

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 27, 2026

**NEW ISSUE: SERIAL BONDS
BANK QUALIFIED**

RATING: Moody's "Aa2"

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

The Village will designate the Bonds as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

\$2,500,000

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

\$2,500,000 PUBLIC IMPROVEMENT SERIAL BONDS – 2026 (the "Bonds")

Dated: Date of Issue

Principal Due: March 15, 2028 – March 15, 2040

**Interest Due: March 15, 2027, September 15,
2027 and semi-annually thereafter on March 15
and September 15**

Bond Maturity Schedule

Year	Amount**	Rate	Yield	Year	Amount**	Rate	Yield	Year	Amount**	Rate	Yield
2028	\$150,000			2033	\$180,000			2038	\$220,000	*	
2029	160,000			2034	190,000			2039	230,000	*	
2030	165,000			2035	200,000	*		2040	240,000	*	
2031	170,000			2036	205,000	*					
2032	175,000			2037	215,000	*					

* Callable maturity

** The annual principal maturities are subject to adjustment following the sale of the Bonds, pursuant to the terms of the accompanying Notice of Bond Sale to achieve substantially level annual debt service.

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

Interest on the Bonds will be payable March 15, 2027, September 15, 2027 and semi-annually thereafter on March 15 and September 15 in each year until maturity. The Bonds maturing on or after March 15, 2035 will be subject to redemption prior to maturity at the option of the Village on March 15, 2034 and thereafter on any date, as a whole or in part, in accordance with the terms described herein. (See "DESCRIPTION OF THE BONDS - Optional Redemption of the Bonds" herein.)

The Bonds will be issued as registered Bonds and, at the option of the purchaser, will be registered either in the name of the purchaser or in the name of Cede and Co., as nominee of The Depository Trust Company (DTC), New York, New York, which will act as securities depository for any Bonds issued in book-entry form. Individual purchases of book-entry bonds will be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in book-entry Bonds. Principal and interest on book-entry bonds will be paid by the Village to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to Beneficial Owners of the Bonds, as described herein. (See "DESCRIPTION OF THE BONDS - Book-Entry-Only System" herein.)

The Bonds are offered when, as and if issued and received by the Purchaser and subject to the receipt of the final approving legal opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village. It is anticipated that the Bonds will be available for delivery on or about April 14, 2026.

THE VILLAGE DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THE VILLAGE WILL DELIVER AN UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE (AS DEFINED IN THE RULE) AS REQUIRED BY THE RULE (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 Bonds 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 MASSAPEQUA PARK
151 Front Street
Massapequa Park, New York 11762

VILLAGE OFFICIALS

DANIEL M. PEARL
Mayor

DANA M. DURSO
TINA SCHIAFFINO
TODD A. SVEC
CHRISTINE M. WISS
Trustees

LINDA TUMINELLO
Village Administrator/Clerk

CHRISTOPHER R. BRIGGS
Village Treasurer

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No person has been authorized by the Village to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Village. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy nor shall there be any sale of any of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale 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.

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

**Relating To
\$2,500,000 Public Improvement Serial Bonds - 2026**

This Official Statement, which includes the cover page and appendices hereto, has been prepared by the Village of Massapequa Park, Nassau County, New York (the “Village,” “County,” and “State,” respectively) in connection with the sale by the Village of \$2,500,000 Public Improvement Serial Bonds - 2026 (the “Bonds”).

DESCRIPTION OF THE BONDS

The Bonds are general obligations of the Village, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Village is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. (See “TAX INFORMATION - Tax Levy Limit Law” herein)

Interest on the Bonds will be payable March 15, 2027, September 15, 2027 and semi-annually thereafter on March 15 and September 15 in each year until maturity. The “Record Date” for the Bonds will be the last day of the calendar month immediately preceding each interest payment date.

The Bonds will be issued as registered Bonds and, at the option of the purchaser, will be registered either in the name of the purchaser, or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for any Bonds issued in book-entry form. Individual purchases of book-entry bonds will be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in book-entry Bonds. Principal and interest on book-entry bonds will be paid by the Village to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds as described herein. (See “DESCRIPTION OF THE BONDS - Book-Entry-Only System” herein)

The fiscal agent for the Bonds will be the Village Clerk of the Village of Massapequa Park, 151 Front Street, Massapequa Park, New York 11762, New York email address: acct@masspk.com”.

Authorization and Purposes of Issue

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Village Law, the Local Finance Law and the following bond resolutions duly adopted by the Board of Trustees of the Village on their respective dates to provide original financing for the following purposes.

<u>Purposes</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Amount to Bonds</u>
Construction of improvements to various roads in the Village	Jan 26, 2026	\$2,000,000	\$2,000,000
Construction of improvements to Village parking lots	Jan 26, 2026	200,000	200,000
Acquisition of machinery and equipment for use by DPW	Jan 26, 2026	<u>300,000</u>	<u>300,000</u>
Total		<u>\$2,500,000</u>	<u>\$2,500,000</u>

Nature of Obligation

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

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

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, 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.)

Optional Redemption

The Bonds maturing on or before March 15, 2034 will not be subject to redemption prior to maturity. The Bonds maturing on or after March 15, 2035 will be subject to redemption prior to maturity at the option of the Village on March 15, 2034 and thereafter on any date, as a whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at par, plus accrued interest to the date of redemption.

The Village may select the maturities of the Bonds to be redeemed and the amount of each maturity selected, as the Village shall determine to be in the best interest of the Village at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Village by lot in any customary manner of selection as determined by the Village. Notice of such call for redemption shall be given by mailing such notice to the registered owner not more than sixty (60) nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Book-Entry-Only System

At the option of the purchaser, the Depository Trust Company (“DTC”), New York, New York, may act as securities depository for the Bonds (referred to in this section as the “Security” or “Securities”). DTC Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

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

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

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

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

Redemption proceeds, and principal and interest payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer or its agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, any Agent or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village, or the Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered. (See "DESCRIPTION OF THE BONDS - Certificated Bonds" herein).

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

Source: The Depository Trust & 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 BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (IV) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BOND OWNER.

Certificated Bonds

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

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

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

THE VILLAGE

General Information

The Village of Massapequa Park (the "Village") is situated in the southeastern corner of Nassau County, New York State (the "State"), thirty miles east of New York City. It encompasses approximately 2.2 square miles within the Town of Oyster Bay (the "Town"). The Village extends from Southern State Parkway on the north to the Great South Bay on the South, and is bounded by an unincorporated area within the Town, known as Massapequa.

The character of the Village is primarily suburban-residential, with some commercial development. A majority of the homes within the Village are single-family residences, however, there have been several condominiums built over the years as well. Commercial activity is concentrated in the Southgate Shopping Center and several other commercial zoned areas. Industrial development within the Village is limited.

Transportation is provided to and from the Village by the Metropolitan Suburban Bus Authority and a network of Highways. The Village is served by the Bethpage State Parkway, Southern State Parkway, Sunrise Highway, and Merrick Road. Rail passenger service to and from the Village is provided by the Long Island Rail Road. Major airline service is provided at John F. Kennedy International Airport, LaGuardia Airport, L.I. - McArthur Airport, and Republic Airport.

Electricity is provided by PSEG Long Island and natural gas is provided by KeySpan. The Village's water supply and distribution system is administered by the Town of Oyster Bay through the Massapequa Water District. Administration costs associated with said water system are paid from Town taxes. Nassau County provides sanitary sewer services which are principally supported by special assessments. Police protection is provided by the Nassau County Police Department. Fire protection is provided by the Massapequa Fire District. Education is primarily provided by the Massapequa Union Free School District, with a small portion of the Village being located in the Farmingdale Union Free School District. Since 1992, solid waste disposal has been provided by a special solid waste district managed by the Town.

The following banks have an office located within the Village: Citibank, N.A., JP Morgan Chase, Webster Bank and Roslyn Savings Bank.

Population Characteristics

<u>Year</u>	<u>Village of Massapequa Park</u>	<u>Nassau County</u>	<u>New York State</u>
1970	22,112	1,428,838	18,241,366
1980	19,779	1,321,582	17,557,288
1990	18,044	1,287,348	17,990,445
2000	17,499	1,334,544	18,976,457
2010	17,008	1,339,532	19,378,102
2020	17,109	1,395,774	20,201,249

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

Employees

The Village provides services through approximately 34 full-time and 11 part-time employees. The Civil Service Employees Association, Inc. represents 26 employees under a contract which expires May 31, 2026.

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	42.50	41.10	38.00	37.20
Person/Household	2.92	3.03	2.60	2.60
<u>Housing</u>				
% Owner Occupied Housing Units	98.00	81.70	54.40	64.60
Median Value Owner Occupied Housing	539,900	560,100	340,600	244,900
Median Gross Rent (\$)	2,510	1,940	1,390	1,163
<u>Income:</u>				
Per Capita Income (\$)	56,103	55,763	43,208	37,638
Median Household Income	146,772	126,576	75,157	69,021
% Below Poverty Level ⁽¹⁾	4.10	6.10	13.90	11.60

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

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

Budgetary Procedure

The Village's administration submits a tentative budget to the Board of Trustees. The tentative budget includes proposed expenditures and the proposed means of financing for the general fund. A public hearing is held on the tentative budget by April 15th. After completion of the budget hearing, the Board of Trustees may further change the tentative budget. Such budget, as so revised, shall be adopted by resolution no later than May 1st. All subsequent modifications of the budget must be approved by the Board of Trustees.

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

Selected Listing of Major Employers

<u>Name</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
King Kullen	Supermarket	104
Village Farms (IGA)	Supermarket	58
U.S. Postal Service	Post Office	45
Village of Massapequa Park	Local Government	45
Smoking Als	Restaurant	42

Source: Village Officials.

Form of Government

Subject to the provisions of the State Constitution, the Village operates pursuant to the Village Law, the Local Finance Law, other laws generally applicable to the Village, and any special laws applicable to the Village.

The legislative power of the Village is vested in the Board of Trustees of the Village (the “Board”). There are five members of the Board (the Mayor and four Trustees), each of whom is elected at-large for a term of two years. These officials may succeed themselves.

The executive responsibility for the Village is vested in the Mayor. Subject to Board approval, the Mayor appoints the Village Administrator/Clerk, Village Treasurer, Village Deputy Clerk, and Village Attorney.

The Village Administrator carries out the policies of the Mayor and the Board, supervises all Village departments and agencies, and at present also serves as the Clerk of the Village.

State Aid

The Village’s general fund receives financial assistance from the State, see below:

<u>Fiscal Year</u> <u>Ending May 31st:</u>	<u>Total</u> <u>Revenues</u>	<u>Total</u> <u>State Aid</u>	<u>State Aid to</u> <u>Revenues (%)</u>
2021	\$6,718,648	\$581,367	8.65%
2022	6,768,333	616,748	9.11%
2023	7,619,569	589,326	7.73%
2024	8,023,891	473,245	5.90%
2025	7,943,584	487,388	6.14%
2026 (budget)	7,906,522	490,576	6.20%

Source: Village Audits and adopted budgets

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.

Reductions in Federal funding levels could also have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other medicaid rules.

Employee Pension Benefits

Substantially, all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS"). The obligations of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). The system offers retirement benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited services.

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

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

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

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

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

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

On September 4, 2025, Comptroller DiNapoli announced that state and local governments would have to contribute more to the public pension system for the next State fiscal year 2025-2026. 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%.

ERS Contributions

The Village made the following contributions to the Retirement Systems:

Fiscal Year Ending May 31st:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
ERS	\$283,210	\$287,332	\$249,100	\$300,570	\$318,922

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

In December 2025 the Village paid \$388,164 in ERS payments in connection with its FY 2026 liability, for which it budgeted \$365,000 for this purpose.

The Village continues to fully fund its annual State pension costs within its annual operating budget and has no plans to amortize pension costs in future budget years, as permitted by the State. (See “THE VILLAGE - Employee Pension Benefits” herein.)

A more in-depth discussion of ERS and the Village’s pension liabilities, including the Village’s annual OPEB cost, appears in the Village’s most recently available audited financial statements, attached as Appendix B.

Other Post Employment Benefits

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), require state and local governments to account for and report their costs associated with post retirement healthcare benefits and other non-pension benefits, known as “other post employment benefits” (“OPEB”). GASB 75, which the Village has adopted on June 1, 2018 for the 2018-2019 fiscal year. GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

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

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

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

Unemployment Rate Statistics

Unemployment statistics are not available for the Village as such. The smallest area for which such statistics are available (which includes the Village) is the Town of Oyster Bay, (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 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>
Town of Oyster Bay	7.90%	4.40%	2.90%	3.00%	3.10%
Nassau County	8.30%	4.70%	3.00%	3.10%	3.30%
New York State	9.80%	7.10%	4.30%	4.10%	4.30%

2025 MONTHLY FIGURES

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Town of Oyster Bay	3.30%	3.60%	3.20%	2.50%	2.60%	2.80%	3.40%	3.60%	3.50%	- ⁽²⁾	3.20%	3.00% ⁽¹⁾
Nassau County	3.50%	3.80%	3.30%	2.60%	2.70%	2.90%	3.50%	3.70%	3.60%	- ⁽²⁾	3.30%	3.10% ⁽¹⁾
New York State	4.60%	4.30%	4.10%	3.70%	3.50%	3.80%	4.60%	4.70%	4.70%	- ⁽²⁾	4.50%	4.40% ⁽¹⁾

⁽¹⁾ Preliminary

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

Source: US Department of Labor – Bureau of Labor and Statistics (Note: Figures not seasonally adjusted). Data extracted on 3/12/2026.

Cybersecurity

The Village, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Village faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Village has implemented certain security and operational control measures, and has obtained a cybersecurity liability policy. However, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial. The Village has not had any cybersecurity attacks to date.

Other Information

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

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

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

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

FINANCIAL INFORMATION

Financial Statements

The Village has retained independent certified public accountants to audit its financial affairs. The most 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, attached as Appendix B.

Village finances are operated primarily through the General Fund. The results of financial operations for the most immediate past five fiscal years and for which audits have been completed, are included as a summary of Revenues, Expenditures and Fund Balance, Comparison of Budget and Actual Results and Balance Sheets for the Village’s General Fund as Appendix A.

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 11.7%, based on its Fiscal Stress Monitoring System 2025 List. (See "OFFICE OF THE NEW YORK STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM.")

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 the 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.

Impact of COVID-19

The Village's financial condition has not been materially affected by the COVID-19 virus outbreak. Revenue shortfalls and related expenditures have been minimal. Village Hall has re-opened to the public and been operating during normal hours.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (the "Act"), a \$1.9 trillion economic stimulus bill to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic. A portion of the funding will be allocated to state and local governments, including villages, to assist with budget shortfalls and other items related to the COVID-19 pandemic. The Village is eligible to receive \$1,758,251 under the Act. The Village received Act funds of \$875,550 in July 2021, \$3,594 in September 2021 and 879,125 in August 2022. Such funds have been spent and all reporting filed properly identifying Act eligible uses.

TAX INFORMATION

Real Property Taxes

The Village derives a major portion of its revenues from a tax on real property. (See "Revenues, Expenditures and Fund Balances" in Appendix A, herein)

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

Valuations

Year Ending May 31st:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u> ⁽¹⁾
Assessed Valuation	\$40,063,379	\$40,060,255	\$40,380,336	\$40,302,023	\$40,637,793	\$40,852,877
State Equalization Rate	1.39%	1.37%	1.35%	1.14%	1.10%	
Full Valuation	\$2,882,257,482	\$2,924,106,204	\$2,991,136,000	\$3,535,265,175	\$3,694,344,818	

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

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 several tax certiorari proceedings, instituted primarily by the owners of commercial buildings, seeking a reduction of the assessed value of said properties and a refund of excess taxes paid by them. The Village’s tax certiorari counsel is of the opinion that the most significant cases against the Village have been resolved. The following schedule is a compilation of the amounts budgeted and expenditures made by the Village, for the purposes of paying real property tax refunds.

Year Ending May 31st:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Budgeted	\$50,000	\$25,000	\$25,000	\$20,000	\$20,000
Incurred	16,000	27,905	7,528	22,270	18,964

As of 3/15/26 the Village expended \$700 in tax certiorari payments for which it budgeted \$20,000. The Village has not financed tax certiorari judgments in the past five years. The Village may finance any future judgment or settlement, if necessary, so as to mitigate any impact on future budgets.

Constitutional Taxing Power

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

Fiscal Year Ending May 31:	<u>2024</u>	<u>2025</u>	<u>2026</u> ⁽¹⁾
Five Year Average Full Valuation	\$2,831,556,093	\$3,011,119,808	\$3,205,421,936
Tax Limit (2%)	56,631,122	60,222,396	64,108,439
Add: Total Exclusions	<u>1,092,963</u>	<u>938,738</u>	<u>932,238</u>
Total Taxing Power	57,724,085	61,161,134	65,040,677
Less Tax Levy	<u>4,398,482</u>	<u>4,534,933</u>	<u>4,665,603</u>
Tax Margin	<u>\$53,325,603</u>	<u>\$56,626,201</u>	<u>\$60,375,074</u>
Percent of Tax Limit Exhausted	<u>5.84%</u>	<u>5.97%</u>	<u>5.82%</u>

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

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

Tax Rate per \$100 (Assessed)

Year Ending May 31st:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u> ⁽¹⁾
Tax Rate (rounded)	\$10.60	\$10.60	\$10.60	\$10.91	\$11.16	\$11.42

⁽¹⁾ Based on an assessed valuation of \$40,852,877

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

Tax Collection Procedure

The real property taxes of the Village are levied by the Village and collected by the Village Treasurer. Such taxes are due and payable June 1, but may be paid without penalty until July 1. Penalties upon unpaid taxes are 5% from July 2 to July 31, and increase at a rate of one percent for each ensuing month. On or before January 31, a listing of uncollected taxes is reported to the Board. In March, tax liens are sold on the uncollected tax items.

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</u> <u>3/15/25</u> <u>2025</u>
Levy and Tax Collections:						
Taxes on Roll	\$4,245,115	\$4,244,784	\$4,278,700	\$4,398,482	\$4,398,482	\$4,534,933
Collections During Year						
Tax Collections (includes mid-year adjustments)	4,239,823	4,245,712	4,290,304	4,400,823	4,400,823	4,528,729
Prior Years Taxes	<u>3,157</u>	<u>9,287</u>	<u>7,339</u>	<u>5,792</u>	<u>5,792</u>	<u>16,195</u>
Total Collections During Year	4,242,980	4,254,999	4,297,643	4,406,615	4,406,615	4,544,924
% Collected Taxes End of Year	99.88%	100.02%	100.27%	100.05%	100.05%	99.86%
% Collections End of Year (including prior ye	99.95%	100.24%	100.44%	100.18%	100.18%	100.22%

Source: Village of Massapequa Park

Larger Taxpayers

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u> <u>2025-2026</u>
Southgate Shopping Center	Shopping Center	\$500,000
KeySpan	Public Utility	300,153
Whitewood Landing	Senior Housing	228,360
PSE&G LI	Public Utility	139,101
4851 Merrick Associates	Retail Stores	107,300
4950 Sunrise Hwy.	Lexus Dealership	77,440
Irene & Peter Matthews	Friendly's	45,875
Park Plaza Mgt. 5050 Sunrise Hwy.	Retail Stores	44,400
Park Plaza Assoc. (1000 Park Blvd.)	Retail Stores	30,000
Verizon	Utility	<u>24,747</u>
		<u>\$1,497,376</u>

Source: Village of Massapequa Park

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 Bonds include the following:

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been

contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute 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 outstanding principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the five-year average full valuation of taxable real property of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method of determining full valuation is by taking the assessed valuation of taxable real property as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

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

Statutory Procedure

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

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Board of Trustees of the Village, 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 of Trustees. If a bond resolution is submitted to the voters by the Board of Trustees, then only a three-fifths vote of the Board of Trustees is needed for adoption.

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

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

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, 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 31st.	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$9,510,000	\$8,580,000	\$7,640,000	\$6,710,000	\$5,915,000
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$9,510,000</u>	<u>\$8,580,000</u>	<u>\$7,640,000</u>	<u>\$6,710,000</u>	<u>\$5,915,000</u>

Source: Village Audits and the Village of Massapequa Park

Computation of Debt Limit

Fiscal Year Ending <u>May 31st:</u>	Assessed Valuation of <u>Taxable Real Estate</u>	State Equalization <u>Rate (%)</u>	Full Valuation of <u>Taxable Real Estate</u>
2025	\$40,637,793	1.10%	\$3,694,344,818
2024	40,302,023	1.14%	3,535,265,175
2023	40,380,336	1.35%	2,991,136,000
2022	40,060,255	1.37%	2,924,106,204
2021	40,063,379	1.39%	<u>2,882,257,482</u>
Total five year valuation			16,027,109,680
Five year average full valuation			3,205,421,936
Debt Limit - 7% of average five year full valuation			<u>\$224,379,535</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 March 17, 2026:

Debt Contracting Limitation:	\$224,379,535
<u>Inclusions</u>	
Bonds:	5,350,000
Bond Anticipation Notes:	0
Total Inclusions	<u>5,350,000</u>
<u>Exclusions:</u>	
Appropriations:	<u>240,000</u>
Total Exclusions:	<u>240,000</u>
Total Net Direct Indebtedness	<u>\$5,110,000</u>
Net Debt Contracting Margin	<u>\$219,269,535</u>
Percent of Debt-Contracting Power Exhausted	<u>2.28%</u>

The issuance of the Bonds will increase the Total Net Direct Indebtedness of the Village by \$2,500,000 and exhaust an additional 1.11% of its debt contracting power.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village as of March 17, 2026:

	<u>Maturity</u>		<u>Amount</u>
Bonds	2025 to 2035		
General Fund Debt		\$5,350,000	
Total Bonds			<u>5,350,000</u>
Bond Anticipation Notes			<u>0</u>
Total Debt Outstanding			<u>\$5,350,000</u>

Source: Village of Massapequa Park

Capital Project Plans

After the issuance of the Bonds, the Village will have no authorized and unissued debt.

Bonded Debt Service

The below table reflects the debt service requirements to maturity on the Village’s outstanding general obligation bonded debt, as of March 17, 2026. (Figures may be rounded)

Fiscal Year Ended	<u>Principal</u>	<u>Interest</u>	Total Principal and Interest
<u>May 31st</u>			
2026	\$240,000	\$22,488	\$262,488
2027	810,000	110,637	920,637
2028	815,000	93,625	908,625
2029	785,000	75,212	860,212
2030	530,000	59,638	589,638
2031	535,000	48,212	583,212
2032	540,000	36,275	576,275
2033	545,000	23,825	568,825
2034	275,000	11,000	286,000
2035	<u>275,000</u>	<u>5,500</u>	<u>280,500</u>
TOTALS	<u>\$5,350,000</u>	<u>\$486,412</u>	<u>\$5,836,412</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:

<u>Unit</u>	<u>Date of Report</u>	<u>Outstanding Indebtedness</u>	<u>Exclusions¹</u>	<u>Net Indebtedness</u>	<u>% Within Village</u>	<u>Applicable Net Indebtedness</u>
County of Nassau	3/31/2025	\$3,223,388,000	\$331,005,000	2,892,383,000	0.52%	\$15,040,392
Town of Oyster Bay	2/19/26	772,439,335	254,768,477	517,670,858	1.98%	10,249,883
Massapequa UFSD	8/20/25	59,975,000	0	59,975,000	26.21%	15,719,448
Farmingdale UFSD	9/10/25	26,840,000	0	26,840,000	4.86%	1,304,424
Massapequa Fire District	6/5/25	7,200,000	0	7,200,000	25.19%	<u>1,813,680</u>
						<u>\$44,127,826</u>

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

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

REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the Village default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. Each Bond is a general obligation contract between the Village and the owners for which the faith and credit of the Village are pledged and while remedies for enforcement of payment are not expressly included in the Village's contract with such owners, any permanent repeal by statute or constitutional amendment of a bond or 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 Bonds, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Village. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such Bonds from funds lawfully available therefor or, in the absence thereof, to order the Village to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Village and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Bond, the owner of such Bond could, among other remedies, seek to obtain a 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 Bonds as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds 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 (1976), 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 (i) permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts 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 Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Village, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar

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

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

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

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

Financial Control Boards

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality in the State may request the intervention of the State in its "property, affairs and government" by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the Cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and in certain cases approve or disapprove collective bargaining agreements. Implementation is generally left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, upon the issuance of a certificate of necessity 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.

LITIGATION

The Village is subject to a number of lawsuits in the ordinary conduct of its affairs. The Village does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Village. Several tax certiorari claims for rebates of prior year property taxes are currently pending against the Village. 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. A “not filed” classification is assigned to those municipalities that did not file their annual financial report or reported data that was inconclusive for FSMS purposes as of the date their score was to be calculated, and therefore a fiscal stress score could not be calculated. (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 Bonds, 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 Bonds.

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

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

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received (“State Aid”). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State’s economy and financial condition due a public health emergency similar to the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefor. Should the Village fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys, the Village is authorized pursuant to the Local Finance Law (“LFL”) to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Village will have market access for any such borrowing on a cost effective basis. 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” and “RISK FACTORS - Impact of COVID-19” herein.)

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

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

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

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative

minimum tax under the Code; however, interest on the Bonds 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 Bonds will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Village in connection with the Bonds, and Bond Counsel has assumed compliance by the Village with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

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

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

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

Bond Premium

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

Information Reporting and Backup Withholding

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

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

Miscellaneous

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

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

BOND RATING

Moody's Investors Service, ("Moody's"), has assigned its "Aa2" rating to the Bonds and maintained the Village's "Aa2" issuer rating and outstanding general obligation limited tax (GOLT) rating.

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

An explanation of the significance of such rating should be obtained from Moody's Investors Services, Inc., 7 World Trade Center, New York, New York 10007 (212) 553-0300. 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.

DISCLOSURE UNDERTAKING

At the time of the delivery of the Bonds, the Village will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" substantially as set forth in APPENDIX C, herein.

Compliance History

As described by a material event notice dated May 23, 2024, the Village did not file its 2022-2023 audited financial statements within 30 days of availability, as required by certain disclosure undertakings of the Village. Such Audited Financial Statements were filed on May 23, 2024 within 360 days of fiscal year end.

As described by a material event notice dated February 20, 2025, the Village did not file its 2023-2024 audited financial statements within 30 days of availability, as required by certain disclosure undertakings of the Village. Such Audited Financial Statements were filed on February 20, 2025 within 360 days of fiscal year end.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. The opinion of Bond Counsel will be in substantially the form attached hereto as Appendix D.

MUNICIPAL ADVISOR

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

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

MISCELLANEOUS

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

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

Additional information may be obtained from the office of the Village Treasurer (516) 798-0244 or the Village’s financial advisor, Liberty Capital Services, LLC at (516) 877-0797.

**Dated: Massapequa Park, New York
March 27, 2026**

**/s/Christopher R. Briggs
Village Treasurer**

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Village of Massapequa Park
Revenues, Expenditures and Fund Balances - General Fund

APPENDIX A

Year Ended May 31:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
REVENUES					
Real Property Taxes	\$4,239,843	\$4,255,540	\$4,297,644	\$4,417,933	\$4,567,065
Real Property Tax Items	176,549	180,565	204,849	170,430	188,705
Non-Property Tax Items	525,372	529,220	524,627	527,270	522,584
Departmental Income	134,630	139,359	170,929	202,085	182,619
Use of Money and Property	86,375	87,869	287,248	434,286	317,846
Licenses and Permits	666,276	604,385	553,229	574,980	651,067
Fines and Forfeitures	75,505	176,521	210,166	225,670	199,012
Sale of Property and Compensation for loss	34,461	44,302	32,299	47,822	26,548
State Aid	581,367	616,748	589,326	473,245	487,388
Federal Aid	0	0	592,061	762,904	654,516
Miscellaneous	<u>198,270</u>	<u>133,824</u>	<u>157,191</u>	<u>187,266</u>	<u>146,234</u>
Total Revenues	<u>6,718,648</u>	<u>6,768,333</u>	<u>7,619,569</u>	<u>8,023,891</u>	<u>7,943,584</u>
EXPENDITURES					
General Government Support	1,592,486	1,811,856	1,874,071	1,870,678	1,960,643
Public Safety	435,946	401,442	408,649	411,867	433,358
Health	1,420	1,315	4,591	2,800	3,065
Transportation	991,416	978,261	1,201,344	1,681,191	1,262,071
Economic Assistance and Opportunity	2,488	9,115	7,741	7,526	9,413
Culture & Recreation	384,648	441,766	772,102	591,255	592,025
Home & Community Services	362,145	387,799	319,345	328,877	638,915
Employee Benefits	1,996,909	1,982,654	2,105,674	2,341,010	2,378,213
Debt Service	<u>1,110,638</u>	<u>1,137,326</u>	<u>1,126,295</u>	<u>1,092,963</u>	<u>938,738</u>
Total Expenditures	<u>6,878,096</u>	<u>7,151,534</u>	<u>7,819,812</u>	<u>8,328,167</u>	<u>8,216,441</u>
Excess of Revenues over (under) Expenditures	(159,448)	(383,201)	(200,243)	(304,276)	(272,857)
Other Financing Sources (Uses):					
Proceeds from sale of equipment	0	0	0	0	0
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(159,448)	(383,201)	(200,243)	(304,276)	(272,857)
Fund Balance Beginning of Year	<u>3,258,035</u>	<u>3,098,587</u>	<u>2,715,386</u>	<u>2,515,143</u>	<u>2,210,867</u>
Other Changes in Fund Equity					
Fund Balance End of Year	<u>\$3,098,587</u>	<u>\$2,715,386</u>	<u>\$2,515,143</u>	<u>\$2,210,867</u>	<u>\$1,938,010</u>

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

Village of Massapequa Park
Comparison of Budget and Actual Results - General Fund
(Most Recently Available Completed Fiscal Year and Current Budget)

APPENDIX A-1

Year Ended May 31:	2025		2026
	Adopted Budget	Actual	Adopted Budget
REVENUES			
Real Property Taxes	\$4,562,433	\$4,567,065	\$4,665,603
Real Property Tax Items	171,000	188,705	193,000
Non-Property Tax Items	527,136	522,584	525,136
Departmental Income	190,250	182,619	190,250
Use of Money and Property	238,200	317,846	215,200
Licenses and Permits	484,500	651,067	541,500
Fines and Forfeitures	195,000	199,012	180,000
Sale of Property Compensation for Loss	7,250	26,548	6,700
State Sources	525,576	487,388	490,576
Federal Sources	0	654,516	0
Other	<u>122,000</u>	<u>146,234</u>	<u>137,000</u>
Total Revenues	<u>7,023,345</u>	<u>7,943,584</u>	<u>7,144,965</u>
Appropriated Fund Balance	<u>780,227</u>	<u>0</u>	<u>761,557</u>
Total Revenues and Appropriated Fund Balance	<u>7,803,572</u>	<u>7,943,584</u>	<u>7,906,522</u>
EXPENDITURES			
General Governmental Support	1,944,934	1,960,643	2,021,584
Public Safety	467,000	433,358	457,000
Health	3,000	3,065	3,000
Transportation	1,057,500	1,262,071	1,155,000
Economic Assistance and Opportunity	8,000	9,413	8,000
Culture & Recreation	550,750	592,025	546,500
Home & Community Service	265,900	638,915	263,200
Employee Benefits	2,567,750	2,378,213	2,520,000
Debt Service	<u>938,738</u>	<u>938,738</u>	<u>932,238</u>
Total Expenditures	<u>7,803,572</u>	<u>8,216,441</u>	<u>7,906,522</u>
Excess of Revenues Over (under) Expenditures	0	(272,857)	0
Other Financing Sources (Uses):			
Proceed sale of equipment	0	0	0
Bond of Obligations	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$0</u>	<u>(\$272,857)</u>	<u>\$0</u>

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

**Village of Massapequa Park
Balance Sheets - General Fund**

APPENDIX A-2

As of May 31:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$3,123,590	\$3,665,679	\$4,167,852	\$2,598,471	\$1,690,958
Tax Sale Certificates	13,102	17,571	6,487	4,805	1,455
Assessments Receivable	4,133	2,373	0	0	14,764
Accounts Receivable	0	7,389	6,196	57,187	20,618
Due from state and federal	0	0	0	48,441	46,320
Due from Other Governments	105,187	105,187	93,577	19,897	27,259
Leases Receivable	0	0	330,549	293,943	254,697
Due from Other Funds	<u>323,249</u>	<u>345,980</u>	<u>441,138</u>	<u>585,633</u>	<u>686,795</u>
TOTAL ASSETS	<u>\$3,569,261</u>	<u>\$4,144,179</u>	<u>\$5,045,799</u>	<u>\$3,608,377</u>	<u>\$2,742,866</u>
<u>LIABILITIES</u>					
Accounts Payable					
and Accrued Expenses	\$75,037	\$87,766	\$52,355	\$63,119	\$72,410
Bid Deposits	296,950	345,499	329,450	319,950	309,950
Due to Other Funds	0	0	0	0	0
Due to Other Governments	2,025	2,216	2,695	2,907	3,600
Due to employees retirement system	47,889	41,517	49,160	62,123	64,694
Overpayments	31,639	34,975	35,428	0	0
Collections in advance	13,102	896,697	1,710,065	658,766	66,380
Other Liabilities	<u>0</u>	<u>16,643</u>	<u>30,436</u>	<u>13,863</u>	<u>55,325</u>
Total Liabilities	<u>466,642</u>	<u>1,425,313</u>	<u>2,209,589</u>	<u>1,120,728</u>	<u>572,359</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Revenues (Inflows)	4,032	3,480	0	0	0
Deferred Leases (Inflows)	<u>0</u>	<u>0</u>	<u>321,067</u>	<u>276,782</u>	<u>232,497</u>
Total Deferred Inflows of Resources	<u>4,032</u>	<u>3,480</u>	<u>321,067</u>	<u>276,782</u>	<u>232,497</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>470,674</u>	<u>1,428,793</u>	<u>2,530,656</u>	<u>1,397,510</u>	<u>804,856</u>
<u>FUND BALANCES</u>					
Nonspendable	0	0	9,482	17,161	22,200
Assigned Appropriated	769,603	837,781	798,553	780,227	761,557
Assigned Unappropriated	0	0	0	0	0
Unreserved - Undesignated - Unassigned	<u>2,328,984</u>	<u>1,877,605</u>	<u>1,707,108</u>	<u>1,413,479</u>	<u>1,154,253</u>
TOTAL FUND BALANCES (DEFICIT)	<u>3,098,587</u>	<u>2,715,386</u>	<u>2,515,143</u>	<u>2,210,867</u>	<u>1,938,010</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$3,569,261</u>	<u>\$4,144,179</u>	<u>\$5,045,799</u>	<u>\$3,608,377</u>	<u>\$2,742,866</u>

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

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INCORPORATED VILLAGE OF
MASSAPEQUA PARK

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORT

May 31, 2025

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

**INCORPORATED VILLAGE OF
MASSAPEQUA PARK**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
May 31, 2025**

INCORPORATED VILLAGE OF MASSAPEQUA PARK
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Incorporated Village of Massapequa Park
Massapequa Park, New York

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As described in Note 2 to the financial statements, "Change in Accounting Principle," the Village has adopted the provisions of GASB Statement No. 101, *Compensated Absences*, as of May 31, 2025. Our opinion is not modified with respect to this new accounting principle.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, schedule of the Village's proportionate share of the net pension asset/(liability), schedule of Village pension contributions, and schedule of changes in the Villages total OPEB liability and related ratios on pages 3 through 14 and 42 through 48, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Cullen & Danowski, LLP

Port Jefferson Station, New York

March 13, 2026

**INCORPORATED VILLAGE OF MASSAPEQUA PARK
MANAGEMENT’S DISCUSSION AND ANALYSIS**

The Incorporated Village of Massapequa Park’s (“the Village”) discussion and analysis of the financial performance provides an overall review of the Village’s financial activities for the fiscal year ended May 31, 2025, in comparison with the year ended May 31, 2024, with emphasis on the current year. This should be read in conjunction with the financial statements, notes to financial statements, and required supplementary information, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2025, are as follows:

- The Village’s total net position was a deficit of \$3,169,174 in the government-wide financial statements at May 31, 2025, compared to a deficit of \$2,701,157 at May 31, 2024. The deficit increased by \$358,624 over the prior year, due to an excess of expenses over revenues using the economic resources measurement focus and the accrual basis of accounting.
- For the fiscal year ended May 31, 2025, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The implementation of this statement resulted in an increase in compensated absences and a decrease in total net position of \$109,393 at June 1, 2024.
- The Village’s expenses for the year, as reflected in the government-wide financial statements, totaled \$9,098,126. Of this amount, \$2,569,533 was offset by program charges for services, operating grants, and capital grants. General revenues of \$6,169,969 amount to 70.60% of total revenues.
- The general fund’s total fund balance, as reflected in the fund financial statements, decreased by \$272,857. This was due to an excess of expenditures over revenues using the current financial resources measurement focus and the modified accrual basis of accounting. The resulting fund balance at May 31, 2025 was \$1,938,010.
- The Village’s 2025 property tax levy of \$4,534,933 was a \$136,451 increase over the prior year and was below the Village’s property tax cap of \$4,566,959.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – Management’s Discussion and Analysis (MD&A), the financial statements, and required supplementary information (RSI). The financial statements consist of government-wide financial statements, fund financial statements, and notes to financial statements. A graphic display of the relationship of these statements follows:



INCORPORATED VILLAGE OF MASSAPEQUA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A. Government-Wide Financial Statements

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

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

The Statement of Net Position

The Statement of Net Position presents information on all of the Village's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. To assess the overall health of the Village, one needs to consider additional nonfinancial factors such as changes in the Village's property tax base and the condition of the Village's infrastructure, equipment, buildings and other capital assets.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Revenues are recognized in the period when they are earned and expenses are recognized in the period when the liability is incurred. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods.

B. Fund Financial Statements

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

Governmental Funds

These statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period when they become measurable and available. It recognizes expenditures in the period when the Village incurs the liability, except for certain expenditures such as debt service on general long-term indebtedness, compensated absences, pension costs, and other postemployment benefits (OPEB), which are recognized as expenditures to the extent the related liabilities mature each period.

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

INCORPORATED VILLAGE OF MASSAPEQUA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

The Village maintains four governmental funds: general fund, community development, capital projects fund, and parks and conservation fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

The Village adopts an annual budget for the general fund. A budgetary comparison statement has been provided for the general fund within the RSI to demonstrate compliance with the budget.

3. FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

A. Net Position

The Village's total net position (deficit) increased by \$358,624 between fiscal year 2024 and 2025. The deficit increase is due to expenses in excess of revenues using the economic resources measurement focus and the accrual basis of accounting. A summary of the Village's Statements of Net Position follows:

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Assets				
Current and Other Assets	\$ 4,091,335	\$ 5,944,725	\$ (1,853,390)	(31.18)%
Capital Assets, Net	<u>16,799,338</u>	<u>16,194,434</u>	<u>604,904</u>	3.74 %
Total Assets	<u>20,890,673</u>	<u>22,139,159</u>	<u>(1,248,486)</u>	(5.64)%
Deferred Outflows of Resources	<u>544,482</u>	<u>853,019</u>	<u>(308,537)</u>	(36.17)%
Liabilities				
Current and Other Liabilities	613,942	1,169,241	(555,299)	(47.49)%
Long-term Liabilities	6,453,325	7,158,817	(705,492)	(9.85)%
Total OPEB Liability	16,199,710	15,581,490	618,220	3.97 %
Net Pension Liability - Proportionate Share	<u>980,801</u>	<u>966,498</u>	<u>14,303</u>	1.48 %
Total Liabilities	<u>\$ 24,247,778</u>	<u>\$ 24,876,046</u>	<u>\$ (628,268)</u>	(2.53)%

INCORPORATED VILLAGE OF MASSAPEQUA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Deferred Inflows of Resources	\$ 356,551	\$ 817,289	\$ (460,738)	(56.37)%
Net Position (Deficit)				
Net Investment in Capital Assets	12,229,493	11,817,468	412,025	3.49 %
Restricted	3,314	3,314	-	0.00 %
Unrestricted (Deficit)	<u>(15,401,981)</u>	<u>(14,521,939)</u>	<u>(880,042)</u>	<u>(6.06)%</u>
Total Net Position (Deficit)	<u>\$ (3,169,174)</u>	<u>\$ (2,701,157)</u>	(468,017)	(17.33)%
			<u>109,393</u>	
			<u>\$ (358,624)</u>	

The decrease in current and other assets is mainly attributable to the decrease in cash.

The increase in capital assets, net is due to capital assets additions in excess of depreciation expense. The "Capital Assets" Note provides additional information.

Deferred outflows of resources represents contributions to the pension plan subsequent to the measurement date and actuarial adjustments of the pension plan that will be amortized in future years.

The decrease in current and other liabilities is primarily due to a decrease in collections in advance due to the spending of American Rescue Plan Act (ARPA) funding.

The decrease in long-term liabilities is mainly due to the repayment of the current maturity of the bond indebtedness. In addition, the long-term liabilities reflect a \$109,393 increase in the compensated absences liability as of June 1, 2024, as a result of the implementation of GASB Statement No. 101, *Compensated Absences*.

Total OPEB liability increased, based on the actuarial valuation of the plan. The "Postemployment Healthcare Benefits" Note provides additional information.

Net pension liability – proportionate share represents the Village's share of the New York State and Local Employees' Retirement System's (ERS) collective net pension liability, at the measurement date of the respective year. The increase in the net pension liability is primarily due to the net change in the market value of the ERS' pension plan assets being in excess of the net change in the plan's total pension liability at the current year measurement date. The "Pension Plans – New York State" Note provides additional information.

Deferred inflows of resources represents actuarial adjustments of the pension plan that will be amortized in future years. As well as the amount of long-term leases receivable that will be amortized and recognized as lease revenues over the term of the lease.

The net investment in capital assets is the investment in capital assets at cost, net of accumulated depreciation and related outstanding debt.

The restricted net position relates to the private purpose trust recorded in the parks and conservation fund.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The unrestricted deficit amount relates to the balance of the Village's net position. Additionally, certain unfunded liabilities will have the effect of reducing the Village's unrestricted net position. One such unfunded liability is the total OPEB obligation. In accordance with state guidelines, the Village is only permitted to fund OPEB on a "pay as you go" basis, and is not permitted to accumulate funds for the OPEB liability. The unrestricted (deficit) amount also reflects an increase of \$109,393 as of June 1, 2024, as a result of the change in the compensated absences liability due to the implementation of GASB Statement No. 101.

B. Changes in Net Position

The results of this year's operations, as a whole, are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. A summary of this statement for the years ended May 31, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Program Revenues				
Charges for Services	\$ 1,094,799	\$ 1,064,156	\$ 30,643	2.88 %
Operating Grants	87,300	13,505	73,795	546.43 %
Capital Grants	1,387,434	1,514,703	(127,269)	(8.40)%
General Revenues				
Real Property Taxes/PILOT/ Special Assessments	4,567,065	4,417,933	149,132	3.38 %
State Sources	487,388	473,245	14,143	2.99 %
Other	1,115,516	1,292,148	(176,632)	(13.67)%
Total Revenues	<u>8,739,502</u>	<u>8,775,690</u>	<u>(36,188)</u>	<u>(0.41)%</u>
Expenses				
General Government Support	3,153,117	2,896,197	256,920	8.87 %
Public Safety	757,995	706,260	51,735	7.33 %
Health	3,065	2,800	265	9.46 %
Transportation	3,473,839	3,511,155	(37,316)	(1.06)%
Economic Opportunity and Developer	9,413	7,526	1,887	25.07 %
Culture and Recreation	965,218	855,543	109,675	12.82 %
Home and Community Services	598,671	495,795	102,876	20.75 %
Debt Service, Interest	136,808	156,301	(19,493)	(12.47)%
Total Expenses	<u>9,098,126</u>	<u>8,631,577</u>	<u>466,549</u>	<u>5.41 %</u>
Change in Net Position	(358,624)	<u>\$ 144,113</u>	<u>\$ (502,737)</u>	(348.85)%
Net Position (Deficit) - Beginning of Year, as Previously Stated	(2,701,157)			
Change in Accounting Principle	<u>(109,393)</u>			
Net Position (Deficit) - Beginning of Year, as Restated	<u>(2,810,550)</u>			
Net Position (Deficit) - End of Year	<u>\$ (3,169,174)</u>			

The Village's net position decreased by \$358,624 and increased by \$144,113 for the years ended May 31, 2025 and May 31, 2024, respectively.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
MANAGEMENT’S DISCUSSION AND ANALYSIS
(Continued)

The Village’s revenues decreased when compared to the prior year, primarily due to the following changes:

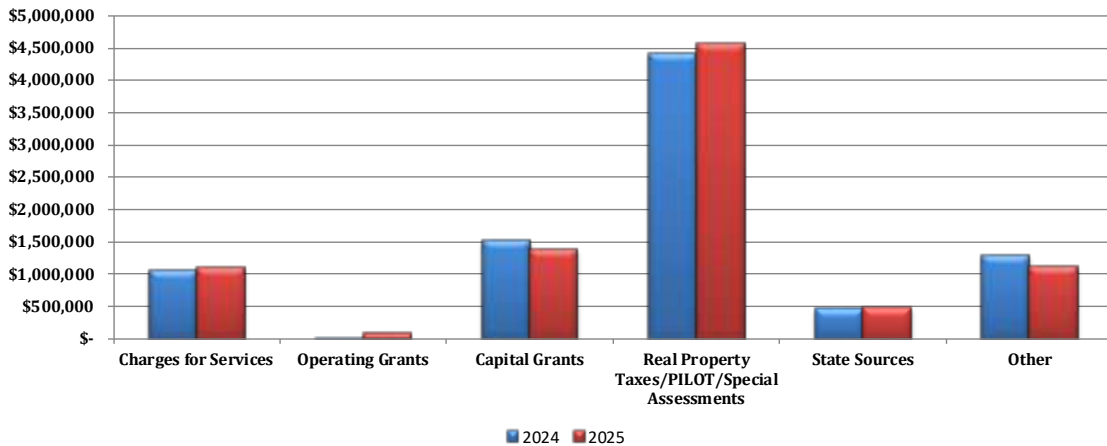
- Capital grants decreased due to spending of the remaining ARPA grant money, which was less than the prior year.
- Other revenues, specifically use of money and property, decreased due to lower cash balances and lower interest rates.
- Property taxes increased to fund additional appropriations in the approved 2024-2025 budget.

The Village’s expenses for the year increased when compared to the prior year, primarily due to the following changes:

- General government support, culture and recreation, and home and community increased based on the impact of allocations of the net change in actuarially determined expenses for ERS and OPEB costs.

As indicated in the graphs that follow, real property taxes/PILOT/special assessments is the largest component of revenues recognized (i.e., 52.3% and 50.3% of the total for the years 2025 and 2024, respectively). Transportation is the largest category of expenses incurred (i.e., 38.2% and 40.7% of the total for the years 2025 and 2024, respectively). General government support accounted for 34.7% and 33.6% of the total for the years 2025 and 2024, respectively.

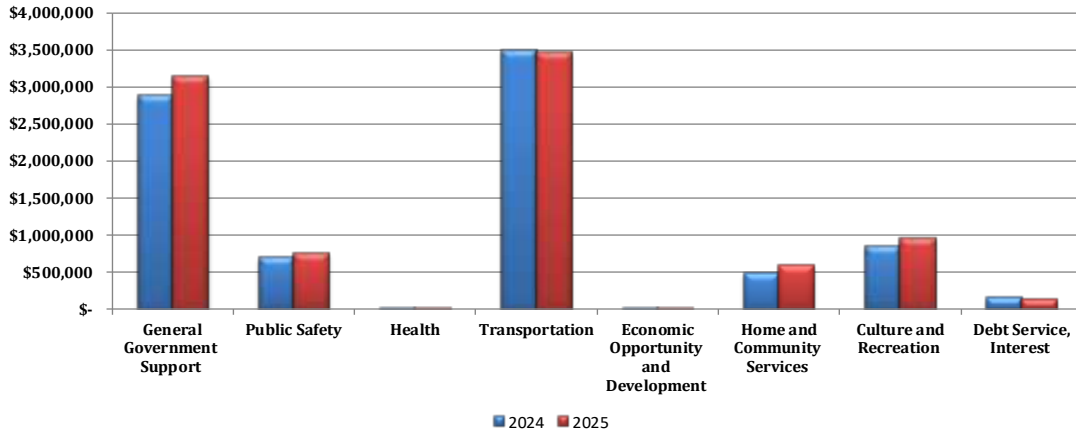
A graphic display of the distribution of revenues for the two years follows:



	Charges for Services	Operating Grants	Capital Grants	Real Property Taxes/PILOT/Special Assessments	State Sources	Other
2024	12.1%	0.2%	17.3%	50.3%	5.4%	14.7%
2025	12.5%	1.0%	15.9%	52.3%	5.6%	12.7%

**INCORPORATED VILLAGE OF MASSAPEQUA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

A graphic display of the distribution of expenses for the two years follows:



	General Government Support	Public Safety	Health	Transportation	Economic Opportunity and Development	Home and Community Services	Culture and Recreation	Debt Service, Interest
2024	33.6%	8.2%	0.0%	40.7%	0.1%	5.7%	9.9%	1.8%
2025	34.7%	8.3%	0.0%	38.2%	0.1%	6.6%	10.6%	1.5%

4. FINANCIAL ANALYSIS OF THE VILLAGE'S FUND BALANCE

At May 31, 2025, the Village's governmental funds reported a combined fund balance of \$3,286,479, which is a decrease of \$1,260,736 from the prior year. This decrease is due to an excess of expenditures over revenues using the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund, is as follows:

	2025	2024	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable: Long-term loans and receivables	\$ 22,200	\$ 17,161	\$ 5,039	29.36 %
Assigned: Appropriated fund balance	761,557	780,227	(18,670)	(2.39)%
Unassigned fund balance	1,154,253	1,413,479	(259,226)	(18.34)%
	<u>1,938,010</u>	<u>2,210,867</u>	<u>(272,857)</u>	<u>(12.34)%</u>
Capital Projects Fund				
Restricted: Unspent bond proceeds	1,345,155	2,333,034	(987,879)	(42.34)%
Parks & Conservation				
Restricted for parks & conservation	<u>3,314</u>	<u>3,314</u>	<u>-</u>	<u>0.00 %</u>
Total Fund Balance	<u>\$ 3,286,479</u>	<u>\$ 4,547,215</u>	<u>\$ (1,260,736)</u>	<u>(27.73)%</u>

A. General Fund

The net change in the general fund – fund balance is a decrease of \$272,857, as compared to a decrease of \$304,276 in 2024. This resulted from expenditures in excess of revenues.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The following is a summary of the major changes that resulted in revenues decreasing from the prior year:

	2025	2024	Increase (Decrease)	Percentage Change
Real Property Taxes	\$ 4,567,065	\$ 4,417,933	\$ 149,132	3.38 %
Other Tax Items	188,705	170,430	18,275	10.72 %
Nonproperty Taxes	522,584	527,270	(4,686)	(0.89)%
Other Local Revenue	1,523,326	1,672,109	(148,783)	(8.90)%
State Sources	487,388	473,245	14,143	2.99 %
Federal Sources	654,516	762,904	(108,388)	(14.21)%
	<u>\$ 7,943,584</u>	<u>\$ 8,023,891</u>	<u>\$ (80,307)</u>	(1.00)%

- Other local revenue decreased due to lower interest rates and earnings.
- Federal sources decreased due to the remaining ARPA funds expended in the current year being less than the prior year.

The following is a summary of the major changes that resulted in expenditures decreasing from the prior year:

	2025	2024	Increase (Decrease)	Percentage Change
General Support	\$ 1,960,643	\$ 1,870,678	\$ 89,965	4.81 %
Public Safety	433,358	411,867	21,491	5.22 %
Health	3,065	2,800	265	9.46 %
Transportation	1,262,071	1,681,191	(419,120)	(24.93)%
Economic Opportunity and Development	9,413	7,526	1,887	25.07 %
Culture and Recreation	592,025	591,255	770	0.13 %
Home and Community Services	638,915	328,877	310,038	94.27 %
Employee Benefits	2,378,213	2,341,010	37,203	1.59 %
Debt Service	938,738	1,092,963	(154,225)	(14.11)%
	<u>\$ 8,216,441</u>	<u>\$ 8,328,167</u>	<u>\$ (111,726)</u>	(1.34)%

- Transportation decreased due to fewer lighting and road projects in the current year.
- Debt service decreased due to lower bond principal payments required, as the Village continued to pay down its outstanding debt.
- Home and community services increased due to the purchase of a street sweeper.

B. Capital Projects Fund

The net change in the capital projects fund – fund balance is a decrease from the prior year, which is primarily attributable to the spending of bond proceeds.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

C. Parks and Conservation

The restricted amount for parks and conservation remained the same as the prior year.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2024-2025 Budget

The Village's original general fund budget for the year ended May 31, 2025 was \$7,803,572. This amount was increased by budget revisions in the amount of \$654,516, for a total final budget of \$8,458,088.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$4,562,433 in estimated property taxes.

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The general fund's unassigned fund balance is the component of total fund balance that is the residual of current and prior years' excess revenues over expenditures, appropriations to fund the subsequent year's budget, and amounts classified as nonspendable. The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget, follows:

Opening, Unassigned Fund Balance	\$ 1,413,479
Revenues Over Budget	265,723
Expenditures Under Budget	241,647
Net Change in Nonspendable Fund Balance	(5,039)
Appropriated for the 2026 Budget	<u>(761,557)</u>
Closing, Unassigned Fund Balance	<u>\$ 1,154,253</u>

Opening, Unassigned Fund Balance

The \$1,413,479 shown in the table is the portion of the Village's May 31, 2024 fund balance that was retained as unassigned fund balance.

Revenues Over Budget

The 2024-2025 final budget for revenues was \$7,677,861. Actual revenues recognized for the year were \$7,943,584. The excess of actual revenues over estimated or budgeted revenues was \$265,723, which contributes directly to the change to the unassigned portion of the General fund - fund balance from May 31, 2024 to May 31, 2025. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund, provides additional information.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Expenditures Under Budget

The 2024-2025 final budget for expenditures was \$8,458,088. Actual expenditures as of May 31, 2025, were \$8,216,441. The final budget variance was \$241,647, which contributes directly to the change to the unassigned portion of the General fund - fund balance from May 31, 2024 to May 31, 2025. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Net Change in Nonspendable Fund Balance

Nonspendable fund balance consists of lease receivable. The resulting balance sheet asset cannot be spent because it is not in spendable form, meaning it will not be converted to cash. Accordingly, an equal amount of fund balance is classified as nonspendable. The increase in nonspendable fund balance reduces unassigned fund balance.

Appropriated Fund Balance

The Village has chosen to use \$761,557 of the available May 31, 2025 fund balance to partially fund the 2025 - 2026 approved operating budget. As such, the unassigned portion of the May 31, 2025 fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary of changes shown in the previous table, the Village will begin the 2025-2026 fiscal year with an unassigned fund balance of \$1,154,253. This is a decrease of \$259,226 from the unassigned balance as of May 31, 2024.

6. CAPITAL ASSETS, DEBT ADMINISTRATION, AND OTHER LONG-TERM LIABILITIES

A. Capital Assets

At May 31, 2025, the Village had invested in a broad range of capital assets, as indicated in the table below. The net increase in capital assets is due to capital additions of \$2,216,136 in excess of depreciation expense of \$1,611,232 recorded for the year ended May 31, 2025. A summary of the Village's capital assets, net of accumulated depreciation at May 31, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Land	\$ 333,758	\$ 333,758	\$ -
Buildings	327,324	351,965	(24,641)
Building improvements	1,885,706	1,921,918	(36,212)
Machinery and equipment	1,517,415	1,230,384	287,031
Infrastructure	<u>12,735,135</u>	<u>12,356,409</u>	<u>378,726</u>
Capital assets, net	<u>\$ 16,799,338</u>	<u>\$ 16,194,434</u>	<u>\$ 604,904</u>

INCORPORATED VILLAGE OF MASSAPEQUA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Debt Administration

At May 31, 2025, the Village had total bonds payable of \$5,915,000. The decrease in outstanding debt represents principal payments made throughout the year. A summary of the outstanding debt at May 31, 2025 and 2024, is as follows:

Issue Date	Interest Rate	2025	2024	Increase (Decrease)
10/1/2013	2.00 - 3.37%	\$ 1,130,000	\$ 1,420,000	\$ (290,000)
12/1/2017	2.00 - 2.70%	2,200,000	2,475,000	(275,000)
4/29/2021	1.00 - 2.00%	2,585,000	2,815,000	(230,000)
		<u>\$ 5,915,000</u>	<u>\$ 6,710,000</u>	<u>\$ (795,000)</u>

The Village's latest underlying, long-term credit rating from Moody's Investors Service, Inc. is Aa2.

C. Other Long-Term Liabilities

Included in the Village's long-term liabilities are estimated amounts due for compensated absences, which is based on collective bargaining agreements and individual employment contracts, and total OPEB liability and net pension liability – proportionate share, which are based on actuarial valuations. The compensated absences liability, at May 31, 2025, includes the effect of the implementation of GASB Statement No. 101. A summary of the outstanding other long-term liabilities at May 31, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)
Compensated absences payable	\$ 538,325	\$ 448,817	\$ 89,508
Total OPEB liability	16,199,710	15,581,490	618,220
Net pension liability - proportionate share	980,801	966,498	14,303
	<u>\$ 17,718,836</u>	<u>\$ 16,996,805</u>	<u>\$ 722,031</u>

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The Board of Trustees ("the Board") approved a \$7,906,522 general fund budget for the year ending May 31, 2026. This is an increase of \$102,950 or 1.32% over the previous year's budget.

The Village budgeted non-property tax revenues at a \$9,050 decrease from the prior year's estimate. The assigned, appropriated fund balance applied to the budget in the amount of \$761,557 is a decrease of \$18,670 from the previous year. There was a property tax increase of \$130,670 (2.88%), levy to levy.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Future Budgets

Factors to consider that could influence future budgets:

- Uncertainty with state aid complicates long-range planning.
- Rise in employee cost centers of employee salaries and health benefits, as well as contributions to pension programs.
- Changing circumstances of unforeseen events and risks including natural disasters and global pandemics.
- Impact of external factors such as market trends, economic conditions, and regulatory changes.
- The combination of high inflation and high-interest rates can impact all lines of the budget.
- Social and demographic changes with population, age distribution, and personal income can have significant and lasting effects.
- Legal and intergovernmental factors constraining tax increases, forbidding particular revenue sources, and mandating some services.

C. Tax Cap

New York State law limits the increase in the property tax levy of municipalities to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. Municipalities may override the tax levy limit by first passing a local law that allows for the tax levy limit to be exceeded. A subsequent vote to override the tax levy limit requires a 60% vote of the total voting power of the governing body to pass (i.e., super majority). Based on the law, the Village's tax levy cap was 2.95%. The Village's 2025-2026 property tax increase of 2.88% was less than the tax cap and did not require an override vote.

8. CONTACTING THE VILLAGE

This financial report is designed to provide the reader with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. Requests for additional information can be directed to:

Mayor Daniel M. Pearl
Incorporated Village of Massapequa Park
151 Front Street
Massapequa Park, New York 11762

INCORPORATED VILLAGE OF MASSAPEQUA PARK
Statement of Net Position
May 31, 2025

ASSETS

Cash and Cash Equivalents	
Unrestricted	\$ 2,377,753
Restricted	1,348,469
Receivables	
Accounts receivable	20,618
Taxes receivable	14,764
Tax sale certificates	1,455
Due from state and federal	46,320
Due from other governments	27,259
Lease receivable	254,697
Capital assets:	
Not being depreciated	333,758
Being depreciated, net of accumulated depreciation	<u>16,465,580</u>
Total Assets	<u>20,890,673</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	<u>544,482</u>
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LIABILITIES

Payables	
Accounts payable	63,743
Accrued liabilities	50,250
Guaranty & bid deposits	309,950
Due to other governments	3,600
Due to employees' retirement system	64,694
Other liabilities	55,325
Unearned Credits	
Collections in advance	66,380
Long-term liabilities	
Due and payable within one year	
Bonds payable	805,000
Compensated absences payable	4,500
Total other postemployment benefits liability	63,928
Due and payable after one year	
Bonds payable	5,110,000
Compensated absences payable	533,825
Total other postemployment benefits liability	16,135,782
Net pension liability - proportionate share	<u>980,801</u>
Total Liabilities	<u>24,247,778</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Leases	232,497
Pension	<u>124,054</u>
Total Deferred Inflows of Resources	<u>356,551</u>

NET POSITION (DEFICIT)

Net investment in capital assets	12,229,493
Restricted: Parks & conservation	3,314
Unrestricted (Deficit)	<u>(15,401,981)</u>
Total Net Position (Deficit)	<u>\$ (3,169,174)</u>

INCORPORATED VILLAGE OF MASSAPEQUA PARK

Statement of Activities

For the Year Ended May 31, 2025

	Expenses	Charges for Services	Program Revenues Operating Grants	Capital Grants	Net (Expense) Revenue and Changes in Net Assets
FUNCTIONS/PROGRAMS					
General government support	\$ 3,153,117	\$ 752,128	\$ 23,000	\$	\$ (2,377,989)
Public safety	757,995	199,012			(558,983)
Health	3,065				(3,065)
Transportation	3,473,839	143,659		732,918	(2,597,262)
Economic opportunity and development	9,413				(9,413)
Culture and recreation	965,218		1,300	654,516	(309,402)
Home and community services	598,671		63,000		(535,671)
Debt service, interest	136,808				(136,808)
	<u>\$ 9,098,126</u>	<u>\$ 1,094,799</u>	<u>\$ 87,300</u>	<u>\$ 1,387,434</u>	<u>(6,528,593)</u>
GENERAL REVENUES					
Real property taxes					4,567,065
Other tax items					188,705
Non-property tax items					522,584
Use of money and property					255,745
Sale of property and compensation for loss					26,548
Miscellaneous					121,934
State sources					<u>487,388</u>
Total General Revenues					<u>6,169,969</u>
Change in Net Position (Deficit)					<u>(358,624)</u>
Total Net Position (Deficit) - Beginning of Year, as Previously Reported					(2,701,157)
Change in Accounting Principle					<u>(109,393)</u>
Total Net Position (Deficit) - Beginning of Year, as Restated					<u>(2,810,550)</u>
Total Net Position (Deficit) - End of Year					<u>\$ (3,169,174)</u>

INCORPORATED VILLAGE OF MASSAPEQUA PARK
Balance Sheet - Governmental Funds
May 31, 2025

	General	Community Development	Capital Projects	Parks & Conservation	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents					
Unrestricted	\$ 1,690,958	\$	\$ 686,795	\$	\$ 2,377,753
Restricted			1,345,155	3,314	1,348,469
Receivables					
Accounts receivable	20,618				20,618
Taxes receivable	14,764				14,764
Tax sale certificates	1,455				1,455
Due from other funds	686,795				686,795
Due from state and federal	46,320				46,320
Due from other governments	27,259				27,259
Leases receivable	254,697				254,697
	<u>\$ 2,742,866</u>	<u>\$ -</u>	<u>\$ 2,031,950</u>	<u>\$ 3,314</u>	<u>\$ 4,778,130</u>
LIABILITIES					
Payables					
Accounts payable	\$ 63,743	\$	\$	\$	\$ 63,743
Accrued liabilities	8,667				8,667
Guaranty & bid deposits	309,950				309,950
Due to other funds			686,795		686,795
Due to other governments	3,600				3,600
Due to employees' retirement system	64,694				64,694
Other liabilities	55,325				55,325
Unearned Credits					
Collections in advance	66,380				66,380
	<u>572,359</u>	<u>-</u>	<u>686,795</u>	<u>-</u>	<u>1,259,154</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred leases	232,497				232,497
FUND BALANCES					
Nonspendable: Long-term receivables	22,200				22,200
Restricted:					
Unspent bond proceeds			1,345,155		1,345,155
Parks & conservation				3,314	3,314
Assigned:					
Appropriated fund balance	761,557				761,557
Unassigned: Fund balance	1,154,253				1,154,253
	<u>1,938,010</u>	<u>-</u>	<u>1,345,155</u>	<u>3,314</u>	<u>3,286,479</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,742,866</u>	<u>\$ -</u>	<u>\$ 2,031,950</u>	<u>\$ 3,314</u>	<u>\$ 4,778,130</u>

INCORPORATED VILLAGE OF MASSAPEQUA PARK
Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Position
May 31, 2025

Total Governmental Fund Balances \$ 3,286,479

Amounts reported for governmental activities in the Statement of Net Position are different because:

The costs of building and acquiring capital assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the Village as a whole, and their original costs are expensed annually over their useful lives.

Original cost or present value of capital assets	\$ 39,567,137	
Less: Accumulated depreciation	<u>(22,767,799)</u>	16,799,338

Proportionate share of long-term liability, as well as deferred outflows and inflows associated with participation in the state retirement system are not current financial resources or liabilities and are not reported in the funds.

Deferred outflows of resources	544,482	
Net pension liability - employees' retirement system	(980,801)	
Deferred inflows of resources	<u>(124,054)</u>	(560,373)

Total other postemployment benefits liability related to providing benefits in retirement is not a current financial resource or liability and is not reported in the funds.

Total other postemployment benefits liability		(16,199,710)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Accrued interest on bonds payable	(41,583)	
Bonds payable	(5,915,000)	
Compensated absences payable	<u>(538,325)</u>	(6,494,908)

Total Net Position (Deficit)		<u>\$ (3,169,174)</u>
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INCORPORATED VILLAGE OF MASSAPEQUA PARK
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Year Ended May 31, 2025

	General	Community Development	Capital Projects	Parks & Conservation	Total Governmental Funds
REVENUES					
Real property taxes	\$ 4,567,065	\$	\$	\$	\$ 4,567,065
Other tax items	188,705				188,705
Non-property tax items	522,584				522,584
Departmental income	182,619				182,619
Use of money and property	317,846				317,846
Licenses and permits	651,067				651,067
Fines and forfeitures	199,012				199,012
Sale of property and compensation for loss	26,548				26,548
Miscellaneous	146,234				146,234
State sources	487,388		732,918		1,220,306
Federal sources	654,516	63,000			717,516
Total Revenues	7,943,584	63,000	732,918	-	8,739,502
EXPENDITURES					
General government support	1,960,643				1,960,643
Public safety	433,358				433,358
Health	3,065				3,065
Transportation	1,262,071		1,720,797		2,982,868
Economic opportunity and development	9,413				9,413
Culture and recreation	592,025				592,025
Home and community services	638,915	63,000			701,915
Employee benefits	2,378,213				2,378,213
Debt service, principal	795,000				795,000
Debt service, interest	143,738				143,738
Total Expenditures	8,216,441	63,000	1,720,797	-	10,000,238
Net Change in Fund Balance	(272,857)	-	(987,879)	-	(1,260,736)
Fund Balances - Beginning of Year	2,210,867		2,333,034	3,314	4,547,215
Fund Balances - End of Year	<u>\$ 1,938,010</u>	<u>\$ -</u>	<u>\$ 1,345,155</u>	<u>\$ 3,314</u>	<u>\$ 3,286,479</u>

INCORPORATED VILLAGE OF MASSAPEQUA PARK
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Government-wide Statement of Activities
For the Year Ended May 31, 2025

Net Change in Fund Balance \$ (1,260,736)

Amounts reported for governmental activities in the Statement of Activities are different because:

Long-Term Revenue and Expense Differences

Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the Statement of Activities.

Increase in compensated absences payable 19,885

Capital Related Differences

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlays and other additions exceeded depreciation expense in the period.

Capital outlays and other additions	\$ 2,216,136	
Depreciation expense	<u>(1,611,232)</u>	
		604,904

Long-Term Debt Transactions Differences

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Bond payable 795,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Accrued interest from May 31, 2024 to May 31, 2025 decreased by	<u>6,930</u>	
		801,930

Pension and Other Postemployment Benefits Differences

The change in the proportionate share of the collective pension expense of the state retirement plan and the change in other postemployment benefits expense reported in the Statement of Activities did not affect current financial resources and, therefore, are not reported in the governmental funds.

Employees' retirement system	93,613	
Other postemployment benefits	<u>(618,220)</u>	
		<u>(524,607)</u>

Change in Net Position of Governmental Activities \$ (358,624)

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

The following basic services are provided: Roads and highway, snow removal, recreation, public safety, Village Justice Court, building and zoning and other general services.

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

B. Basis of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

The fund financial statements provide information about the Village’s funds. The Village’s financial statements present the following fund types:

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

Governmental Funds - are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The following are the Village's major governmental funds:

General Fund - is the principal operating fund of the Village and is used to account for all financial transactions except those required to be accounted for in another fund.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources such as federal and state grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed by either governments that provide the funds or outside parties. The Village has the following special revenue funds:

Community Development Agency Fund - is used to account for transactions of the blended component unit.

Capital Projects Fund - is used to account for and report financial resources to be used for the acquisition, construction, renovation or major repair of capital facilities and other capital assets.

Parks and Conservation Fund - is used to account for the private purpose trust activity.

C. Measurement Focus and Basis of Accounting

Measurement focus describes what type of information is reported, and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities, and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on assets, liabilities, and deferred resources that are relevant to near-term liquidity, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the Village would not expect to liquidate currently with expendable available financial resources (e.g., compensated absences for employees still in active service) would not be reported.

Basis of accounting describes when changes are recognized, and is either the accrual basis of accounting or the modified accrual basis of accounting. The accrual basis of accounting recognizes changes in net position when the underlying event occurs, regardless of the timing of related cash flows. The modified accrual basis of accounting recognizes changes only at the point they affect near-term liquidity.

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

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, pension costs, compensated absences, and OPEB, which are recognized as expenditures to the extent they have matured. Capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

D. Real Property Taxes

Real property taxes are levied no later than May 15th and become a lien on June 1st. 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 1st, and an additional 1% is assessed each month on taxes paid after July. Unpaid Village taxes can be collected through tax sales.

E. Payments in Lieu of Taxes (PILOT)

The Village reports PILOT revenues in the general fund as part of other tax items revenues. These PILOT revenues are often the result of tax abatements granted by industrial development agencies of the Town and/or the County to help promote local economic development. Property owners make PILOT payments to the government agencies, which in turn remit the collected payments to the Village.

The Village's PILOT revenues include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-16 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and, instead, allowed LIPA to make payments in lieu of taxes in response to the New York State Public Authorities Law §1020-q ("the LIPA Reform Act") enacted by the state in 2013. These LIPA payments are not the result of tax abatement agreements as defined by GASB under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments.

F. Restricted Resources

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

G. Interfund Transactions

The operations of the Village include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Village typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include transfers to provide financing or other services. This includes the transfer of unrestricted general fund revenues to finance various programs that the Village must account for in other funds in accordance with budgetary authorizations.

In the government-wide statements, eliminations have been made for all interfund receivables and payables among the funds.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

A detailed disclosure by individual fund for interfund receivables and payables is provided subsequently in these Notes to Financial Statements.

H. Use of Estimates

The preparation of financial statements in conformity with 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, and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including revenue availability, compensated absences, pension costs, OPEB, potential contingent liabilities, and useful lives of capital assets.

I. Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand, bank deposits, and investments with an original maturity date of 90 days or less from date of acquisition.

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

J. Receivables

Receivables are recorded when the transaction takes place, and the respective revenues are recognized as earned in the government-wide financial statements, and when available in the fund financial statements.

Receivables are shown net of an allowance for uncollectibles, if any. However, no allowance for uncollectibles has been provided since it is believed that such allowance would not be material.

K. Due From Other Governments

Due from other governments is comprised of mortgage tax revenue. Amounts are anticipated to be collected in full by the Village.

L. Lease Receivable

The Village leases space for a wireless communication tower to a third party. A lease receivable is measured and recorded at the present value of lease payments expected to be received by the Village during the lease term using an implicit discount rate, net of any provision for estimated uncollectible amounts. As lease payments are received from the lessee, they are first allocated to the amortization of the discount on the lease receivable and recognized as interest revenue, and then to lease receivable.

A portion of fund balance, equal to the difference between the lease receivable and deferred inflows of resources for deferred lease, has been classified as nonspendable to indicate that a portion of revenue recognized from the lease does not constitute available spendable resources.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

M. Capital Assets

The government-wide financial statements report capital assets, that are reported at actual cost, when the information is available, or at estimated historical cost based on professional third-party information. Capital assets are reported at actual cost, when the information is available, or at estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation.

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives, as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings	\$ 500	50 years
Building improvements	500	50 years
Machinery and equipment	500	5 years
Infrastructure	500	20 years

N. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net assets that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The balance is related to pensions and consists of the Village’s proportionate share of changes in the collective net pension liability not included in collective pension expense, and the Village’s contributions to the pension system (ERS) subsequent to the measurement date.

O. Collections in Advance

Collections in advance arise when resources are received by the Village before it has a legal claim to them, as when charges for services monies are received in advance from payers prior to the services being rendered by the Village. These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues are recognized in subsequent periods when the Village has legal claim to the resources.

P. Employee Benefits – Compensated Absences

Employees may accrue up to 10 days of unused vacation and sick leave up to a maximum of 120 days. Any sick leave in excess of 120 days is paid out at the end of each calendar year, at the salary rate in effect at the time. Upon separation, sick time is paid out at a contractually determined percentage based on employment years, at the prevailing daily rate of pay, up to 120 days maximum.

In the government-wide financial statements, the Village recognizes a liability for compensated absences, including sick leave, when employees have earned the right to the leave and it is more likely that not that the leave will be used for time off or otherwise paid in cash, or settled through other means. The Village utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability is measured at the employee’s pay rate at the reporting date, including salary-related payments, such as social security and Medicare taxes.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

Q. Other Benefits

Eligible Village employees participate in the ERS.

In addition to providing these benefits, the Village provides individual, family, or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if Village employees are eligible for these benefits if they reach normal retirement age while working for the Village. Healthcare benefits and survivors' benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Village recognizes the cost of providing postemployment health insurance by recording its share of insurance premiums as an expenditure in the year paid. In the government-wide statements, the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting as set forth by GASB.

R. Long-Term Debt

The Village borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The repayment of principal and interest will be in the general fund.

S. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue/expense credit) until that time. The Village has two items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide Statement of Net Position and consists of the Village's proportionate share of changes in the collective net pension liability not included in collective pension expense. The second item is related to the long-term leases receivable for properties that the Village leases to third parties.

T. Equity Classifications

Government-Wide Statements

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

Net investment in capital assets – Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction, and improvements of those assets, net of any unexpended proceeds.

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

Unrestricted – Reports the balance of net position that does not meet the definition of the above two classifications.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Statements

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

Nonspendable – Consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Nonspendable fund balance consists of long-term receivables, which is recorded in the general fund.

Restricted – Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. The Village has established the following restricted fund balances:

Restricted – Unspent Bond Proceeds

Unspent long-term bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

Restricted – Parks and Conservation

These restricted funds are used to account for trust arrangements in which principal and income benefits a specific purpose.

Assigned – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the Village’s Board. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual, positive amount of fund balance. Assigned fund balance includes an amount appropriated to partially fund the subsequent year’s budget.

Unassigned – Represents the residual classification for the Village’s general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending of available resources.

Fund Balance Classification

Any portion of fund balance may be applied or transferred for a specific purpose by law, voter approval if required by law or by formal action of the Board if voter approval is not required. Amendments or modification to the applied or transferred fund balance must also be approved by formal action of the Board.

The Board shall delegate the authority to assign fund balance, for encumbrance purposes, to the person(s) to whom it has delegated the authority to sign purchase orders.

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

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended May 31, 2025, the Village implemented GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used, but not yet paid in cash or settled through noncash means. This liability would include leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash, or settled through noncash means. This change in accounting principle, to the June 1, 2024 balances of \$109,393, resulted in an increase to the long-term compensated absences liability, and a decrease in total net position.

3. FUTURE ACCOUNTING STANDARDS

The GASB Statements are issued to set GAAP for state and local governments. The following is not an all-inclusive list of GASB statements issued, but statements that the Village feels may have a future impact on these financial statements. The Village will evaluate the impact of these pronouncements and implement them, as applicable, if material.

Effective for the Year Ending	Statement
May 31, 2026	GASB No. 102 – <i>Certain Risk Disclosures</i>
May 31, 2027	GASB No. 103 – <i>Financial Reporting Model Improvements</i>

GASB Statement No. 102 was issued to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103 was issued 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. This Statement also addresses certain application issues.

4. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENT-WIDE STATEMENTS AND THE GOVERNMENTAL FUND STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the government-wide statements and the governmental fund statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

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

Total fund balances of the Village’s governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental funds Balance Sheet, as applied to the reporting of capital assets and deferred outflows of resources, and long-term assets and liabilities, and deferred inflows of resources.

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

Differences between the Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities fall into any of four broad categories.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a current financial resources measurement focus and the modified accrual basis, whereas the economic resources measurement focus and the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences.

Capital Related Differences

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

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because the issuance of long-term debt provides current financial resources to governmental funds, but is recorded as a liability in the Statement of Net Position. In addition, both interest and principal payments are recorded as expenditures in the fund statements when due and payable, whereas interest expense is recorded in the Statement of Activities as it accrues, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Pension and Other Postemployment Benefit Differences

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the Village’s proportionate share of the collective pension expense of the plan.

OPEB differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized for insurance premiums and OPEB costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

5. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets

The Village's administration submits a tentative budget to the Board. The tentative budget includes proposed appropriations and the proposed means of financing for the general fund.

A public hearing is held on the tentative budget by April 15th. After completion of the budget hearing, the Board may further change the tentative budget. Such budget, as so revised, shall be adopted by resolution no later than May 1st.

All subsequent modifications of the budget must be approved by the Board.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the fiscal year end unless expended or encumbered. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. During the year, the Village increased the budget by \$654,516 to fund ARPA expenditures that were covered by ARPA grant revenue.

Budgets are adopted annually on a basis consistent with GAAP, and are established and used for individual capital projects based on authorized funding. The maximum project amount authorized is based upon the estimated cost of the project. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year end are presented as part of assigned fund balance, unless classified as restricted, and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid. At May 31, 2025, the Village had no outstanding encumbrances.

C. Over Expenditure of Certain Appropriations

Certain general fund appropriations were over expended. These were in the following appropriation categories of the budget: general government support (municipal court, treasurer, operation of plant, central garage, central storeroom, unallocated insurance, and central data processing), public safety (miscellaneous), health (insect control), transportation (street administration, maintenance of roads, street lighting, and off-street parking), culture and recreation (parks, playground and recreation centers, celebrations, and programs for aging), home and community services (zoning, street cleaning, and drainage), and employee benefits (state retirement system).

D. Unrestricted Net Position Deficit

As of May 31, 2025, the governmental activities reported an unrestricted net position deficit of \$15,401,981. This deficit is primarily the result of unfunded liabilities such as the Village recognizing its proportionate share of the net pension liabilities and total OPEB liabilities on the statement of net position. The accumulated effect of these required recognitions, coupled with the limitations from the state funding the OPEB liabilities on a "pay as you go" basis, has resulted in a negative unrestricted net position. The Village remains committed to its employees and retirees by continuing to make all required contributions to the pension plans and including these amounts in its annual budget to cover its share of the costs of postemployment health insurance coverage.

6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The Village's investment policies are governed by state statutes and Village policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand and time

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
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deposits, and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United State and its Agencies and obligations of New York State and its municipalities. Investments are stated at fair value.

Custodial credit risk is the risk that in the event of a bank failure, the Village may be unable to recover deposits or recover collateral securities that are in possession of an outside agency. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

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

The Village's aggregate bank balances were covered by FDIC insurance or fully collateralized by securities pledged on the Village's behalf at year end.

The Village did not have any investments at year end or during the year. Consequently, the Village was not exposed to any material interest rate risk.

Investment pool:

The Village participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law (GML) Articles 3-A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. NYCLASS is rated AAAM by S&P Global Ratings. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS portfolio holdings are collateralized in accordance with GML §10.

The Village's investments in NYCLASS consisted of repurchase agreements, U.S. Treasury Securities, and collateralized bank deposits, with various interest rates and due dates. The dollar weighted average days to maturity (WAM) of NYCLASS at May 31, 2025, was 46 days and the weighted average life (WAL) was 77 days. The Village has reported \$454,386 in the general fund as cash.

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at cost, which approximates fair value. The lead participant of NYCLASS is the Village of Rhinebeck. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

7. DUE FROM OTHER GOVERNMENTS

Due from other governments at May 31, 2025, consisted of:

General fund	
Mortgage tax	\$ 27,259

Village management expects these amounts to be fully collectible.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

8. LEASE RECEIVABLE

The Village entered into an agreement to lease space for a wireless communication tower at 151 Front Street, Massapequa Park, New York to Nassau Towers, Inc. Under the agreement, the lessee is required to make monthly fixed payments of \$3,808. The lease has an interest rate of 2.335%. As of May 31, 2025, the present value of the lease receivable and the corresponding deferred inflows of resources, measured using an implicit interest rate of 2.335% were \$254,697 and \$232,497, respectively. During the year ended May 31, 2025, the Village recognized lease revenue and lease interest in the amount of \$39,246 and \$6,449, respectively.

9. CAPITAL ASSETS

A. Changes

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

	Balance May 31, 2024	Additions	Reductions	Balance May 31, 2025
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 333,758	\$	\$	\$ 333,758
Capital assets being depreciated:				
Buildings	1,977,200			1,977,200
Building improvements	2,058,100	5,000		2,063,100
Machinery and equipment	4,378,893	495,339	(226,149)	4,648,083
Infrastructure	28,829,199	1,715,797		30,544,996
Total capital assets being depreciated	<u>37,243,392</u>	<u>2,216,136</u>	<u>(226,149)</u>	<u>39,233,379</u>
Less accumulated depreciation for:				
Buildings	1,625,235	24,641		1,649,876
Building improvements	136,182	41,212		177,394
Machinery and equipment	3,148,509	208,308	(226,149)	3,130,668
Infrastructure	16,472,790	1,337,071		17,809,861
Total accumulated depreciation	<u>21,382,716</u>	<u>1,611,232</u>	<u>(226,149)</u>	<u>22,767,799</u>
Capital assets, net	<u>\$ 16,194,434</u>	<u>\$ 604,904</u>	<u>\$ -</u>	<u>\$ 16,799,338</u>

Depreciation expense is charged to governmental functions, as follows:

General government support	\$ 48,067
Public safety	15,020
Transportation	1,517,731
Culture and recreation	30,414
	<u>\$ 1,611,232</u>

B. Impairment Losses

The Village evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Village's policy is to record an impairment loss in the period when the Village determines that the carrying amount of the asset will not be recoverable. At May 31, 2025, the Village has not recorded any such impairment losses.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

10. INTERFUND TRANSACTIONS

Interfund balances at May 31, 2025, were as follows:

	Interfund	
	Receivable	Payable
General Fund	\$ 686,795	\$
Capital Projects Fund		686,795
Total	<u>\$ 686,795</u>	<u>\$ 686,795</u>

11. LONG-TERM LIABILITIES

A. Changes

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

	*Balance May 31, 2024	Additions	Reductions	Balance May 31, 2025	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 6,710,000	\$	\$ (795,000)	\$ 5,915,000	\$ 805,000
Other long-term liabilities:					
Compensated absences*	558,210		(19,885)	538,325	4,500
Total OPEB liability	15,581,490	618,220	-	16,199,710	63,928
	<u>\$ 22,849,700</u>	<u>\$ 618,220</u>	<u>\$ (814,885)</u>	<u>\$ 22,653,035</u>	<u>\$ 873,428</u>

*The balance of compensated absences of \$448,817, as previously reported was increased by \$109,393 to present the cumulative effect of GASB Statement No. 101.

The general fund has typically been used to liquidate other long-term liabilities.

Additions and reductions to compensated absences are shown net. The maturity of compensated absences is not determinable.

For total OPEB liability, see "Postemployment Healthcare Benefits" Note for additional information.

B. Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at May 31, 2025
Public improvement	10/1/2013	6/15/2028	2.00 - 3.37%	\$ 1,130,000
Public improvement	12/1/2017	12/1/2032	2.00 - 2.70%	2,200,000
Public improvement	4/29/2021	4/15/2035	1.00 - 2.00%	2,585,000
				<u>\$ 5,915,000</u>

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Year Ending May 31,	Principal	Interest	Total
2026	\$ 805,000	\$ 127,238	\$ 932,238
2027	810,000	110,638	920,638
2028	815,000	93,625	908,625
2029	785,000	75,212	860,212
2030	530,000	59,637	589,637
2031-2035	2,170,000	124,813	2,294,813
Total	\$ 5,915,000	\$ 591,163	\$ 6,506,163

C. Interest Expense

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

Interest paid	\$ 143,738
Less interest accrued in the prior year	(48,513)
Plus interest accrued in the current year	41,583
 Total interest expense on long-term debt	 \$ 136,808

D. Remedies Upon Default In Bond Payments

The bonds are general obligation contracts between the Village and the owners for which the faith and credit of the Village are pledged and remedies for enforcement of payment are not expressly included in the Village's contract with such owners. Upon default in the payment of principal of or interest on the bonds at the suit of the owner, a court has the power, in proper and appropriate proceedings, to render judgment against the Village. A court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds from funds lawfully available therefor or, in the absence thereof, to order the Village to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy.

Section 99-b of the State Finance Law provides for a covenant between New York State and the purchasers and the holders and owners from time to time of the bonds issued by villages in New York State. In the event a holder or owner of any bond issued by a village for village purposes shall file with the Office of the New York State Comptroller (OSC), a verified statement describing such bond or note and alleging default in the payment thereof or the interest thereon or both. The OSC shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such state aid or assistance due to such village such amount thereof as may be required to pay the principal of and interest on such bonds of such village then in default. In the event such state aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the OSC shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such state aid or assistance due such village such amount or amounts thereof as may be required to cure such default.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

12. PENSION PLANS - NEW YORK STATE

A. General Information

The Village participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing, multiple-employer, defined benefit, public employee retirement system. The system provides retirement, disability, withdrawal, and death benefits to plan members and beneficiaries related to years of service and final average salary.

B. Provisions and Administration

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). The net position of the ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and is the administrative head of ERS. Once a public employer elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at the NYS Comptroller's website at www.osc.state.ny.us/retire/publications/index.php or may be obtained by writing to: NYS and Local Retirement System, 110 State Street, Albany, NY 12244.

C. Funding Policy

Plan members who joined the system before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on salaries paid. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The Village paid 100% of the required contributions as billed by the ERS at an average contribution rate of 12.80% of covered payroll for the ERS fiscal year ended March 31, 2025.

The Village's share of the required contributions, based on covered payroll for the Village's year ended May 31, 2025 was \$318,923 at an average contribution rate of 12.63%.

D. Pension Asset/(Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At May 31, 2025, the Village reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for ERS. The net pension asset/(liability) was measured as of March 31, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Village's proportion of the net pension asset/(liability) was based on a projection of the Village's long-

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

term share of contributions to ERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the Village.

Measurement date	March 31, 2025
Village's proportionate share of the net pension liability	\$ (980,801)
Village's portion of the Plan's net pension liability	0.0057204%
Change in proportion since the prior measurement date	(0.0008437)

For the year ended May 31, 2025, the Village recognized a pension expense of \$248,488 for ERS. At May 31, 2025, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred</u>	
	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences between expected and actual experience	\$ 243,441	\$ 11,483
Changes of assumptions	41,133	
Net difference between projected and actual earnings on pension plan investments	76,951	
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	118,263	112,571
Village contributions subsequent to the measurement date	<u>64,694</u>	
Total	<u>\$ 544,482</u>	<u>\$ 124,054</u>

Village 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 reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense, as follows:

<u>Year Ending May 31,</u>	
2026	\$ 184,501
2027	257,667
2028	(89,507)
2029	<u>3,073</u>
	<u>\$ 355,734</u>

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NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions

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

Measurement date	March 31, 2025
Actuarial valuation date	April 1, 2024
Inflation	2.90%
Salary increases	4.30%
Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of living adjustments	1.50%

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

The actuarial assumptions were based on the results of an actuarial experience study for the period of April 1, 2015 – March 31, 2020.

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

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

	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Measurement date		March 31, 2025
Asset class		
Domestic equity	25.0%	3.54%
International equity	14.0%	6.57%
Real estate equity	12.0%	4.95%
Private equity	15.0%	7.25%
Alternative investments	11.0%	5.25-5.55%
Fixed income	22.0%	2.00%
Cash	1.0%	0.25%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members would be made at the current contribution rates and that contributions from employers would be made at statutorily required rates, actuarially determined. Based upon the assumptions, the system’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.90%) or 1 percentage point higher (6.90%) than the current rate:

	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Village's proportionate share of the net pension asset/(liability)	\$ (2,838,562)	\$ (980,801)	\$ 570,430

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the measurement date, were as follows:

	<i>(Dollars in Thousands)</i>
Measurement date	March 31, 2025
Employers' total pension liability	\$ (247,600,239)
Plan fiduciary net position	230,454,512
Employers' net pension liability	\$ (17,145,727)
Ratio of plan fiduciary net position to the employers' total pension liability	93.08%

Payables to the Pension Plan

Employer contributions are paid annually based on the ERS' fiscal year, which ends on March 31st. Accrued retirement contributions of \$64,694 as of May 31, 2025, represent the projected employer contribution for the period of April 1, 2025 through May 31, 2025 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Employee contributions are remitted monthly.

13. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

Plan Description - The Village provides OPEB for eligible retired employees of the Village. The benefits provided to employees upon retirement are based on provisions in the various contracts that the Village has in place with different classifications of employees. The plan is a single-employer defined benefit OPEB plan administered through the New York State Health Insurance Program – Empire Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

Benefits Provided – The Village provides healthcare and other fringe benefits for eligible retirees. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the Village offices and are available upon request.

Employees Covered by Benefit Terms – At May 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	36
Active employees	36
	72

B. Total OPEB Liability

The Village’s total OPEB liability of \$16,199,710 was measured as of May 31, 2025, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability, as of the measurement date, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	4.50%	
Salary increases	3.75%	average, including inflation
Discount rate	4.80%	
Healthcare cost trend rates		
Medical	5.80%	in year one - ultimate rate of 4.1%
Pharmacy	11.70%	in year one - ultimate rate of 4.1%
Dental	3.50%	in year one - ultimate rate of 3.0%
Vision	3.00%	
Retirees' share of benefit-related costs		the Village effectively pays 100% of the individual premium for retirees

Changes of assumptions and other inputs reflect a change in the discount rate from 3.80% in 2024 to 4.80% in 2025, based on a 20-year tax-exempt municipal bond yield.

The Village is using the alternative measurement method. Mortality rates were based on Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Changes in the Total OPEB Liability

Balance at May 31, 2024	\$ 15,581,490
Changes for the year	
Service cost	581,462
Interest on total OPEB liability	604,975
Differences between expected and actual experience	1,719,450
Changes in assumptions or other inputs	(1,797,992)
Benefit payments	(489,675)
Net change in total service award program liability	618,220
 Balance at May 31, 2025	 \$ 16,199,710

For the year ended May 31, 2025, the Village recognized OPEB expense of \$1,107,895.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.80%) or 1 percentage point higher (5.80%) than the current discount rate:

OPEB	1% Decrease 3.80%	Discount Rate 4.80%	1% Increase 5.80%
Total OPEB liability	\$ (17,915,910)	\$ (16,199,710)	\$ (14,594,210)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

OPEB	Baseline Trend 1% Decrease	Current Assumption Baseline Trend	Baseline Trend 1% Increase
Total OPEB liability	\$ (13,857,830)	\$ (16,199,710)	\$ (19,046,560)

14. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$761,557 has been appropriated to reduce taxes for the year ending May 31, 2026.

15. TAX ABATEMENTS

The Village recognized \$174,189 in LIPA PILOT revenue. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
NOTES TO FINANCIAL STATEMENTS
(Continued)

16. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage as compared to the prior year, and settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

17. COMMITMENTS AND CONTINGENCIES

A. Grants

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

B. Certiorari Proceedings

From time to time, the Village is involved in certiorari proceedings under which taxpayers seek reduction in the assessed value of property upon which taxes are measured. A reduction in assessed valuation may result in a refund of real property taxes previously paid by the claimant. It is not possible to estimate the amount of refunds, if any, that the Village may be required to make for taxes collected through May 31, 2025, which could affect future operating budgets of the Village.

C. Litigation

The Village is not aware of any material pending or threatened litigation claims against the Village. The Village is also unaware of any unasserted claims or assessments that would require financial statement disclosure.

18. SUBSEQUENT EVENTS

The Village has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued. No significant events were identified that would require adjustment of or disclosure in the financial statements.

INCORPORATED VILLAGE OF MASSAPEQUA PARK
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended May 31, 2025

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Real Property Taxes	\$ 4,562,433	\$ 4,562,433	\$ 4,567,065	\$ 4,632
Other Tax Items				
Other payments in lieu of taxes	158,000	158,000	174,189	16,189
Interest and penalties	13,000	13,000	14,516	1,516
	<u>171,000</u>	<u>171,000</u>	<u>188,705</u>	<u>17,705</u>
Non-Property Tax Items				
Non-property tax distribution by county	45,136	45,136	44,120	(1,016)
Utilities gross receipts tax	82,000	82,000	85,320	3,320
Franchises	400,000	400,000	393,144	(6,856)
	<u>527,136</u>	<u>527,136</u>	<u>522,584</u>	<u>(4,552)</u>
Departmental Income				
Treasurer fees	30,000	30,000	27,080	(2,920)
Charges for tax advertising	250	250		(250)
Parking lots and garages	150,000	150,000	143,659	(6,341)
Zoning fees	10,000	10,000	11,880	1,880
	<u>190,250</u>	<u>190,250</u>	<u>182,619</u>	<u>(7,631)</u>
Use of Money and Property				
Interest and earnings	175,000	175,000	255,745	80,745
Rental of real property	63,000	63,000	61,961	(1,039)
Rental of real property, other	200	200	140	(60)
	<u>238,200</u>	<u>238,200</u>	<u>317,846</u>	<u>79,646</u>
Licenses and Permits				
Business and occupational license	23,000	23,000	23,715	715
Dog licenses	1,500	1,500	1,632	132
Licenses, other	30,000	30,000	54,150	24,150
Permits	430,000	430,000	571,570	141,570
	<u>484,500</u>	<u>484,500</u>	<u>651,067</u>	<u>166,567</u>
Fines and Forfeitures				
Fines and forfeited bail	160,000	160,000	162,512	2,512
Forfeitures of deposits	35,000	35,000	36,500	1,500
	<u>195,000</u>	<u>195,000</u>	<u>199,012</u>	<u>4,012</u>
Sale of Property and Compensation for Loss				
Sales	250	250	124	(126)
Sales of equipment	5,000	5,000	25,118	20,118
Insurance recoveries	2,000	2,000	1,306	(694)
	<u>7,250</u>	<u>7,250</u>	<u>26,548</u>	<u>19,298</u>
Miscellaneous				
Refund of prior year's expenditures	2,000	2,000	2,391	391
Gifts and donations	15,000	15,000	24,300	9,300
Miscellaneous, other	105,000	105,000	119,543	14,543
	<u>122,000</u>	<u>122,000</u>	<u>146,234</u>	<u>24,234</u>
State Sources				
Revenue sharing	325,576	325,576	325,576	-
Mortgage tax	200,000	200,000	139,036	(60,964)
	<u>525,576</u>	<u>525,576</u>	<u>487,388</u>	<u>(38,188)</u>
Federal Sources				
	-	654,516	654,516	-
Total Revenues	7,023,345	7,677,861	7,943,584	\$ 265,723
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	780,227	780,227		
Total Revenues and Appropriated Fund Balance	<u>\$ 7,803,572</u>	<u>\$ 8,458,088</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

INCORPORATED VILLAGE OF MASSAPEQUA PARK
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund (Continued)
For the Year Ended May 31, 2025

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
EXPENDITURES				
General Government Support				
Legislative board				
Personal services	\$ 25,134	\$ 25,134	\$ 25,134	\$ -
Contractual	500	500	228	272
Municipal court				
Personal services	83,500	83,500	84,532	(1,032)
Equipment and capital outlay	500	500	-	500
Contractual	8,000	8,000	5,834	2,166
Mayor				
Personal services	10,150	10,150	10,146	4
Treasurer				
Personal services	505,000	511,000	508,123	2,877
Contractual	51,500	51,500	53,344	(1,844)
Purchasing				
Personal services	24,000	24,000	23,695	305
Contractual	100	100	-	100
Assessments				
Personal services	48,000	48,000	47,532	468
Contractual	4,000	5,000	4,137	863
Law				
Contractual	100,000	104,000	103,527	473
Engineer				
Contractual	500	500	-	500
Elections				
Contractual	5,300	13,300	12,766	534
Records Management				
Personal services	9,250	9,250	8,437	813
Operation of plant				
Personal services	215,000	215,000	201,479	13,521
Contractual	106,500	116,500	117,705	(1,205)
Central garage				
Personal services	160,000	165,000	163,594	1,406
Contractual	48,000	48,000	51,893	(3,893)
Central storeroom				
Contractual	48,000	48,000	52,018	(4,018)
Central data processing				
Personal services	28,000	28,000	11,014	16,986
Equipment and capital outlay	4,000	4,000	6,884	(2,884)
Contractual	85,000	111,480	113,081	(1,601)
Unallocated insurance				
Contractual	315,000	323,000	323,282	(282)
Municipal association dues				
Contractual	10,000	10,000	3,919	6,081
Refund of Taxes				
Contractual	20,000	20,000	18,964	1,036
MTA Tax				
Contractual	10,000	10,000	9,375	625
Contingent				
Contractual	20,000	20,000	-	20,000
	<u>1,944,934</u>	<u>2,013,414</u>	<u>1,960,643</u>	<u>52,771</u>
Public Safety				
Traffic control				
Personal services	45,000	26,000	20,535	5,465
Contractual	10,000	20,000	16,377	3,623
Control of animals				
Personal services	1,000	1,000	402	598
Safety inspection				
Personal services	345,000	295,000	289,973	5,027
Equipment	-	21,790	21,790	-
Contractual	61,000	82,000	79,129	2,871
Miscellaneous				
Contractual	5,000	5,000	5,152	(152)
	<u>467,000</u>	<u>450,790</u>	<u>433,358</u>	<u>17,432</u>

INCORPORATED VILLAGE OF MASSAPEQUA PARK
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund (Continued)
For the Year Ended May 31, 2025

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
EXPENDITURES				
Health				
Insect control				
Contractual	\$ 3,000	\$ 3,000	\$ 3,065	\$ (65)
Transportation				
Street administration				
Personal services	227,000	227,000	232,871	(5,871)
Contractual	16,000	16,000	14,490	1,510
Maintenance of roads				
Personal services	415,000	465,000	469,766	(4,766)
Contractual	129,500	129,647	121,936	7,711
Equipment and capital outlay		154,362	154,362	-
Snow removal				
Personal services	30,000	30,000	29,555	445
Equipment and capital outlay		2,000	1,898	102
Contractual	37,500	67,500	62,205	5,295
Highway				
Equipment and capital outlay	500	500	298	202
Contractual	2,000	4,000	3,232	768
Street lighting				
Personal services	105,000	105,000	64,485	40,515
Contractual	80,000	80,000	82,907	(2,907)
Off-street parking				
Contractual	15,000	23,654	24,066	(412)
	<u>1,057,500</u>	<u>1,304,663</u>	<u>1,262,071</u>	<u>42,592</u>
Economic Opportunity and Development				
Publicity				
Contractual	8,000	10,000	9,413	587
Culture and Recreation				
Parks				
Personal services	260,000	260,000	214,311	45,689
Equipment and capital outlay	2,000	17,115	20,133	(3,018)
Contractual	26,000	35,275	34,178	1,097
Playground and recreation centers				
Personal services	17,500	17,500	5,794	11,706
Contractual	57,250	108,348	109,564	(1,216)
Celebrations				
Personal services	70,000	70,000	56,364	13,636
Contractual	55,000	85,000	87,379	(2,379)
Programs for aging				
Personal services	61,000	62,000	62,638	(638)
Contractual	2,000	2,000	1,664	336
	<u>550,750</u>	<u>657,238</u>	<u>592,025</u>	<u>65,213</u>

INCORPORATED VILLAGE OF MASSAPEQUA PARK
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund (Continued)
For the Year Ended May 31, 2025

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
EXPENDITURES				
Home and Community Services				
Zoning				
Personal services	\$ 46,000	\$ 46,000	\$ 44,755	\$ 1,245
Contractual	15,000	15,000	17,505	(2,505)
Planning				
Personal services	8,300	8,300	7,014	1,286
Contractual	100	100	65	35
Storm sewers				
Contractual	2,000	105,567	104,399	1,168
Refuse and garbage				
Contractual	4,000	4,000	1,320	2,680
Street cleaning				
Personal services	25,000	32,000	31,360	640
Equipment and capital outlay		285,024	285,924	(900)
Contractual	39,000	39,000	28,949	10,051
Community beautification				
Contractual	25,000	29,004	24,881	4,123
Drainage				
Personal services	95,000	95,000	88,031	6,969
Contractual	1,500	1,500	1,962	(462)
Shade trees				
Contractual	5,000	5,000	2,750	2,250
	<u>265,900</u>	<u>665,495</u>	<u>638,915</u>	<u>26,580</u>
Employee benefits				
State retirement system	372,750	324,750	342,100	(17,350)
Social security	220,000	220,000	199,879	20,121
Workers' compensation	65,000	65,000	58,589	6,411
Unemployment insurance	10,000	10,000	9,576	424
Hospital and medical	1,900,000	1,795,000	1,768,069	26,931
	<u>2,567,750</u>	<u>2,414,750</u>	<u>2,378,213</u>	<u>36,537</u>
Debt service				
Principal	795,000	795,000	795,000	-
Interest	143,738	143,738	143,738	-
	<u>938,738</u>	<u>938,738</u>	<u>938,738</u>	<u>-</u>
Total Expenditures	<u>\$ 7,803,572</u>	<u>\$ 8,458,088</u>	<u>8,216,441</u>	<u>\$ 241,647</u>
Net Change in Fund Balance			(272,857)	
Fund Balances - Beginning of Year			<u>2,210,867</u>	
Fund Balances - End of Year			<u>\$ 1,938,010</u>	

Note to Required Supplementary Information

Budget Basis of Accounting

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

INCORPORATED VILLAGE OF MASSAPEQUA PARK
Schedule of the Village's Proportionate Share of the Net Pension Asset/(Liability)
 Last Ten Fiscal Years

	<i>Employees' Retirement System</i>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Village's proportion of the net pension asset/(liability)	0.0057204%	0.0065641%	0.0071119%	0.0061479%	0.0057087%	0.0053560%	0.0059405%	0.0061206%	0.0058858%	0.0056168%
Village's proportionate share of the net pension asset/(liability)	\$ (980,801)	\$ (966,498)	\$ (1,525,079)	\$ 502,566	\$ (5,684)	\$ (1,418,308)	\$ (420,904)	\$ (197,538)	\$ (553,039)	\$ (901,518)
Village's covered payroll	\$ 2,491,333	\$ 2,418,732	\$ 2,269,964	\$ 2,353,516	\$ 2,153,671	\$ 2,118,025	\$ 1,992,880	\$ 1,882,022	\$ 1,570,269	\$ 1,566,036
Village's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	39.37 %	39.96 %	67.19 %	21.35 %	0.26 %	66.96 %	21.12 %	10.50 %	35.22 %	57.57 %
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%	90.70%	90.70%
Discount rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

INCORPORATED VILLAGE OF MASSAPEQUA PARK
Schedule of Village Pension Contributions
 Last Ten Fiscal Years

Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 318,923	\$ 313,533	\$ 256,743	\$ 280,960	\$ 284,098	\$ 271,105	\$ 276,245	\$ 272,106	\$ 262,504	\$ 274,900
Contributions in relation to the contractually required contribution	<u>318,923</u>	<u>313,533</u>	<u>256,743</u>	<u>280,960</u>	<u>284,098</u>	<u>271,105</u>	<u>276,245</u>	<u>272,106</u>	<u>262,504</u>	<u>274,900</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	\$ 2,525,572	\$ 2,441,581	\$ 2,506,414	\$ 2,353,516	\$ 2,187,224	\$ 2,118,062	\$ 2,025,212	\$ 1,882,022	\$ 1,570,269	\$ 1,566,036
Contributions as a percentage of covered payroll	13%	13%	10%	12%	13%	13%	14%	14%	17%	18%

INCORPORATED VILLAGE OF MASSAPEQUA PARK
Schedule of Changes in the Village's Total OPEB Liability and Related Ratios
Last Seven Fiscal Years

Measurement date as of May 31,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability							
Service cost	\$ 581,462	\$ 588,079	\$ 596,197	\$ 1,189,485	\$ 1,189,489	\$ 790,211	\$ 1,350,681
Interest on total OPEB liability	604,975	588,349	572,043	407,861	616,495	440,702	189,495
Differences between expected and actual experience	1,719,450	(591,654)	(364,057)	(208,749)	(8,523,334)	(986,985)	(646,877)
Changes of assumptions or other inputs	(1,797,992)	(230,193)	(35,568)	(2,797,001)	6,539,239	780,770	(520,630)
Benefit payments	(489,675)	(428,791)	(374,896)	(372,059)	(408,579)	(463,984)	(460,579)
Net change in total OPEB liability	618,220	(74,210)	393,719	(1,780,463)	(586,690)	560,714	(87,910)
Total OPEB liability, beginning	<u>15,581,490</u>	<u>15,655,700</u>	<u>15,261,981</u>	<u>17,042,444</u>	<u>17,629,134</u>	<u>17,068,420</u>	<u>17,156,330</u>
Total OPEB liability, ending	<u><u>\$ 16,199,710</u></u>	<u><u>\$ 15,581,490</u></u>	<u><u>\$ 15,655,700</u></u>	<u><u>\$ 15,261,981</u></u>	<u><u>\$ 17,042,444</u></u>	<u><u>\$ 17,629,134</u></u>	<u><u>\$ 17,068,420</u></u>
Covered employee payroll	\$ 2,060,240	\$ 2,008,475	\$ 2,347,387	\$ 2,347,387	\$ 1,994,485	\$ 1,931,418	\$ 1,681,695
Total OPEB liability as a percentage of covered employee payroll	786.30%	775.79%	666.94%	650.17%	854.48%	912.76%	1014.95%
Discount rate	4.80%	3.80%	3.67%	3.65%	2.26%	2.15%	2.50%
Healthcare trend rates	4.7% to 3.0%	4.7% to 3.0%	4.7% to 3.0%	4.7% to 3.0%	5.9% to 3.0%	7.6% to 3.0%	7.6% to 3.0%

An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

Note to Required Supplementary Information

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

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FORM OF DISCLOSURE UNDERTAKING

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

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

“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 Massapequa Park**, 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, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Village Treasurer as of April 7, 2026.

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

“Securities” shall mean the Issuer’s **\$2,500,000 Public Improvement Serial Bonds-2026**, dated April 14, 2026, maturing in various principal amounts on March 15 in each of the years 2028 to 2040, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Liberty Capital Services, LLC, 1205 Franklin Avenue, Suite 335, Garden City, New York, to the EMMA System:

- (i) (A) no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending May 31, 2026, the Annual Information relating to such fiscal year, and (B) no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending May 31, 2026, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and

then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Village has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933; and

Note to clause (i): Unaudited financial statements may include the Issuer's Annual Financial Report Update Document filed annually with New York State.

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
 - (7) modifications to rights of Securities holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution, or sale of property securing repayment of the Securities, if material;
 - (11) rating changes;

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

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

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

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

(15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

to commit to provide any such notice of the occurrence of any event except those events listed above.

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

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

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

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

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

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

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

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of April 14, 2026.

VILLAGE OF MASSAPEQUA PARK

By _____
Village Treasurer and Chief Fiscal Officer

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FORM OF OPINION OF BOND COUNSEL

Hawkins Delafield & Wood LLP
140 Broadway
New York, New York 10005

_____, 2026

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Massapequa Park (the “Village”), in the County of Nassau, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$2,500,000 Public Improvement Serial Bonds-2026 (the “Bonds”), dated and delivered on the date hereof.

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

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

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Bonds 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 Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the Village will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Village represents that 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 Bonds will, for federal income tax purposes, be excluded from gross income.

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

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

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

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

Very truly yours,

/s/Hawkins Delafield & Wood LLP