenditures	\$ 2,809,576	
Loss on disposal of capital assets, net	(11,661)	
Depreciation expense	<u>(3,007,195)</u>	(209,280)

Bond and installment purchase debt principal payments are shown as expenditures in the governmental funds. These payments are shown in the statement of net position as a reduction of the related liabilities and not shown as expenses in the statement of activities:

Bond and installment purchase debt payments	2,111,576	
SBITA proceeds due to implementation of GASB Statement No. 96	(704,008)	
Amortization of bond premiums	<u>12,985</u>	1,420,553

Real property taxes that do not provide current financial resources are reported as revenues in the statement of activities but not in the fund financial statements.

(175,602)

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 the governmental funds:

Interest payable		15,292
Compensated absences		139,469
Net pension liability, net of deferred outflows of resources and deferred inflows of resources		467,734
LOSAP, net of deferred outflows of resources and deferred inflows of resources		(141,094)
OPEB, net of deferred outflows of resources and deferred inflows of resources		<u>259,434</u>

**Change in net position of governmental activities**

**\$ 2,423,711**

See accompanying Notes to Financial Statements.

# Incorporated Village of Lynbrook, New York

## Statement of Net Position - Fiduciary Funds

	<u>May 31, 2025</u>	
	<u>Custodial</u>	<u>Private Purpose Trust</u>
<b>ASSETS</b>		
Cash, restricted	\$ 269,120	\$ 118,176
Accounts receivable	<u>25,000</u>	<u>-</u>
Total assets	<u>294,120</u>	<u>118,176</u>
<b>LIABILITIES</b>		
Accounts payable	201	-
Due to other funds	<u>96,404</u>	<u>-</u>
Total liabilities	<u>96,605</u>	<u>-</u>
<b>NET POSITION</b>		
Restricted	<u><b>\$ 197,515</b></u>	<u><b>\$ 118,176</b></u>

# Incorporated Village of Lynbrook, New York

## Statement of Revenues, Expenses, and Changes in Net Position - Fiduciary Funds

	Year Ended May 31, 2025	
	Custodial	Private Purpose Trust
<b>REVENUES</b>		
Guaranty and bid deposits	\$ 29,500	\$ -
Gifts and donations	-	27,320
	29,500	27,320
<b>EXPENDITURES</b>		
Forfeited bail	8,050	-
Culture and recreation	-	34,221
	8,050	34,221
 <b>Change in fiduciary net position</b>	<b>21,450</b>	<b>(6,901)</b>
<b>NET POSITION, <i>beginning of year</i></b>	176,065	125,077
<b>NET POSITION, <i>end of year</i></b>	<b>\$ 197,515</b>	<b>\$ 118,176</b>

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### **Note 1 - Organization and Summary of Significant Accounting Policies**

The accompanying basic financial statements of the Incorporated Village of Lynbrook, New York (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America.

#### *a. Organization*

The Village is governed by Village law and other general laws of the State of New York. The Board of Trustees is the legislative body responsible for overall operations. The Mayor serves as Chief Executive Officer, and the Treasurer serves as Chief Fiscal Officer.

The Village provides its residents with general government support, police and fire protection, street maintenance, snow removal, code enforcement, parks and recreation, library services, and various other services.

All governmental activities and functions performed for the Village are the direct responsibility of the Board of Trustees. These responsibilities include, but are not limited to, financial independence, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

The following is a summary of the Village's significant accounting policies:

#### *b. Financial Reporting Entity*

The financial reporting entity consists of: (a) the primary government, which is the Village of Lynbrook; (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.

In evaluating how to define the Village for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by U.S. GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the Village and is generally available to all of its citizens. A third criterion used in evaluating potential component units is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities.

Based on the application of these criteria, the operations of the Lynbrook Public Library (Library) are included in these financial statements. The Village finances the operations of the Library through the transfer of funds appropriated for this purpose, has title to real property used by the Library, and issues all Library indebtedness, which is supported by the full faith and credit of the Village. The Library is considered a blended component unit of the Village and is reported as a special revenue fund.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *c. Government-Wide and Fund 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 Village as a whole. The effect of interfund activity within the governmental and business-type activities, if any, has been eliminated from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the Village's activities at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The statement of activities identifies the net expense or revenue from each activity and identifies the amount of general revenues needed to help finance the specific activities.

Separate financial statements are provided for governmental, proprietary and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

The Village uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types.

#### Governmental Funds

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (Capital Projects Fund). The General Fund is used to account for all activities of the general government not accounted for in another fund.

The following are the Village's major governmental funds:

- The General Fund is the principal operating fund of the Village. It is used to account for all financial resources, except those required to be accounted for in another fund. This fund operates within the financial limits of an annual budget adopted by the Board of Trustees.
- The Capital Projects Fund is used to account for the financial resources used for the acquisition, construction, or major repair of capital facilities. Financing is generally provided from proceeds of bonds, notes, and/or federal and state grants.
- The Debt Service Fund is used to account for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *c. Government-Wide and Fund Financial Statements - Continued*

##### Governmental Funds - Continued

The Village's non-major funds include the following:

- Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds of the Village include the following:
  - The Community Development Fund is used to account for community development projects financed by funds received from the federal government, which are passed through Nassau County.
  - The Library Fund is used to account for revenues and expenditures pertaining to the operations of the Village's public library.

##### Fiduciary Funds

The Village uses fiduciary funds to account for assets held on behalf of outside parties, including other governments, or other funds within the government. The Village's Custodial Fund is generally used to account for assets that the government holds on behalf of others as their agent. The Private Purpose Trust Fund is used to account for resources held in trust for various special events located within the Village.

#### *d. Basis of Accounting and Measurement Focus*

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenue in the year they are earned. Grants, entitlements, and donations are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within 60 days of the fiscal year-end. A 90-day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures and related liabilities are generally recorded in the accounting period the liability is incurred to the extent that it is expected to be paid within the next 12 months, with the exception of certain items, such as debt service, compensated absences, and claims and judgments, that are recorded in the governmental fund statements only when they mature or become due for payment within the period. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met. Non-exchange grants and subsidies are recognized as revenues when all requirements of the grant and/or subsidy have been satisfied.

The Village's proprietary fund and fiduciary funds are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *e. Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting year. Actual results could differ from those estimates.

#### *f. Cash, Cash Equivalents, and Investments*

Cash and cash equivalents consist of cash and time deposits that mature no more than three months after the date purchased.

#### Cash

The Village is required to collateralize its cash deposits in excess of the Federal Depository Insurance Corporation (FDIC) limit. This collateral is in the form of government and government agencies' securities pledged by the bank under a third-party trust agreement. As of May 31, 2025, the collateral was sufficient to secure the Village's deposits.

Restricted cash and cash equivalents in the General Fund are for capital and other reserve purposes, and restricted cash and cash equivalents in the Debt Service Fund are for retiring debt. Restricted cash in the Capital Projects Fund, if any, is restricted for various capital-related activities in accordance with debt agreements. Restricted cash in the Private Purpose Trust Fund is restricted for various special events located within the Village.

#### Investments

The Village's investment policies are governed by New York State statutes. Village monies must be deposited in FDIC-insured commercial banks or trust companies located within the State of New York. The Village Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities.

Investments in marketable securities are reported at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date.

The Village has invested \$14,009,861 with the New York Cooperative Liquid Assets Securities System (NYCLASS), which is valued at the net asset value (NAV) as a practical expedient and, therefore, is excluded from the fair value hierarchy. NYCLASS is a short-term, highly liquid investment fund that operates like a money market mutual fund, with each share valued at \$1.00, its NAV as reported by NYCLASS. The NAV, which is based on the fair value of the underlying investments held by NYCLASS less its liabilities, is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that NYCLASS will sell its investments for an amount different than the reported NAV. Participants can conduct transactions (deposits, withdrawal, or transfers) on a normal business day. There are no limits on the dollar amount or number of daily transactions, except that total daily withdrawals may not exceed the total balance on deposit.

The Village has also accumulated investments that are restricted for volunteer firefighters under a Length of Service Award Program (LOSAP) benefit plan. Assets held under this plan are invested in an unallocated group annuity contract that is backed by the general assets of the issuer. The plan also maintains a checking account to pay benefits as they become due. These investments are reported at contract value, which may be different than liquidation value.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *f. Cash, Cash Equivalents, and Investments - Continued*

##### Investments - Continued

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the financial statements.

#### *g. Accounts Receivable*

Accounts receivable are carried at the original invoice amount, less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts, if any, by identifying troubled accounts and using historical experience applied to an aging of accounts. At May 31, 2025, management has determined that no allowance for doubtful accounts is necessary.

#### *h. Prepaid Expenses/Expenditures*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses/expenditures.

#### *i. Capital Assets*

Capital assets are reported at historical cost where available. In certain cases, historical cost has been estimated based on appraisals conducted by an independent appraisal company. Donated assets are reported at the estimated fair value at the time received. Depreciation of capital assets for governmental activities is computed using the straight-line method of depreciation over the useful lives of the assets, as the following schedule indicates:

Land improvements	5 - 50 years
Buildings and improvements	5 - 50 years
Machinery and equipment	5 - 50 years
Infrastructure	10 - 50 years
Other assets	5 - 10 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the operating property using the applicable depreciation methods.

The Village maintains a capitalization threshold of \$5,000 for individual or in-aggregate capital expenditures.

Management periodically reviews long-lived assets for impairment to determine whether any events or circumstances indicate that the carrying value of the assets may not be recoverable. No impairment was identified for the year ended May 31, 2025.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *j. Accrued Liabilities and Long-Term Obligations*

The balance sheet reports accounts payable and accrued liabilities of the governmental funds to the extent that they are due and payable within the current period and are paid in full in a timely manner from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as liabilities to the extent that they are due for payment in the current year.

Long-term obligations represent the Village's future obligations or future economic outflows. The liabilities are reported in the statement of net position in the government-wide financial statements.

#### *k. Compensated Absences*

Vacation eligibility and accumulation are specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods. Sick leave eligibility and accumulation are specified in collective bargaining agreements and in individual employment contracts. Upon retirement, resignation, or death, employees (or their beneficiaries upon death) may be eligible to receive the value of unused accumulated sick leave.

#### *l. Deferred Outflows of Resources and Deferred Inflows of Resources*

A deferred outflow of resources is a consumption of net assets that applies to future periods. A deferred inflow of resources is an acquisition of net assets that applies to future periods.

The Village reports deferred inflows of resources on its governmental funds balance sheet when potential revenue does not meet both of the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received by the government before it has a legal claim to them, as when property taxes or grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferral is removed from the balance sheet and revenue is recognized.

Deferred outflows of resources and deferred inflows of resources related to pension, LOSAP, and other postemployment benefits (OPEB) are reported in the governmental activities. Further details of the deferred outflows of resources and deferred inflows of resources related to pension, LOSAP, and OPEB are disclosed in Notes 8, 9, and 10, respectively.

#### *m. Employee Benefits*

##### Net Pension Liability - New York State and Local Retirement System

The net pension liability represents the Village's proportionate share of the net pension liability of the New York State and Local Retirement System's (System) New York State and Local Employees' Retirement System (ERS) and New York State and Local Police and Fire Retirement System (PFRS), as described in Note 8.

##### LOSAP

The Village sponsors a separate LOSAP plan for active volunteer firefighters of the Lynbrook Fire Department, as described in Note 9.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *m. Employee Benefits - Continued*

##### OPEB

The Village provides health care benefits for retired employees through a single-employer defined benefit plan, as described in Note 10.

#### *n. Fund Balance and Net Position*

Fund balances for governmental funds are reported in classifications that compose a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

- Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted - Amounts that have restraints that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.
- Assigned - Amounts that are constrained only by the government's intent to be used for a specific purpose but are not restricted or committed in any manner.
- Unassigned - The residual amount in the General Fund after all of the other classifications have been established. In a special revenue fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

The Village's fund balance policy is set by the Board of Trustees, the highest level of decision-making authority. The Board of Trustees considers "formal action" for a committed fund balance to be the passing of a Board of Trustees resolution. The Board of Trustees has delegated the ability to assign fund balance to the Village Treasurer. The Village considers fund balance spent in the order of restricted, committed, assigned, and unassigned.

Note 7 provides further details regarding the Village's fund balance classifications.

The following categories are used for net position of the government-wide and proprietary fund financial statements:

- Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balance of debt, including bonds and bond anticipation notes (BAN), which are attributable to the acquisition, construction, or improvement of these assets, reduce the balance in this category.
- Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of the Village or other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *n. Fund Balance and Net Position - Continued*

- Unrestricted Net Position - This category represents net position of the Village not restricted for any project or other purpose.

#### *o. Property Taxes*

Real property taxes are levied annually no later than May 15 and become a lien on June 1. The Village collects its own taxes. Taxes are collected during the month of June without penalty. A 5% penalty is assessed on taxes paid after July 1, and an additional 1% is assessed each month on taxes paid after July. Unpaid Village taxes are collected through tax sales and are considered fully collectible by management. The Village received approximately \$3.59 million in property tax revenue in advance of the June 1, 2025 enforceable lien and has recorded this balance as a deferred inflow of resources. The Village has \$423,799 of property taxes receivable that were not collected within the availability period and has recorded this balance as a deferred inflow of resources in the General Fund.

#### *p. Interfund Transactions*

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

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

See Note 3 for a detailed disclosure by individual fund for interfund receivables, payables, and transfers.

#### *q. Correction of Misstatement and Adoption of New Accounting Standard*

The Village under-reported receivables and related revenues of the Capital Projects Fund relating to the years ended May 31, 2024 and 2023.

For the year ended May 31, 2025, the financial statements include the adoption of GASB Statement No. 101, *Compensated Absences*. This statement establishes recognition and measurement and amends disclosures related to what, when and the value of items to be included in compensated absences as of the measurement date.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*q. Correction of Misstatement and Adoption of New Accounting Standard - Continued*

As a result of the correction of this misstatement and adoption of this new accounting standard, the Village has restated the beginning of year fund balance of the Capital Projects Fund, compensated absences liability and net position of the governmental activities as follows:

	As Originally Stated	Correction of Error	Adoption of New Accounting Standard	As Restated
<i>Governmental Activities</i>				
Compensated absences	\$ 5,036,535	\$ -	\$ 1,197,965	\$ 6,234,500
Net position (deficit)	(40,276,508)	107,603	(1,197,965)	(41,366,870)
<i>Capital Projects Fund</i>				
Fund balance (deficit)	(2,819,942)	107,603	-	(2,712,339)

*r. Subsequent Events*

The Village has evaluated subsequent events for potential recognition or disclosure through February 12, 2026, the date the financial statements were available to be issued.

### Note 2 - Stewardship, Compliance, and Accountability

*a. Budgetary Information*

Budgets are adopted on the modified accrual basis. Annual appropriated budgets are adopted for the General Fund and the special revenue funds. The Village's budget policy is as follows:

1. The Village's budget officer submits a tentative budget to the Board of Trustees on or before March 31. The tentative budget includes proposed expenditures and the proposed means of financing for the General Fund.
2. A public hearing is held on the tentative budget by April 15. After completion of the budget hearing, the Board of Trustees may further change the tentative budget. Such budget, as so revised, must be adopted by resolution no later than May 1.
3. All subsequent modifications of the budget must be approved by the Board of Trustees.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Trustees as a result of selected new revenue source not included in the original budget (when permitted by law). These supplementary appropriations may occur subject to legal restrictions, if the Board of Trustees approves them because of an existing need that was not determined at the time the budget was adopted. During the year, several supplementary appropriations were necessary.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 3 - Interfund Transactions

Interfund balances as of May 31, 2025 are as follows:

	Due to Other Funds				Total
	Capital Projects	Other Governmental Funds	Total Governmental Funds	Custodial	
Due From Other Funds					
Governmental funds					
General	\$ 1,237,549	\$ 347	\$ 1,237,896	\$ -	\$ 1,237,896
Debt Service	293,244	-	293,244	96,404	389,648
Total	\$ 1,530,793	\$ 347	\$ 1,531,140	\$ 96,404	\$ 1,627,544

Interfund transfers for the year ended May 31, 2025 are as follows:

	Interfund Transfers Out		
	General	Capital Projects	Total
Interfund Transfers In			
Debt Service	\$ 2,291,839	\$ 66,501	\$ 2,358,340
Other governmental funds	1,765,000	-	1,765,000
	\$ 4,056,839	\$ 66,501	\$ 4,123,340

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 4 - Capital Assets

A summary of changes in the Village's capital assets is as follows:

	Balance May 31, 2024	Additions	Disposals	Balance May 31, 2025
Capital assets not being depreciated				
Land	\$ 16,069,758	\$ -	\$ -	\$ 16,069,758
Depreciable capital assets				
Land improvements	10,037,234	439,805	-	10,477,039
Buildings and improvements	14,221,078	16,795	-	14,237,873
Machinery and equipment	21,191,440	1,475,938	(194,223)	22,473,155
Infrastructure	47,058,181	156,318	-	47,214,499
SBITA assets	-	709,620	-	709,620
Other assets	1,988,148	11,100	-	1,999,248
Total depreciable capital assets	94,496,081	2,809,576	(194,223)	97,111,434
Less accumulated depreciation				
Land improvements	4,578,547	414,918	-	4,993,465
Buildings and improvements	8,831,988	430,443	-	9,262,431
Machinery and equipment	15,717,059	1,044,780	(182,562)	16,579,277
Infrastructure	33,408,162	1,027,132	-	34,435,294
SBITA amortization	-	74,388	-	74,388
Other assets	1,892,780	15,534	-	1,908,314
Total accumulated depreciation	64,428,536	3,007,195	(182,562)	67,253,169
Depreciable capital assets, net	30,067,545	(197,619)	(11,661)	29,858,265
Total capital assets	\$ 46,137,303	\$ (197,619)	\$ (11,661)	\$ 45,928,023

Depreciation expense for 2025 was charged to functions of the primary government as follows:

General government support	\$ 477,773
Public safety	771,139
Transportation	1,408,922
Culture and recreation	293,233
Home and community services	56,128
Total depreciation expense	\$ 3,007,195

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 5 - BANs Payable

BANs payable balances and activity for the year are summarized below:

Issuance	Interest Rate	Maturity Date	Opening Balance	Issuances	Repayments	Ending Balance
May 15, 2024	4.50%	May 15, 2025	\$ 4,340,000	\$ -	\$ 4,340,000	\$ -
May 15, 2024	6.00%	May 15, 2025	900,000	-	900,000	-
May 14, 2025	4.50%	May 14, 2026	-	4,270,000	-	4,270,000
May 14, 2025	5.18%	May 14, 2026	-	825,000	-	825,000
			<u>\$ 5,240,000</u>	<u>\$ 5,095,000</u>	<u>\$ 5,240,000</u>	<u>\$ 5,095,000</u>

### Note 6 - Long-Term Liabilities

Long-term liability balances and activity for the year are summarized below:

	Balance May 31, 2024 (Restated)	Additions	Reductions	Balance May 31, 2025	Amounts Due Within One Year
Compensated absences	\$ 6,234,500	\$ 623,450	\$ (762,919)	\$ 6,095,031	\$ 609,503
Installment purchase debt	764,834	-	(247,815)	517,019	254,878
Bonds payable - public improvements	11,190,000	-	(1,630,000)	9,560,000	1,615,000
Bonds payable - separation payments	300,000	-	(150,000)	150,000	150,000
SBITA liabilities	-	704,008	(83,762)	620,246	111,904
Net pension liability					
ERS	3,974,356	1,592,174	(1,316,558)	4,249,972	-
PFRS	10,347,892	5,273,276	(3,049,086)	12,572,082	-
LOSAP obligations	10,014,949	712,046	(369,762)	10,357,233	369,762
OPEB	57,514,296	4,040,487	(5,666,655)	55,888,128	1,640,888
	<u>100,340,827</u>	<u>12,945,441</u>	<u>(13,276,557)</u>	<u>100,009,711</u>	<u>4,751,935</u>
Unamortized premium	100,899	-	(12,985)	87,914	12,985
	<u>\$ 100,441,726</u>	<u>\$ 12,945,441</u>	<u>\$ (13,289,542)</u>	<u>\$ 100,097,625</u>	<u>\$ 4,764,920</u>

#### a. Bonds Payable

A summary of the Village's bonds payable is as follows:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at May 31, 2025
Serial bond	2014	2028	2.000%-2.750%	\$ 1,650,000
Serial bond - Series A	2016	2028	1.000%-2.250%	150,000
Serial bond - Series B	2016	2025	1.100%-2.900%	540,000
Serial bond - refunding	2016	2029	2.000%-4.000%	330,000
Serial bond	2018	2032	2.000%-4.000%	3,125,000
Serial bond - Series A	2020	2038	1.000%-2.000%	3,515,000
Serial bond - Series B	2020	2029	2.000%	400,000
				<u>\$ 9,710,000</u>

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 6 - Long-Term Liabilities - Continued

#### a. Bonds Payable - Continued

A summary of aggregate minimum maturities of bonds payable is as follows:

	Principal	Interest	Total
Year ending May 31,			
2026	\$ 1,765,000	\$ 201,750	\$ 1,966,750
2027	1,600,000	162,025	1,762,025
2028	1,470,000	123,219	1,593,219
2029	950,000	94,650	1,044,650
2030	735,000	75,875	810,875
2031-2035	2,315,000	179,125	2,494,125
2036-2038	875,000	26,150	901,150
Total	\$ 9,710,000	\$ 862,794	\$ 10,572,794

#### b. Installment Debt Payable

The installment debt was issued at an interest rate of 2.85% to finance the acquisition of capital equipment related to energy efficiency projects throughout the Village.

A summary of aggregate minimum maturities of installment debt is as follows:

	Principal	Interest	Total
Year ending May 31,			
2026	\$ 254,878	\$ 14,735	\$ 269,613
2027	262,141	7,471	269,612
Total	\$ 517,019	\$ 22,206	\$ 539,225

#### c. Subscription-Based IT Arrangement (SBITA) Liabilities

The Village has two SBITA liabilities for certain public safety equipment. A summary of future principal and interest payments is as follows:

	Principal	Interest	Total
Year ending May 31,			
2026	\$ 111,904	\$ 26,220	\$ 138,124
2027	135,632	20,368	156,000
2028	141,944	14,053	155,997
2029	148,557	7,443	156,000
2030	82,209	1,167	83,376
Total	\$ 620,246	\$ 69,251	\$ 689,497

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 7 - Fund Balances

The specific purposes that compose the classifications of fund balances at May 31, 2025 are as follows:

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Capital Projects	Debt Service		
Nonspendable					
Prepaid expenditures	\$ 631,411	\$ -	\$ -	\$ 28,351	\$ 659,762
Restricted for					
LOSAP	6,734,141	-	-	-	6,734,141
Capital assets	87,486	-	-	-	87,486
Property seizure	78,735	-	-	-	78,735
Repairs	5,486	-	-	70,000	75,486
Debt service	845,070	-	-	-	845,070
Employee benefits	355,742	-	-	-	355,742
	8,106,660	-	-	70,000	8,176,660
Assigned					
Library services	-	-	-	3,304	3,304
Encumbrances	522,982	-	563,594	-	1,086,576
Appropriations	2,506,375	-	-	85,652	2,592,027
	3,029,357	-	563,594	88,956	3,681,907
Unassigned	9,902,514	(3,458,683)	-	-	6,443,831
Total fund balances	\$ 21,669,942	\$ (3,458,683)	\$ 563,594	\$ 187,307	\$ 18,962,160

### Note 8 - New York State and Local Retirement System

#### a. Plan Description and Benefits Provided

The Village participates in ERS and PFRS, which are collectively referred to as the System. These are cost-sharing, multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York (Comptroller) serves as the Trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship, and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only through the enactment of a New York State statute.

The System is included in the State of New York's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 8 - New York State and Local Retirement System - Continued

#### *b. Contributions*

Most members of the System who joined on or before July 26, 1976 are enrolled in a non-contributory plan. Members of the System who joined after July 26, 1976 are enrolled in a contributory plan that requires a 3% contribution of their salary. As a result of Article 19 of the NYSRSSL, eligible Tier 3 and Tier 4 employees with a membership date after July 26, 1976 who have 10 or more years of membership or credited service with the System are not required to contribute. Generally, members of the System may retire at 55; however, members of Tiers 2, 3, 4, and 5 will receive a reduced benefit if they retire before 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits, and employees with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. The full benefit age for Tier 6 is 63 for System members. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. The contribution rate varies from 3% to 6%, depending on salary. Members are required to contribute for all years of service. The average contribution rate for ERS and PFRS for the fiscal year ended March 31, 2025 was approximately 15.2% and 31.2% of payroll, respectively. Under the authority of the NYSRSSL, 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. Under the authority of the NYSRSSL, the Comptroller annually certifies the rates expressed as proportions of payroll of members, which are used in computing the contributions.

The required contributions for the current year and two preceding years were as follows:

	<u>ERS</u>	<u>PFRS</u>
Year ended May 31,		
2025	\$ 1,316,558	\$ 3,049,086
2024	1,095,571	2,481,950
2023	1,200,379	2,347,603

The Village's contribution made to the System was equal to 100% of the contribution required for the year.

#### *c. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At May 31, 2025, the Village reported a net pension liability of \$4,249,972 and \$12,572,082 in ERS and PFRS, respectively. The net pension liability was measured as of March 31, 2025, and the total pension liability was determined by an actuarial valuation as of April 1, 2024. The Village's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to the System's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2025 measurement date, the Village's proportionate share in ERS and PFRS was 0.0247874% and 0.2068845%, respectively.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 8 - New York State and Local Retirement System - Continued

*c. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued*

For the year ended May 31, 2025, the Village recognized pension expense of \$926,724 and \$3,047,971 related to ERS and PFRS, respectively, in the government-wide financial statements. At May 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources as follows:

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,054,872	\$ 49,759
Changes in assumptions	178,235	-
Net differences between projected and actual investment earnings on pension plan investments	333,441	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	179,190	313,450
Pension contributions subsequent to the measurement date	234,002	-
Total	\$ 1,979,740	\$ 363,209
	PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,187,594	\$ -
Changes in assumptions	1,887,842	-
Net differences between projected and actual investment earnings on pension plan investments	483,230	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	252,615	-
Pension contributions subsequent to the measurement date	548,667	512,458
Total	\$ 7,359,948	\$ 512,458

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 8 - New York State and Local Retirement System - Continued

*c. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued*

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

	ERS	PFRS	Total
Year ending May 31,			
2026	\$ 714,082	\$ 3,197,315	\$ 3,911,397
2027	1,047,846	1,925,708	2,973,554
2028	(396,627)	60,220	(336,407)
2029	17,228	760,375	777,603
2030	-	355,205	355,205
	\$ 1,382,529	\$ 6,298,823	\$ 7,681,352
Total			

*d. Actuarial Assumptions*

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

Actuarial Cost Method	Entry age normal
Inflation Rate	2.9%
Salary Scale	
ERS	4.3%, indexed by service
PFRS	6.0%, indexed by service
Investment Rate of Return, Including Inflation	5.9% compounded annually, net of expenses
Cost-of-Living Adjustments	1.5% annually

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

*e. Investment Asset Allocation*

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

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 8 - New York State and Local Retirement System - Continued

*e. Investment Asset Allocation - Continued*

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

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	25.00%	3.54%
International equity	14.00%	6.57%
Private equity	15.00%	7.25%
Real estate	12.00%	4.95%
Opportunistic/absolute return strategies	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	4.00%	5.55%
Fixed income	22.00%	2.00%
Cash	1.00%	0.25%
	100.00%	

*f. Discount Rate*

The discount rate used to calculate the net pension liability/asset 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 contributions from employers will be made at statutorily required rates, actuarially determined. Based on those 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.

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

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

	ERS		
	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Village's proportionate share of the net pension liability (asset)	\$ 12,299,954	\$ 4,249,972	\$ (2,471,768)

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 8 - New York State and Local Retirement System - Continued

*g. Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption - Continued*

	PFRS		
	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Village's proportionate share of the net pension liability	\$ 26,508,766	\$ 12,572,082	\$ 1,069,352

*h. Pension Plan Fiduciary Net Position*

The components of the current-year net pension liability of the System as of March 31, 2025 were as follows (dollars in thousands):

	ERS	PFRS	Total
Employers' total pension liability	\$ 247,600,239	\$ 48,718,477	\$ 296,318,716
Plan net position	230,454,512	42,641,620	273,096,132
Employers' net pension liability	\$ 17,145,727	\$ 6,076,857	\$ 23,222,584
Ratio of plan net position to the employers' total pension liability	93.08%	87.53%	92.16%

### Note 9 - Length of Service Award Program

The Village established a defined benefit LOSAP for the active volunteer firefighters of the Lynbrook Fire Department. The program took effect on January 1, 1993. The program was established pursuant to Article 11-A of the General Municipal Law (GML) and provides municipally funded, pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Village is the sponsor of the program. The program is considered a non-qualified deferred compensation plan, which is designed such that contributions do not result in immediate taxation to program participants. Funds deposited into the program cannot be revoked by the Village; however, the funds may be subject to the claims made by the Village's general unsecured creditors.

*a. Participation, Vesting, and Service Credit*

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

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 9 - Length of Service Award Program - Continued

#### a. Participation, Vesting, and Service Credit - Continued

The number of employees covered under the program are as follows:

Retirees and beneficiaries currently receiving benefits	81
Active, non-vested	150
Terminated members entitled to but not yet receiving benefits	128

#### b. Benefits

A participant's benefit under the program is paid as a life annuity guaranteed for 10 years, equal to \$20 multiplied by the firefighter's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 30 years. A participant's service award will not be paid until reaching the entitlement age, except in the case of pre-entitlement age, death, or total and permanent disablement. The program provides statutorily mandated death and disability benefits.

#### c. Fiduciary Investment and Control

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

The Board of Trustees has designated Hometown Firefighter Services (Hometown) to assist in the administration of the program. The designated program administrator's functions include those services listed in the service fee agreement. Disbursements of program assets for the payment of benefits or administrative expenses must be approved. The following is an explanation of the process for approving disbursements:

#### Payment of Benefits

- Entitlement benefits - Hometown prepares and submits to the plan administrator (sponsor) a Verification of Benefits statement and an Annuity Enrollment form for participants active at entitlement age and for vested participants upon termination from the plan. Following a review for accuracy, the plan administrator signs and returns the paperwork to Hometown, authorizing Hometown to disburse entitlement benefits.
- Death benefits - Upon notification from the plan administrator (sponsor) of a participant's death, Hometown prepares a Verification of Benefits statement and a lump-sum death benefit form. Following a review for accuracy, the plan administrator signs and returns the paperwork accompanied by a death certificate to Hometown, authorizing Hometown to disburse a death benefit.
- Disability benefits - Upon notification from the plan administrator (sponsor) of a participant's total and permanent disability, Hometown prepares a Verification of Benefits statement, a physician statement form, and a lump-sum disability benefit form. Following a review for accuracy, the plan administrator signs and returns the paperwork to Hometown, authorizing Hometown to disburse a disability benefit.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 9 - Length of Service Award Program - Continued

#### c. *Fiduciary Investment and Control - Continued*

##### Payment of Administrative Expenses

- Per the executed service fee agreement, the plan administrator agrees to payment as contracted.
- Program assets (investments, restricted) are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. Program assets are held in compliance with GML Article 11-A 217(j).
- Authority to invest program assets is vested in the First Security Benefit Life Insurance and Annuity Company. Subject to restrictions in the program document, program assets are invested in accordance with a statutory “prudent person” rule.

#### d. *Significant Assumptions and Other Inputs*

Significant actuarial assumptions used to estimate the program’s pension liability are as follows:

Discount Rate	4.19%
Measurement Date	May 31, 2025
Post-Entitlement Age Mortality Table	RP 2014 Combined Table - Projected to 2025
Inflation	2.25%

#### e. *Measurement of Total Pension Liability*

The following table presents the changes in total pension liability for the program:

Beginning balance	\$ 10,014,949
Service cost	122,849
Interest	409,686
Changes due to differences in experience	2,757
Changes in assumptions and other inputs	176,754
Benefit payments	<u>(369,762)</u>
Ending balance	<u>\$ 10,357,233</u>

The discount rate used to measure the total pension liability is 4.19%. The discount rate was based upon the Fidelity 20-Year GO AA Bond Index.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 9 - Length of Service Award Program - Continued

*f. Sensitivity of the Total Pension Liability*

The following presents the total pension liability of the Village as of May 31, 2025, calculated using the discount rate of 4.19%, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.19%) or one percentage point higher (5.19%) than the current rate:

	<u>1% Decrease (3.19%)</u>	<u>Current Discount Rate (4.19%)</u>	<u>1% Increase (5.19%)</u>
Total LOSAP pension liability	<u>\$ 12,064,000</u>	<u>\$ 10,357,233</u>	<u>\$ 8,978,000</u>

*g. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended May 31, 2025, the Village recognized LOSAP pension expense of \$712,046 in the government-wide financial statements. The following table presents the components of pension expense:

Components of pension expense	
Service cost	\$ 122,849
Interest	409,686
Changes in assumptions and other inputs	176,754
Changes due to experience	<u>2,757</u>
	<u>\$ 712,046</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 808,815	\$ -
Changes in assumptions	<u>2,311,520</u>	<u>3,594,681</u>
Total	<u>\$ 3,120,335</u>	<u>\$ 3,594,681</u>

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 9 - Length of Service Award Program - Continued

*g. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources - Continued*

Amounts recognized as deferred outflows of resources and deferred inflows of resources related to the program will be recognized in pension expense as follows:

Year ending May 31,	
2026	\$ (4,773)
2027	(4,773)
2028	(4,773)
2029	(4,773)
2030	(4,773)
Thereafter	<u>(450,481)</u>
	<u>\$ (474,346)</u>

### Note 10 - Other Postemployment Benefits

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single-employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to the length of service for each plan member.

A summary of active employees and retired employees covered under this benefit plan as of May 31, 2025 is as follows:

Actives	146
Retirees	<u>123</u>
Total	<u>269</u>

The Village contributes a percentage of the cost of current-year premiums for eligible retired plan members and their spouses. The Village is not required to fund the plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the year ended May 31, 2025, the Village paid \$1,640,888 on behalf of plan members. The plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 10 - Other Postemployment Benefits - Continued

At May 31, 2025, the Village reported a liability of \$55,888,128 for its OPEB liability. The plan liability was measured as of June 1, 2024 by an actuarial valuation as of that date. For the year ended May 31, 2025, the Village recognized OPEB plan expense of \$4,040,487. A summary of changes in the Village's OPEB liability is as follows:

June 1, 2024	<u>\$ 57,514,296</u>
Charges for the year	
Service cost	1,890,443
Interest	2,150,044
Changes in assumptions and other inputs	(4,025,767)
Benefit payments	<u>(1,640,888)</u>
Net changes	<u>(1,626,168)</u>
May 31, 2025	<u>\$ 55,888,128</u>

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>
Differences between expected and actual experience	\$ 70,224	\$ 7,283,349
Changes in assumptions or other inputs	2,864,951	10,326,906
Employer contributions subsequent to the measurement date	<u>1,818,932</u>	<u>-</u>
Total	<u>\$ 4,754,107</u>	<u>\$ 17,610,255</u>

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

Year ending May 31,	
2026	\$ (2,124,206)
2027	(3,585,454)
2028	(4,101,644)
2029	(3,426,093)
2030	(1,252,078)
Thereafter	<u>(185,605)</u>
Total	<u>\$ (14,675,080)</u>

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 10 - Other Postemployment Benefits - Continued

The OPEB liability was determined using the following actuarial assumptions:

Assumption	Factor
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Salary Scale	3.50%
Rate of Inflation	2.70%
Discount Rate	4.13%
Participant Percentage	95% Retiree, 95% Spouse, 25% Surviving Spouse
Marriage Rate	70% of retirees will be married at the time of retirement.
Mortality Table - Actives	The PUB-2010 Mortality Table for employees: sex-distinct, job category-specific, headcount-weighted, and adjusted for mortality improvements with Scale MP-2021 mortality improvement scale on a generational basis.
Mortality Table - Retirees	The PUB-2010 Mortality Table for healthy retirees: sex-distinct, job category-specific, headcount-weighted, and adjusted for mortality improvements with Scale MP-2021 mortality improvement scale on a generational basis.
Turnover Assumption	Rates of decrement due to turnover based on the experience under the System. The System is based on the experience study released by the System's Actuary and published in its August 2020 Report.

The expected rate of increase in health care cost trend rates is assumed as follows:

Year ending May 31,	Pre-65 Health Care Cost Trend Rate %	Post-65 Health Care Cost Trend Rate %
	<u>Trend Rate %</u>	<u>Trend Rate %</u>
2026	6.00%	6.48%
2027	5.68%	5.70%
2028	5.50%	5.32%
2029	5.37%	5.12%
2030	4.50%	4.50%
2035	4.50%	4.50%
2040	4.50%	4.50%
2045	4.50%	4.50%
2055	4.50%	4.50%
2065	4.50%	4.50%
2075	4.50%	4.50%
2085	4.50%	4.50%
2095	4.50%	4.50%

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 10 - Other Postemployment Benefits - Continued

The following presents the OPEB liability as of May 31, 2025, calculated using the current health care cost trend rate, as well as what the OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Rate	1% Increase
OPEB plan liability	<u>\$ 46,956,039</u>	<u>\$ 55,888,128</u>	<u>\$ 67,509,704</u>

The following presents the OPEB liability as of May 31, 2025, calculated using the current discount rate of 4.13%, as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (3.13%)	Current Rate (4.13%)	1% Increase (5.13%)
OPEB plan liability	<u>\$ 65,206,237</u>	<u>\$ 55,888,128</u>	<u>\$ 48,420,067</u>

### Note 11 - Tax Abatements

Certain property values in the Village have been reduced as the result of payment-in-lieu-of-tax (PILOT) agreements entered into by the Village for the purpose of general economic development under GML Article 18-A. These agreements reduce the assessed value of the properties for all taxing agencies in Nassau County, including the Village. As a result of the agreement, the Village receives a PILOT payment, which is equal to the reduced assessed value times the Village's levied tax rate.

Information relevant to disclosure of these agreements for the year ended May 31, 2025 is as follows:

Property Owner	Village Parcel ID (SBL)	Full Assessed Value	Taxable Assessed Value	Tax Rate	PILOT Amount	Taxes Abated
Anastasia C. Pesola, Trustee 931 Sunrise Highway	25-4-1	<u>\$ 120,000</u>	\$ 105,113	0.2422	\$ 25,458	\$ -
J.P.D. Burns Properties, LLC 635-639 Merrick Road	56-3-18.-20	<u>320,113</u>	187,314	0.2422	45,368	3,606
733 Sunrise Realty LLC 733 Sunrise Highway	30-1-2F	<u>546,910</u>	546,910	0.2422	132,462	-
43-47 Broadway Realty LLC 47 Broadway	24-3-18	<u>938,267</u>	201,425	0.2422	48,785	178,463
Regal Cinemas, Inc. Blake Avenue	61-3-6	7,100				
44 Blake Avenue	61-3-7	7,900				
48 Blake Avenue	61-3-8	8,580				
317-321 Merrick Road	61-3-13	410,491				
333 Merrick Road	61-3-15	21,600				
Merrick Road	61-3-16	5,700				
		<u>461,371</u>	136,035	0.2422	32,948	78,796
CMS Real Estate Holdings, LLC 266 Merrick Road	11-2-3-5	<u>218,880</u>	200,209	0.2422	48,491	4,522

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### Note 11 - Tax Abatements - Continued

Property Owner	Village Parcel ID (SBL)	Full Assessed Value	Taxable Assessed Value	Tax Rate	PILOT Amount	Taxes Abated
Terwillger and Bartone 5 Freer Street	11-2-3-5	\$ 951,200	\$ 423,316	0.2422	\$ 102,527	\$ 127,854
PSEGLI Property						
24 Broadway	24-2-5	319,600				
Broadway	24-2-6	19,600				
Horton Avenue	25-2-3	12,500				
Scranton Avenue	28-5-1	15,800				
Piccadilly Downs	38-3-7	11,200				
Special Franchise	127-40	939,397				
208 Whitehall Street	47-1-2	1,162,200				
151 Whitehall Street	47-3-1&A.15-17	3,600,500				
		<u>6,080,797</u>	<u>5,689,803</u>	0.2422	<u>1,378,070</u>	<u>94,699</u>
Total		<u>\$ 9,637,538</u>	<u>\$ 7,490,125</u>		<u>\$ 1,814,109</u>	<u>\$ 487,940</u>

### Note 12 - Contingencies, Risks, and Uncertainties

#### a. Grant Programs

The Village has received grants that are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on past audits, the Village believes that disallowances, if any, will be immaterial.

#### b. Tax Certiorari Proceedings

From time to time, the Village is involved in tax certiorari proceedings under which taxpayers seek a reduction in the assessed value of property upon which taxes are measured. A reduction in the assessed valuation may result in a refund of real property taxes previously paid by the claimant. A liability is recorded at the government-wide level when a refund for a claim is probable and estimable, and at the fund level when a refund for a claim is due and payable. At May 31, 2025, a liability has been recorded in the governmental activities and the General Fund in the amount of \$727,451.

### Note 13 - Deficit Fund Balance

At May 31, 2025, the Capital Projects Fund has a deficit fund balance of \$3,458,682, which will be alleviated when the BAN reported within the Capital Projects Fund is converted to long-term financing.

### Note 14 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. If a government determines that criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024 and all reporting periods thereafter.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2025

### **Note 14 - Accounting Standards Issued But Not Yet Implemented - Continued**

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. It also establishes disclosure requirements for capital assets held for sale, including disclosures relating to debt for which the capital assets held for sale are pledged as collateral. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

Management has not estimated the extent of the potential impact, if any, of these statements on the Village's financial statements.

# Incorporated Village of Lynbrook, New York

## Required Supplementary Information Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

	Year Ended May 31, 2025			Variance Favorable (Unfavorable)
	Original Budget	Modified Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 37,369,522	\$ 37,293,385	\$ 37,534,853	\$ 241,468
Other tax items	1,934,100	1,934,100	1,954,087	19,987
Non-property taxes	883,200	883,200	929,111	45,911
Departmental income	2,138,800	2,138,800	1,602,341	(536,459)
Intergovernmental charges	11,000	11,000	13,910	2,910
Use of money and property	800,000	800,000	1,297,823	497,823
Licenses and permits	686,000	686,000	1,044,052	358,052
Fines and forfeitures	1,850,000	1,850,000	2,523,553	673,553
Sale of property and compensation for loss	202,000	202,000	280,069	78,069
Miscellaneous	319,200	319,200	534,090	214,890
State aid	491,300	491,300	825,974	334,674
Federal aid	-	-	-	-
Total revenues	46,685,122	46,608,985	48,539,863	1,930,878
<b>EXPENDITURES</b>				
General governmental support	5,636,900	5,672,000	5,376,311	295,689
Public safety	15,936,300	15,952,200	15,460,346	491,854
Health	35,500	35,500	41,528	(6,028)
Transportation	2,932,200	2,950,700	2,792,459	158,241
Economic opportunity and development	57,400	57,400	68,859	(11,459)
Culture and recreation	2,290,500	2,290,500	2,291,296	(796)
Home and community services	2,978,000	2,978,000	2,740,550	237,450
Employee benefits	14,046,100	14,046,100	14,115,106	(69,006)
Debt service				
Principal	-	-	228,762	(228,762)
Interest	200,420	200,420	249,300	(48,880)
Total expenditures	44,113,320	44,182,820	43,364,517	818,303
<b>Excess of revenues over expenditures</b>	<b>2,571,802</b>	<b>2,426,165</b>	<b>5,175,346</b>	<b>2,749,181</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
BANs redeemed from appropriations	-	-	75,000	75,000
Operating transfers out	(4,121,000)	(4,098,838)	(4,056,839)	41,999
Total other financing sources (uses)	(4,121,000)	(4,098,838)	(3,981,839)	116,999
<b>Appropriated fund balance / surplus</b>	<b>\$ (1,549,198)</b>	<b>\$ (1,672,673)</b>	<b>1,193,507</b>	<b>\$ 2,866,180</b>
<b>FUND BALANCE, beginning of year</b>			20,476,435	
<b>FUND BALANCE, end of year</b>			<b>\$ 21,669,942</b>	

# Incorporated Village of Lynbrook, New York

## Required Supplementary Information Schedule of Other Postemployment Benefits Liability

	<b>May 31,</b>						
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Beginning of year	\$ 57,514,296	\$ 61,082,483	\$ 67,288,130	\$ 64,952,780	\$ 50,310,272	\$ 50,928,872	\$ 50,197,860
Charges for the year							
Service cost	1,890,443	1,996,320	2,676,881	2,438,027	1,649,168	1,753,357	1,859,602
Interest	2,150,044	1,965,877	1,521,390	1,437,392	1,795,372	1,959,526	1,849,005
Changes in benefit terms	-	7,479,774	-	-	-	-	-
Differences between expected and actual experience	-	(10,283,619)	-	(831,146)	-	1,825,878	-
Changes in assumptions and other inputs	(4,025,767)	(2,991,552)	(8,782,128)	980,777	12,816,477	(4,471,543)	(1,330,566)
Benefit payments	(1,640,888)	(1,734,987)	(1,621,790)	(1,689,700)	(1,618,509)	(1,685,818)	(1,617,029)
Net changes	(1,626,168)	(3,568,187)	(6,205,647)	2,335,350	14,642,508	(618,600)	761,012
End of year	<b>\$ 55,888,128</b>	<b>\$ 57,514,296</b>	<b>\$ 61,082,483</b>	<b>\$ 67,288,130</b>	<b>\$ 64,952,780</b>	<b>\$ 50,310,272</b>	<b>\$ 50,958,872</b>
Covered payroll	\$ 19,719,380	\$ 20,029,133	\$ 18,231,810	\$ 16,427,770	\$ 17,355,618	\$ 16,748,162	\$ 15,079,468
OPEB liability as a percentage of covered payroll	283.42%	287.15%	335.03%	409.60%	374.25%	300.39%	337.94%
Summary of changes in assumptions:							
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Salary scale	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Rate of inflation	2.70%	2.70%	2.50%	2.50%	2.50%	2.20%	2.20%
Discount rate	4.13%	3.67%	3.16%	2.20%	2.16%	3.51%	3.78%
Mortality table	PUB-2010	PUB-2010	RPH-2014	RPH-2014	RPH-2014	RPH-2014	RPH-2014

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

# Incorporated Village of Lynbrook, New York

## Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability/Asset

	May 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>ERS</b>										
Village's proportion of the net pension (asset) liability	0.0247874%	0.0269923%	0.0284644%	0.0292532%	0.0279752%	0.0278647%	0.0278147%	0.0280194%	0.0259385%	0.0260916%
Village's proportionate share of the net pension (asset) liability	\$ 4,249,972	\$ 3,974,356	\$ 6,103,909	\$ (2,391,331)	\$ 27,856	\$ 7,378,732	\$ 1,970,756	\$ 904,311	\$ 2,437,239	\$ 4,187,778
Village's covered-employee payroll	\$ 9,091,806	\$ 8,684,136	\$ 8,644,070	\$ 8,510,400	\$ 8,463,365	\$ 7,901,215	\$ 7,696,697	\$ 7,349,052	\$ 6,993,444	\$ 6,928,317
Village's proportionate share of the net pension (asset) liability as a percentage of its covered-employee payroll	46.75%	45.77%	70.61%	-28.10%	0.33%	93.39%	25.61%	12.31%	34.85%	60.44%
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%	90.70%
Summary of changes in assumptions:										
Inflation	2.9%	2.9%	2.9%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Salary increases	4.3%	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%
Cost-of-living adjustments	1.5%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	5.9%	7.0%	7.0%	7.0%	7.0%	7.0%
Discount rate	5.9%	5.9%	5.9%	5.9%	5.9%	7.0%	7.0%	7.0%	7.0%	7.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014
<b>PFRS</b>										
Village's proportion of the net pension liability	0.2068845%	0.2181800%	0.2202081%	0.2236526%	0.2142128%	0.2103579%	0.1930775%	0.1910564%	0.1795892%	0.1721537%
Village's proportionate share of the net pension liability	\$ 12,572,082	\$ 10,347,892	\$ 12,134,503	\$ 1,270,447	\$ 3,719,325	\$ 11,243,498	\$ 3,238,031	\$ 1,931,115	\$ 3,722,259	\$ 5,097,105
Village's covered-employee payroll	\$ 11,273,081	\$ 10,842,305	\$ 9,985,440	\$ 9,064,580	\$ 8,708,761	\$ 8,672,785	\$ 8,263,124	\$ 8,296,284	\$ 8,045,546	\$ 7,330,969
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	111.52%	95.44%	121.52%	14.02%	42.71%	129.64%	39.19%	23.28%	46.26%	69.53%
Plan fiduciary net position as a percentage of the total pension liability	87.53%	89.72%	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.46%	90.24%
Summary of changes in assumptions:										
Inflation	2.9%	2.9%	2.9%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Salary increases	5.7%	6.2%	6.2%	5.7%	5.0%	4.2%	4.5%	4.5%	4.5%	4.5%
Cost-of-living adjustments	1.5%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Discount rate	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014

# Incorporated Village of Lynbrook, New York

## Required Supplementary Information Schedule of Pension Contributions

	Year Ended May 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>ERS</b>										
Contractually required contribution	\$ 1,316,558	\$ 1,095,571	\$ 1,200,379	\$ 1,339,335	\$ 1,199,321	\$ 1,117,037	\$ 1,092,616	\$ 1,255,876	\$ 1,242,255	\$ 1,220,792
Contributions in relation to the contractually required contribution	\$ 1,316,558	\$ 1,095,571	\$ 1,200,379	\$ 1,339,335	\$ 1,199,321	\$ 1,117,037	\$ 1,092,616	\$ 1,255,876	\$ 1,220,792	\$ 1,220,792
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered-employee payroll	\$ 9,091,806	\$ 8,684,136	\$ 8,644,070	\$ 8,510,400	\$ 8,463,365	\$ 7,901,215	\$ 7,696,697	\$ 7,349,052	\$ 6,993,444	\$ 6,928,317
Contributions as a percentage of covered-employee payroll	14.48%	12.62%	13.89%	15.74%	14.17%	14.14%	14.20%	17.09%	17.62%	17.62%
<b>PFRS</b>										
Contractually required contribution	\$ 3,049,086	\$ 2,481,950	\$ 2,347,603	\$ 2,187,684	\$ 1,814,711	\$ 1,804,377	\$ 1,710,956	\$ 1,843,388	\$ 1,975,396	\$ 1,645,415
Contributions in relation to the contractually required contribution	\$ 3,049,086	\$ 2,481,950	\$ 2,347,603	\$ 2,187,684	\$ 1,814,711	\$ 1,804,377	\$ 1,710,956	\$ 1,843,388	\$ 1,645,415	\$ 1,645,415
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329,981	\$ -
Village's covered-employee payroll	\$ 11,273,081	\$ 10,842,305	\$ 9,985,440	\$ 9,064,580	\$ 8,708,761	\$ 8,672,785	\$ 8,263,124	\$ 8,296,284	\$ 8,045,546	\$ 7,330,969
Contributions as a percentage of covered-employee payroll	27.05%	22.89%	23.51%	24.13%	20.84%	20.81%	20.71%	22.22%	22.44%	22.44%

# Incorporated Village of Lynbrook, New York

## Required Supplementary Information Schedule of Changes in Total Pension Liability - LOSAP

	May 31,							
	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 122,849	\$ 125,716	\$ 69,204	\$ 247,423	\$ 285,688	\$ 222,449	\$ 160,240	\$ 195,724
Interest	409,686	389,180	311,683	259,263	300,097	325,750	307,457	302,665
Changes due to differences in experience	2,757	91,040	305,295	271,885	6,009	85,646	264,355	185,644
Changes in assumptions and other inputs	176,754	(393,752)	313,049	(4,144,137)	629,490	1,293,726	1,369,969	(381,395)
Benefit payments	(369,762)	(327,198)	(299,172)	(312,116)	(343,709)	(263,627)	(257,259)	(262,388)
Net change in total pension liability	342,284	(115,014)	700,059	(3,677,682)	877,575	1,663,944	1,844,762	40,250
<b>TOTAL PENSION LIABILITY, beginning of year</b>	<b>10,014,949</b>	<b>10,129,963</b>	<b>9,429,904</b>	<b>13,107,586</b>	<b>12,230,011</b>	<b>10,566,067</b>	<b>8,721,305</b>	<b>8,681,055</b>
<b>TOTAL PENSION LIABILITY, end of year</b>	<b>\$ 10,357,233</b>	<b>\$ 10,014,949</b>	<b>\$ 10,129,963</b>	<b>\$ 9,429,904</b>	<b>\$ 13,107,586</b>	<b>\$ 12,230,011</b>	<b>\$ 10,566,067</b>	<b>\$ 8,721,305</b>
Covered payroll	None	None	None	None	None	None	None	None
Total pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Summary of changes in assumptions:								
Discount rate	4.19%	4.16%	3.90%	3.36%	2.00%	2.48%	3.12%	3.57%
Inflation rate	2.25%	3.25%	3.75%	8.00%	3.00%	2.00%	2.00%	3.00%
Post-entitlement age mortality table	RP-2014	RP-2014	RP-2014	RP-2014	RP-2014	RP-2014	RP-2014	RP-2014

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

# Incorporated Village of Lynbrook, New York

## Supplementary Information Combining Balance Sheet - Non-Major Governmental Funds

	<b>May 31, 2025</b>		
	<b>Community Development</b>	<b>Library</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,671	\$ 123,759	\$ 127,430
Cash and cash equivalents, restricted	-	70,000	70,000
Prepaid expenditures	-	28,351	28,351
Accounts receivable	-	51,617	51,617
State and federal aid	13,355	-	13,355
	<b>\$ 17,026</b>	<b>\$ 273,727</b>	<b>\$ 290,753</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 12,060	\$ 36,982	\$ 49,042
Accrued liabilities	-	49,438	49,438
Due to other funds	347	-	347
Unearned revenues	4,619	-	4,619
Total liabilities	17,026	86,420	103,446
<b>FUND BALANCES</b>			
Nonspendable	-	28,351	28,351
Restricted	-	70,000	70,000
Assigned	-	88,956	88,956
Total fund balances	-	187,307	187,307
	<b>\$ 17,026</b>	<b>\$ 273,727</b>	<b>\$ 290,753</b>

# Incorporated Village of Lynbrook, New York

## Supplementary Information Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds

	Year Ended May 31, 2025		
	Community Development	Library	Total
<b>REVENUES</b>			
Departmental income	\$ -	\$ 6,643	\$ 6,643
Intergovernmental charges	-	160,987	160,987
Miscellaneous	-	315	315
Use of money and property	-	2,845	2,845
State aid	-	9,277	9,277
Federal aid	400,536	-	400,536
	400,536	180,067	580,603
Total revenues			
<b>EXPENDITURES</b>			
General governmental support	-	1,080	1,080
Culture and recreation	-	1,413,027	1,413,027
Home and community services	400,536	-	400,536
Employee benefits	-	555,069	555,069
	400,536	1,969,176	2,369,712
Total expenditures			
<b>Deficiency of revenues over expenditures</b>	-	<b>(1,789,109)</b>	<b>(1,789,109)</b>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	1,765,000	1,765,000
	-	1,765,000	1,765,000
<b>Deficiency of revenues and other financing     sources over expenditures</b>	-	<b>(24,109)</b>	<b>(24,109)</b>
<b>FUND BALANCES, <i>beginning of year</i></b>	-	211,416	211,416
<b>FUND BALANCES, <i>end of year</i></b>	\$ -	\$ 187,307	\$ 187,307

**[THIS PAGE WAS INTENTIONALLY LEFT BLANK]**

**FORM OF DISCLOSURE UNDERTAKING FOR THE NOTES**

## UNDERTAKING TO PROVIDE NOTICES OF EVENTS

### Section 1. Definitions

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

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

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

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

“Issuer” shall mean the Village of Lynbrook, in the County of Nassau, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the Village Treasurer as of May 13, 2026.

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

“Securities” shall mean the Issuer’s \$4,750,000 Bond Anticipation Note-2026 Series A, dated May 13, 2026, maturing on May 13, 2027, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Liberty Capital Services, LLC, 1205 Franklin Avenue, Suite 335, Garden City, New York 11530 to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;

- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

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

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

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

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

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

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of May 13, 2026.

VILLAGE OF LYNBROOK, NEW YORK

By \_\_\_\_\_  
Village Treasurer

**[THIS PAGE WAS INTENTIONALLY LEFT BLANK]**

**FORM OF OPINION OF BOND COUNSEL FOR THE NOTES**

# HAWKINS

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

\_\_\_\_\_, 2026

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Lynbrook (the “Village”), in the County of Nassau, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$4,750,000 Bond Anticipation Note-2026 Series A (the “Note”), dated and delivered on the date hereof.

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

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

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

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

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

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

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

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

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

Very truly yours,