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

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 18, 2026

NEW ISSUE
BANK QUALIFIED

BOND RATING: S&P Global "AA+/Stable"
(See "BOND RATING" herein)

In the opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, and interest on the Bonds will not be subject to the alternative minimum tax on individuals. In the further opinion of Bond Counsel, under existing law interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein for a description of the opinion of Bond Counsel and certain other tax consequences.

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

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

$1,693,994 PUBLIC IMPROVEMENT SERIAL BONDS - 2026 SERIES A
(the "Bonds")

Date of Delivery: December 10, 2026

Principal Due: October 15, 2028 - October 15, 2039
(as shown on the inside cover page)

The Bonds are general obligations of the Village of Sea Cliff, 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.)

The Bonds are dated their Date of Delivery and shall mature on October 15 in each year as specified on the inside cover page hereof. Interest on the Bonds will be payable October 15, 2027 and semi-annually thereafter on April 15 and October 15 in each year until maturity. The Bonds will be subject to redemption prior to maturity. (See "DESCRIPTION OF THE BONDS - Optional Redemption" 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"), which will act as securities depository for any Bond 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, except for one necessary odd denomination. Purchasers will not receive certificates representing their ownership interests in book-entry bonds. Principal of 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 "THE BONDS - Book-Entry-Only System" herein.)

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

The Bonds are offered when, as, and if issued and received by the purchaser and subject to the receipt of the approving legal opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel. It is expected that delivery of the Bonds will be made in New York, New York, or such other place as the Village and purchaser(s) shall agree, on or about December 10, 2026.

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

BOND MATURITY SCHEDULE

$1,693,994 Public Improvement Serial Bonds - 2026 Series A

(Base CUSIP 811352)[t]

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

Year	Amount *	Rate	Yield	CUSIP [t]	Year	Amount *	Rate	Yield	CUSIP [t]
2028	$113,994				2034	$140,000			
2029	115,000				2035	150,000 **			
2030	125,000				2036	155,000 **			
2031	125,000				2037	160,000 **			
2032	130,000				2038	170,000 **			
2033	135,000				2039	175,000 **			

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

** The Bonds maturing on October 15, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Village, in whole or in part, on any date on or after October 15, 2034 in accordance with the terms described herein. (See "THE DESCRIPTION OF THE BONDS - Optional Redemption " herein.)

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

* Preliminary, subject to change

INCORPORATED VILLAGE OF SEA CLIFF

300 Sea Cliff Avenue - PO Box 340
Sea Cliff, New York 11579

VILLAGE OFFICIALS

Mayor
ELENA VILLAFANE

Trustees
NICK PINTO
MARK SOBEL
JAMES VERSOCKI
GEORGE WILLIAMS

Village Administrator
BRUCE KENNEDY

Village Clerk
SARAH BEAUDIN

Village Treasurer
JUDY PHELPS

Village Attorney
BRIAN STOLAR, ESQ.
HARRIS BEACH MURTHA CULLINA PLLC

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No person has been authorized by the Village to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Village. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer to solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village.

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

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OFFICIAL STATEMENT
of the
VILLAGE OF SEA CLIFF
NASSAU COUNTY, NEW YORK

Relating To
$1,693,994 Public Improvement Serial Bonds - 2026 Series A
(the "Bonds")

This Official Statement, which includes the cover page and appendices hereto, has been prepared by the Village of Sea Cliff, Nassau County, New York (the "Village," "County," and "State," respectively) in connection with the sale by the Village of $1,693,994 Public Improvement Serial Bonds - 2026 Series A (the "Bonds").

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

DESCRIPTION OF THE BONDS

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

The Bonds are dated their date of delivery and shall mature on October 15 in each year as set forth on the inside cover page hereof. Interest on the Bonds will be payable October 15, 2027 and semi-annually thereafter on April 15 and October 15 in each year until maturity. The "Record Date" for the Bonds will be the close of business on the last day of the calendar month preceding each interest payment date.

The Village will act as Paying Agent for any Bonds issued in book-entry form and the purchaser(s) will serve as paying agent for the Bonds registered in the name of the purchaser(s). Paying agent fees, if any, will be paid by the purchaser(s). The Village's paying agent contact information is as follows: Village Clerk of the Village of Sea Cliff 300 Sea Cliff Avenue, Sea Cliff, NY. 11579, email address: sbeaudin@seacliff-ny.gov

Authorization and Purpose

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Village Law, the Local Finance Law and the bond resolution referred to below, duly adopted and amended by the Board of Trustees of the Village on the respective dates for the following purposes:

Purposes	Date Authorized	Amount Authorized	Amount Issued	Amount to Bonds
Acquisition and installation of a heating, ventilation and air-conditioning system at the Village Hall, in and for said Village	09/08/2026	$275,000	$0	$275,000
Acquisition of a new fire truck and related apparatus, in and for said Village	09/08/2026	1,298,994	0	1,298,994
Replacement of a vehicle for the use of the chief of the fire department, in and for said Village	09/14/2026	120,000	0	120,000
	Total	$1,693,994	$0	$1,693,994

Nature of Obligation

The Bonds when duly issued and paid for will constitute a contract between the Village and the holder(s) 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" and "LEGAL MATTERS," herein.)

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the 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 October 15, 2034 will not be subject to redemption prior to maturity. The Bonds maturing on or after October 15, 2035 will be subject to redemption prior to maturity at the option of the Village on October 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 a redemption price equal to the principal amount of the Bonds to be redeemed, 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

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

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

Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

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

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

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

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

Source: The Depository Trust & Clearing Corporation

THE VILLAGE CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS, OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO.. ITS

PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (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 BONDHOLDER.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds issued in book-entry form at any time by giving reasonable notice to the Village and discharging its responsibilities with respect thereto under applicable law, or the Village may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof, except for one necessary odd denomination. 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 October 15, 2027 and semi-annually thereafter on April 15 and October 15, in each year to maturity. Interest on the Bonds will be payable by check drawn on the fiscal agent and mailed to the registered owner on such interest payment date at the address as shown on the registration books of the fiscal agent as of the close of business on the last 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 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 or exchange of Bonds between the last day of the calendar month immediately preceding an interest payment date and such interest payment date.

THE VILLAGE

General Information

Incorporated in 1883, Sea Cliff is the second oldest incorporated village in Nassau County. Located on Hempstead Harbor just off Long Island Sound, the Village is approximately one square mile with a population of 5,062 (2020 US Census). Known for its Victorian houses, Sea Cliff has more registered landmark structures than any other community on Long Island.

Transportation

The Village is served by the Long Island Railroad's Oyster Bay line to Jamaica and Penn Station. MTA bus service is available to Roosevelt Field, Hicksville and Flushing, Queens. JFK and LaGuardia International Airports are approximately 20 miles away. Sea Cliff is four miles north of the Long Island Expressway, Northern State Parkway and Meadowbrook State Parkway, for easy access to points south, east and west.

Education Facilities

Sea Cliff and the neighboring communities of Glen Head, Glenwood Landing and parts of Old Brookville form the North Shore School District. Higher educational facilities are available at C. W. Post College and Long Island University, a few miles from the Village. Nassau Community College, Adelphi University and Hofstra University are within 10 miles of Sea Cliff.

Municipal Services

Sea Cliff is a full service Village providing fire protection, garbage collection, street cleaning and maintenance. The Village operates a beach facility, an adult library, a children's library, a museum, municipal parking lots, seven parks, street lighting and storm water sewers. Police protection is provided by Nassau County and hospital services are available at North Shore University Hospital at Glen Cove, two miles away. The Long Island Power Authority (LIPA) provides electricity and Liberty Water (a private company) supplies water.

The Water Authority of the North Shore ("WANS"), a corporate governmental agency constituting a public benefits corporation was established to negotiate for the acquisition of the private water supply system from private water companies and to a provide public drinking water supply system with a local governmental not-profit- water company to pursue public ownership of the water infrastructure currently operated by Liberty Water. The stated goals are increasing local oversight, improving transparency, and providing greater accountability in water rates and service delivery. The Village of Sea Cliff through its appointed representative, Trustee James Versocki leads the effort to municipalize the water delivery system and transition from privately operated water service to a publicly owned municipal water system. The proposed transition would include the Village and surrounding communities currently served by Liberty Water. While the acquisition process involves significant financial, legal, and operational considerations, the Village remains committed to the Authority's progress and managing the potential impact on Village residents, including water rates, infrastructure investment, and long-term service reliability. The financial impact on the Village is believed and forecasted to be revenue and cost neutral, as certain financial obligations and revenue sources will be replaced by operational costs and income.

In 2021, the Village acquired the former site of NY American Water (now Liberty) at a located at 325 Prospect Avenue consisting of two buildings situated on 2.5 acres at a discounted price as part of a agreement settling litigation regarding claimed billing inaccuracies which inflated resident's bills.

Employees

The Village provides services through approximately 19 full-time and 26 part-time employees,. 12 of which are represented by the CSEA labor organization. Their current contract is in effect from June 1, 2020 through May 31, 2027.

Population Trends

Year	Village of Sea Cliff	Nassau County	New York State
1970	5,890	1,428,838	18,241,366
1980	5,364	1,321,582	17,557,288
1990	5,054	1,287,348	17,990,445
2000	5,066	1,334,544	18,976,457
2010	4,995	1,339,532	19,378,102
2020	5,062	1,395,774	20,201,249

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

Comparative Housing, Income and Population Data

Age Distribution	Village	County	State	U.S.
Median Age	43.90	41.10	38.00	37.20
Person/Household	2.72	3.03	2.60	2.60
Housing				
% Owner Occupied Housing Units	84.50	81.70	54.40	64.60
Median Value Owner Occupied Housing ($	743,400	560,100	340,600	244,900
Median Gross Rent ($)	2,121	1,940	1,390	1,163
Income:				
Per Capita Income ($)	91,833	55,763	43,208	37,638
Median Household Income	165,938	126,576	75,157	69,021
% Below Poverty Level (1)	3.50	6.10	13.90	11.60

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

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

Selected Listing of Major Employers

Name	Type	Approx. No. of Employees	
North Shore School Administration	Public Schools	92	
North Shore Country Club (1)	Recreation	90	(summer)
		35	(winter)
Branch Real Estate	Real Estate	24	
Daniel Gale Sotheby's International Realty	Real Estate	39	
Sea Cliff Yacht Club	Recreation	20	
SCO Family of Services	Non-Profit	50	
Apple Bank	Commercial Bank	6	

Source: Village Officials.

(1) The North Shore Country Club was sold to a private owner on November 13, 2009. (See "THE VILLAGE - North Shore Country Club Potential Redevelopment" herein)

Form of Government

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

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

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

The Village has an appointed Clerk and Treasurer. The positions are appointed by the Mayor, subject to the confirmation of the Board and serve at the pleasure of the Board.

The Village Clerk is responsible for the custody of the corporate seal, books, records, and official papers of the Village, as well as maintaining reports, communications, and minutes of meetings of the Village Board and other boards and commissions. The Village Clerk is also responsible for maintaining personnel records and overseeing administrative functions of the Village.

The Village Treasurer is responsible for maintaining Village accounting and financial records, the collection and administration of taxes and other revenues, the custody and investment of Village funds, debt management, financial reporting, and oversight of the Village's fiscal operations.

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

Budgetary Procedure

Under Village Law, the Mayor is the budget officer and is responsible for preparation of a tentative budget each year. The Village Treasurer prepares the tentative budget on behalf of the Mayor and then presents the tentative budget to the Board. The Board reviews the tentative budget and makes such changes, alterations and revisions as it shall consider advisable and holds a public hearing thereon. Subsequent to the public hearing, revisions (if any) are made and the budget is then adopted by the Village as its final budget for the coming fiscal year. The budget is not subject to referendum, however increases in the annual tax levy are subject to the provisions of Chapter 97 of the Laws of 2011, as amended. (See "TAX INFORMATION - Tax Increase Procedural Limitation Legislation" herein). The tentative budget must also be filed in the office of the Village Clerk-Treasurer.

State Aid

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

Fiscal Year Ending May 31st:	Total Revenues	State and Federal Aid		State Aid to Revenues (%)
2021	12,428,917	5,353,322	(1)	43.07%
2022	7,806,567	1,232,809		15.79%
2023	8,024,293	1,086,539		13.54%
2024	7,542,107	623,121		8.26%
2025	7,785,723	468,808		6.02%
2026 (budget)	7,638,560	113,466		1.49%
2027 (budget)	7,963,540	106,538		1.34%

(1) Includes approximately $4.0 million in funds received from the State in connection with Village sanitary sewer work.

Source: Annual Audited Financial Statements of the Village

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained during the current fiscal year or in the future. Due to the outbreak of COVID-19, the State initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have negatively impacted the State's economy and financial condition.

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

Should the Village fail to receive State aid from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies 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.

Employee Pension Benefits

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

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

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

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

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

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

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

On September 8, 2026, Comptroller DiNapoli announced the contribution rates to the public pension system for the next State fiscal year 2027-2028. The estimated average employer contribution for ERS decreased from 17.6% to 17.3% of payroll and PFRS increased from 36.5% to 37.4% 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:

Year Ending May 31st:	2021	2022	2023	2024	2025	2026
ERS	$179,407	$226,404	$200,937	$217,479	$280,807	$305,118

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

The Village's FY 2027 budget includes $300,000 for ERS payments. The Village has not amortized its retirement liability in prior years.

A more in-depth discussion of the Village's pension liabilities appears in the Village's most recently available audited financial statements.

Other Post Employment Benefits

GASB Statement No. 45 ("GASB 45") has been superseded by GASB Statement No. 75 ("GASB 75") commencing with the Village's fiscal year ending May 31, 2019. As such, the Village now follows GASB 75 of the Governmental Accounting Standards Board ("GASB"), which requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as "other post employment benefits" ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

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

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

GASB 75 does not require that the unfunded liabilities actually be funded, only that the Village account for its unfunded accrued liability and compliance in meeting its ARC. The Village's plan has a total membership of fewer than 200 members. As such, according to GASB 75 regulations, the Village is required to perform an actuarial evaluation every 3 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 political subdivision or municipality for which such statistics are available (which includes the Village) is the Town of Oyster Bay. The information set forth below with respect to the Town, County and the State is included for information purposes only. It should not be implied from the inclusion of such data that the County, the State or the Town is necessarily representative of the Village, or vice versa.

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

	2026 MONTHLY FIGURES							
	Jan.	Feb.	March	April	May	June	July	Aug
Town of Oyster Bay	3.30%	3.70%	3.30%	3.20%	3.40%	3.40%	3.50%	3.70% [2]
Nassau County	3.50%	3.90%	3.50%	3.30%	3.50%	3.50%	3.70%	3.80% [2]
New York State	4.70%	5.20%	4.40%	4.20%	4.20%	4.40%	4.20%	4.60% [2]

[1] Data were subject to revision April 8, 2026
[2] Preliminary
[3] Data were subject to revision May 19, 2026
[4] Annual estimates for 2025 are 11 month averages that exclude October. Data for October 2025 were not collected due to the Federal government shutdown.

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

Cybersecurity

The Village, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Village faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. 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. Measures include having "cloud" back-ups of all files and operating systems software, which enables the Village to operate from any computer in the world in order to continue operations. 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 implemented policies and practices to protect its information technology systems, sensitive data, and confidential records from cybersecurity threats, unauthorized access, and potential data breaches. These measures include employee cybersecurity awareness training, internal security protocols, access controls, and ongoing efforts to identify and mitigate potential vulnerabilities. The Village remains committed to maintaining a secure technology environment, safeguarding municipal operations, and protecting the personal and financial information entrusted to it by residents, employees, and other stakeholders.

North Shore Country Club Potential Redevelopment

The potential redevelopment of the North Shore Country Club represents an economic and land-use consideration for the Village. The approximately 157-acre property, of which 74 acres are located within Village boundaries, represents one of the largest remaining privately owned open spaces in the community. Change in ownership could result in approximately 20 plus new single-family homes added to the Village's tax base, property values, infrastructure, municipal services, and overall economic stability. While redevelopment could potentially generate additional property tax revenue and economic activity, it will also increase demands on roads, utilities, public services, and other municipal resources. The Village's comprehensive plan recognizes the importance of carefully evaluating future land-use alternatives to balance economic opportunities with environmental preservation, community character, and long-term fiscal sustainability. The Village remains committed to protecting the interests of its residents and ensuring that any future proposals are evaluated for their economic,

environmental, and community impacts.

Sanitary Sewer Project

The Village is advancing its sanitary sewer infrastructure project, which will expand sewer service to approximately 45 additional properties currently reliant on individual septic systems and cesspools. The project will involve the installation of new sewer mains and associated infrastructure to connect these properties to the existing sanitary sewer system. This initiative represents a continued investment in the Village's infrastructure, with the goals of improving wastewater management, protecting water quality, reducing environmental impacts, and supporting the long-term health and sustainability of the community. The Village relies primarily on local, state and federal funding for implementation of this project.

Comprehensive Plan

The Village adopted its updated Comprehensive Plan (the "Plan") in September 2023 to establish a long-term vision for sustainable growth and community preservation. The Plan's primary objectives include preserving the Village's historic character and natural resources, strengthening local economic development, expanding housing opportunities, improving transportation and pedestrian safety, modernizing infrastructure, and enhancing environmental sustainability and coastal resiliency. The Plan provides a framework for future land use, zoning, capital improvements, and public investments while maintaining the Village's unique small-town character and quality of life.

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 Village may issue debt is 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. In addition, the financial affairs of the Village are subject to periodic review by the State Comptroller, through the Department of Audit and Control, to ascertain whether the Village has complied with the requirements of various State and Federal statutes.

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 summary of Revenues, Expenditures and Fund Balance, Comparison of Budget and Actual Results and Balance Sheets for the Village is included 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 0.0%, based on its Fiscal Stress Monitoring System 2025 List.

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 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.

Statutes Governing Village Investment Policy

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

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

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 was 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 was allocated to state and local governments, including villages, to assist with budget shortfalls and other items related to the COVID-19 pandemic. The Village was eligible to receive $512,777 under the Act and

received $256,388 in July 2021 and $257,435 in July 2022. Such funds have been spent and all reporting filed properly identifying Act eligible uses.

TAX INFORMATION

Valuations

Year Ending May 31st:	2021	2022	2023	2024	2025	2026
Assessed Valuation	$1,344,006,982	$1,355,911,937	$1,545,994,372	$1,772,352,902	$1,779,941,883	$1,784,381,133
State Equalization Rate	100.00%	93.42%	100.00%	100.00%	100.00%	100.00%
Full Valuation	$1,344,006,982	$1,451,415,047	$1,545,994,372	$1,772,352,902	$1,779,941,883	$1,784,381,133

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

Revaluation of Village Properties

In 2007, the Village undertook a Village-wide real property revaluation project. The purpose of the project was to reassess each and every parcel of real property in the Village so as to result in 100% fair market value assessment of all parcels, and to adjust the proportionality of real property taxes paid with respect to all properties, residential and commercial. The Village believes that the revaluation enables it to more equitably assess Village taxes according to each property's fair market value. By resolution of the Board of Trustees dated November 13, 2007, the Village adopted "Homestead" status (for Village tax purposes) and established two rate classes (residential and commercial).

The below table outlines the proportionality of overall Village taxes and assessed valuations paid by residential property owners and commercial properties.

Year Ending May 31st:	2021	2022	2023	2024	2025	2026	2027
Homestead	79.7004%	79.8357%	79.5400%	81.6682%	81.5663%	81.4745%	81.5693%
Non-Homestead	20.2996%	20.1643%	20.4600%	18.3318%	18.4337%	18.5255%	18.4307%

The Village will continue periodic updates in accordance with New York State Office of Real Property Tax Services ("ORPTS") regulations to maintain 100% assessed valuation, thereby maintaining more accurate assessed valuations.

Following the implementation of the Village's revaluation program, the Village has experienced a decline in the number of tax certiorari claims.

Tax Certiorari Matters

During the last decade, the Village has been confronted by several tax certiorari proceedings, instituted primarily by the owners of commercial properties, seeking a reduction of the assessed value of said properties and a refund of excess taxes paid by them. The Village has been funding tax judgement payments through budget appropriations.

The following table summarizes Village tax certiorari activity:

	2021	2022	2023	2024	2025	Unaudited 2026
Budget	$15,000	$30,000	$52,000	$30,000	$35,000	$30,000
Expended	809	152,761	76,857	4,396	27,444	23,608
Fund Balance Reserve	43,510	79,251	104,108	78,504	20,749	20,749

The Village's tax certiorari counsel is of the opinion that the most significant cases against the Village have been resolved. The Village reserves the right to finance any future judgment or settlement, if necessary, so as to mitigate any impact on future budgets.

The Village's FY 2027 budget includes $10,000 for tax certiorari payments. As of October 1, 2026 the Village expended $9,587 in tax certiorari payments.

Constitutional Taxing Power
(See also "TAX INFORMATION - Tax Increase Procedural Limitation Legislation", herein.)

Fiscal Year Ending May 31:	2025	2026	2027 [1]
Five Year Average Full Valuation	$1,490,483,967	$1,578,742,237	$1,666,817,067
Tax Limit (2%)	29,809,679	31,574,845	33,336,341
Add: Total Exclusions	0	0	0
Total Taxing Power	29,809,679	31,574,845	33,336,341
Less Tax Levy	6,246,991	6,394,864	6,722,307
Tax Margin	$23,562,688	$25,179,981	$26,614,034
Percent of Tax Limit Exhausted	20.96%	20.25%	20.17%

[1] As submitted to the New York State Comptroller's Office. Review pending.

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

Tax Collection Procedure

The Village collects its own taxes. Property taxes are collected twice annually during the months of June and December. A 5% penalty is added on or about July 1 and January 2 respectively. There is an additional penalty of 1% per month effective August 1. This additional penalty is adjusted each year by the State Commissioner of Taxation and Finance in accordance with Section 924-a of the Real Property Tax Law. Such penalty shall in no event be less that one per centum per month.

Real Estate Taxes and Tax Collection Record

Year Ended May 31st:	2021	2022	2023	2024	2025	2026 (Unaudited)	2027 As of 10/1/26
Levy and Tax Collections:							
Taxes on Roll	$5,497,104	$5,624,277	$5,972,430	$6,089,424	$6,246,991	$6,394,864	$6,722,307
Collections During Year							
Tax Collections (includes mid-year adjustments)	5,435,443	5,521,076	5,844,756	6,086,031	6,245,814	6,049,620	3,220,405
Tax Lien Sale (current years taxes)	61,661	103,201	127,674	99,443	110,122	163,464	0 [1]
Total Collections During Year	$5,497,104	$5,624,277	$5,972,430	$6,185,474	$6,355,936	$6,213,084	$3,220,405
% Collected Taxes End of Year	98.88%	98.17%	97.86%	99.94%	99.98%	94.60%	47.91%
% Collections End of Year (including tax liens	100.00%	100.00%	100.00%	101.58%	101.74%	97.16%	47.91%

[1] The Village conducts its annual lien sales in March of each year.

Source: Village of Sea Cliff

Larger Taxpayers

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

Name	Type	Valuations 2026-2027 Assessed	Tax Amount FY 2026 - 2027	
National Grid	Utility	$27,505,694	$249,821	
Liberty Water	Utility	11,537,156	104,786	
North Shore Country Club	Recreation	4,951,580	44,973	(1),(2)
GCA Realty	Commercial	3,101,240	28,167	(1)
270-274 8th Ave LLC	Apartment Bldg	2,487,620	22,594	(1)
Camview LLC	Commercial	2,454,890	22,297	
The Sea Cliff Yacht Club	Recreation	2,834,420	19,263	(1)
Fairfield 173 Sea Cliff Ave LLC	Commercial	1,804,120	16,386	(1)
Frank Caruso	Commercial	1,600,230	14,534	(1)
Sea Cliff Oceanside LLC	Commercial	1,593,900	14,477	(1)
		$59,870,850	$537,298	

(1) These taxpayers have filed tax certiorari cases against the Village which remain unresolved. (See "TAX INFORMATION-Tax Certiorari Matters" and "LITIGATION" herein)

(2) See "THE VILLAGE - See North Shore Country Club Potential Redevelopment" herein.

Source: Village of Sea Cliff

Tax Rate per $1000 (Assessed)

Year Ending May 31st:	2021	2022	2023	2024	2025	2026	2027
Tax Rate (Figures rounded)							
Homestead	$3.537	$3.607	$3.310	$3.022	$3.085	$3.147	$2.989
Non-Homestead	10.586	10.229	11.000	8.816	8.985	9.201	9.082

Source: Village of Sea Cliff

Tax Levy Limit Law

Although the State Legislature is limited by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted", the State Legislature may from time to time impose additional limitations on the ability to issue new indebtedness or to raise taxes therefor.

Chapter 97 of the Laws of 2011, as amended (the "Tax Levy Limit Law" or the "Law"), generally applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities to levy certain year-to-year increases in real property taxes.

The Village is subject to the Tax Levy Limit Law, beginning with the Village's budget for its fiscal year beginning January 1, 2012. Pursuant to the Tax Levy Limit Law, additional procedural requirements are imposed if a municipality seeks to increase the tax levy by more than the lesser of (1) two percent (2%) or (ii) the annual increase in the consumer price index, over the amount of the Village's prior year's tax levy (the "Tax Levy Increase Limit"). In the event the Village seeks to adopt a budget requiring a tax levy exceeding the Tax Levy Increase Limit, a favorable vote of at least three members of the five-member Village Board of Trustees would be required. The Village Board of Trustees would also be required to act by Local Law rather than simply by resolution, and a public hearing would be required.

The Law permits certain exceptions to the Tax Levy Increase Limit. The Village may levy taxes exceeding the Tax Levy Increase Limit, if necessary, to support the following expenditures: (i) funds needed to pay judgments arising out of tort actions that exceed five percent of the total tax levied by the Village in the prior fiscal year and (ii) required pension payments (but only that portion of such payments attributable to the average actuarial contribution rate exceeding two percentage points). Taxes necessary for these expenditures will not be included in the calculation of the Tax Levy Increase Limit.

The Law also provides for adjustments to be made to the Village's Tax Levy Increase Limit based upon changes in the assessed value of the taxable real property in the Village. Additionally, the Village will be permitted to carry forward a certain portion of its unused tax levy capacity from the prior year.

Notes or Bonds of the Village issued prior to the June 24, 2011 effective date of the Tax Levy Limit Law are payable from real property taxes that can be levied as necessary without regard to any Constitutional or statutory limit. Inasmuch as the Law has no exclusion for principal and interest on notes and bonds, however, levies required to pay principal and interest on notes and bonds will be included in the calculation of the Tax Levy Increase Limit. In the absence of administrative or judicial guidance, and with a lack of any experience operating under the Law, the effect of the Law on the Village's finances and its ability to continue to levy taxes sufficient to both pay debt service on pre June 24, 2011 and post June 24, 2011 notes and bonds and meet its other governmental responsibilities is uncertain.

VILLAGE INDEBTEDNESS

Constitutional Requirements

The 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 its 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 in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of the foregoing or any public corporation.

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, 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 ("PPU") of the object or purpose determined by statute or the weighted average PPU thereof; 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 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, 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. Chapter 97 of the Laws of 2011 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 Limi Law. See "TAX INFORMATION - Tax Levy Limit Law" herein.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Village to borrow and incur

indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including Village Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Village Board of Trustees, 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.

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 of Trustees may delegate, and has delegated, power to issue and sell bonds and notes, to the Village Treasurer, the chief fiscal officer of the Village.

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

Debt Outstanding as of End of Fiscal Year

As of May 31st:	2021	2022	2023	2024	2025
Bonds	$1,675,000	$1,375,000	$1,070,000	$860,000	$635,000
Installment Purchase Debt	0	280,000	270,677	244,605	257,998
Bond Anticipation Notes	258,534	253,267	128,000	172,000	116,000
Total Debt Outstanding	$1,933,534	$1,908,267	$1,468,677	$1,276,605	$1,008,998

Source: Annual Audited Financial Statements of the Village

Capital Project Plans

The Village has no authorized and unissued debt.

Computation of Debt Limit

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

Fiscal Year Ending May 31st:	Assessed Valuation of Taxable Real Estate	State Equalization Rate	Full Valuation of Taxable Real Estate
2026	$1,784,381,133	100.00%	$1,784,381,133
2025	1,779,941,883	100.00%	1,779,941,883
2024	1,772,352,902	100.00%	1,772,352,902
2023	1,545,994,372	100.00%	1,545,994,372
2022	1,355,911,937	93.42%	1,451,415,047
Total five year valuation			8,334,085,337
Five year average full valuation			1,666,817,067
Debt Limit - 7% of average five year full valuation			$116,677,194

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

Debt Statement Summary

Summary of Debt Limit, Total Gross Direct Indebtedness, Total Net Indebtedness and Net Debt-Contracting Margin as of October 27, 2026:

Debt Contracting Limitation:		$116,677,194
Gross Direct Indebtedness:		
Bonds:	1,000,000	
Bond Anticipation Notes:	20,000	
Installment Purchase Debt:	188,594	
Total Gross Direct Indebtedness		1,208,594
Less Exclusions:		
Appropriations: Bonds	100,000	
Appropriations: Notes	20,000	
Installment Purchase Debt:	29,229	
Total Exclusions:		149,229
Total Net Direct Indebtedness		$1,059,365
Debt Contracting Margin		$115,617,829
Percent of Debt-Contracting Power Exhausted		0.91%

The issuance of the Bonds will increase the total net indebtedness of the Village by $1,693,994 and increased its net indebtedness by 1.45%

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village, as of October 27, 2026

	Maturity		Amount
Bonds	2026 - 2035		$1,000,000
Bond Anticipation Notes	Maturity	Amount	
Boardwalk railings/DPW dump truck	March 13, 2027	20,000	
Bond Anticipation Notes			20,000
Installment Purchase Debt	2026 - 2032		188,594
Total Debt Outstanding			$1,208,594

Source: Village of Sea Cliff

Bonded Debt Service

The below table reflects the debt service requirements to maturity on the Village's outstanding general obligation bonded debt as of October 27, 2026. (Figures rounded.)

Fiscal Year Ended May 31st	Principal	Interest	Principal and Interest
2027	$100,000	$16,375	$116,375
2028	160,000	29,550	189,550
2029	160,000	25,150	185,150
2030	160,000	20,750	180,750
2031	60,000	16,350	76,350
2032	60,000	13,950	73,950
2033	60,000	11,475	71,475
2034	60,000	8,925	68,925
2035	90,000	5,738	95,738
2036	90,000	1,913	91,913
TOTALS	$1,000,000	$150,175	$1,150,175

Estimated Overlapping Indebtedness

In addition to the Village, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Village. The estimated outstanding indebtedness of such political subdivisions is as follows:

Unit	Date of Report	Outstanding Indebtedness	Exclusions[1]	Net Indebtedness	% Within Village	Applicable Net Indebtedness
County of Nassau	3/31/25	$3,223,388,000	$331,005,000	2,892,383,000	0.36%	$10,412,579
Town of Oyster Bay	4/9/26	784,001,985	266,311,127	517,690,858	1.33%	6,885,288
North Shore School District	5/26/26	38,835,000	0	38,835,000	13.63%	5,293,211
					Total	$22,591,078

[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, more recently published Official Statements or Annual Disclosure Undertakings.

REMEDIES UPON DEFAULT

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

Potential purchasers of the Bonds should be aware, nonetheless, that under certain circumstances the obligations of the Village to the owners of the obligations might not be enforced precisely as written. Following is a brief review of certain general factors governing the enforcement of remedies against New York municipalities, such as the Village. Potential purchasers of the Bonds should consult their own professional advisors for more complete and detailed information on the factors reviewed below.

General Municipal Law Contract Creditors' Provision

Each general obligation issued by a New York municipality when duly issued and paid for will constitute a contract between the issuer of the general obligation (the "Obligor") and the purchaser. Such contracts, if not honored, would generally be enforceable through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Obligor upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment.

Unavailability of Remedies of Levy and Attachment

As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. Under the general rule with respect to municipalities, judgments against an Obligor may not be enforced by levy and execution against property owned by the Obligor. The faith and credit pledge securing the Bonds requires a tax on real property to be levied to pay the principal of and interest on the Bonds, which levy may be enforced by mandamus under Article 78 of the Civil Practice Law and Rules.

Constitutional Non-Appropriation Provision

The Constitution of the State, Article VIII, Section 2, contains the following provision relating to the annual appropriation of monies for the payment of principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any owner of obligations issued for any such indebtedness." If the Obligor were to fail to make a required appropriation, however, the ability of affected owners of the Obligor's indebtedness to enforce this provision as written could

be compromised or eliminated as described below under "*Bankruptcy*", "*State Debt Moratorium Law*" and "*Possible Priority of Continuation of Essential Public Services*".

Article VIII, Section 2 of the State Constitution providing for first revenue set asides applies to the payment of interest on all indebtedness and to the payment of principal payments on bonds and certain notes, but does not apply to payment of principal due on tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Bankruptcy

The Federal Bankruptcy Code allows municipalities, such as the Village, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Should the Village file for relief under the Federal Bankruptcy Code there could be adverse effects on the owners of the Bonds.

The State, in Section 85.80 of the Local Finance Law, has authorized any municipality in the State to file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Congress has enacted such a law in the form of the Federal Bankruptcy Code. Given the authority established in the aforesaid Section 85.80 of the Local Finance Law, the Federal Bankruptcy Code, under certain circumstances, can provide municipalities with easier access to judicially approved adjustment of debt and can permit judicial control over identifiable and unidentifiable creditors.

Under the United States Constitution, Federal law is supreme and may be enforced irrespective of contrary state law. Accordingly, proceedings in accordance with the Federal Bankruptcy Code could result in an allocation of funds that fails to honor the faith and credit pledge required by the State Constitution.

No current State law purports to create any collateral or priority for owners 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 Bonds could be deemed unsecured obligations of the Village in a bankruptcy case.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality that is insolvent, which generally means the municipality is unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors. Any plan of adjustment can be confirmed by the court over the objections of creditors if the plan is found to be "fair and equitable" and in the "best interests of creditors." The Village may be able, without the consent and over the objection of owners of the Bonds, to impair and alter the terms and provisions of the Bonds, including the payment terms, interest rate, maturity date, and payment sources, as long as the bankruptcy court finds that the alterations are "fair and equitable." If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

The rights of the owners of Bonds to receive interest and principal from the Village and the enforceability of the Village's faith and credit pledge to pay such interest and principal could be adversely affected by the restructuring of the Village's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of owners of debt obligations issued by the Village (including the Bonds) to payment from monies retained in any fund or from other sources would be recognized if a petition were filed by or on behalf of the Village under the Federal Bankruptcy Code. Such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally, or might even be directed to satisfy other claims instead of being paid to the owners of the Bonds.

Regardless of any specific adverse determinations in a bankruptcy proceeding of the Village, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Bonds.

State Debt Moratorium Law

Unless the Federal Bankruptcy Code or other Federal Law applies, as described above, enforcement of the rights of Bond owners will generally be governed by State Law. In 1975, a general State law debt service moratorium statute was enacted.

Under that legislation, the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York was suspended. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, in *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York,* 40 N.Y.2d 731, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such Village of its faith and credit for the payment of obligations.

Accordingly, State legislation materially limiting the timing or manner of actions to enforce the faith and credit pledge against an issuer of general obligation debt (including that portion of Title 6-A of Article 2 of the Local Finance Law enacted in 1975 authorizing any municipality in a State-declared financial emergency period to petition to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality) could be determined to conflict with the State Constitution and may not be enforceable.

Possible Priority of Continuation of Essential Public Services

In prior years, litigation has resulted from certain events and legislation affecting the remedies of owners of municipal bonds or notes upon default. While courts of final jurisdiction have upheld and sustained the rights of note or bond owners, such courts might hold that future events, including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

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 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 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.

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 to a public health emergency similar to the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefore. Should the Village fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Village is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Village will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the Village requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also "THE VILLAGE - State Aid" herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the 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 Bond.

LITIGATION

As with other Villages, the Village from time to time receives notices of claim and is a party to litigation, some of which may include tax certiorari claims for rebates of prior year property taxes. The outcome of these matters, which could affect future operating budgets, is not presently determinable. See "TAX INFORMATION - Tax Certiorari Matters" herein.

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

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

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

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. State Aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefore. Should the Village fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Village is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Village will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the Village requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also "FINANCIAL INFORMATION - State Aid" herein.)

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. The resurgence and/or spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the Village. The Village is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "THE VILLAGE - State Aid" herein.)

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

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

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

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

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds will be covered by the unqualified legal opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel. Such legal opinion of Bond Counsel will be delivered

in substantially the form attached hereto as Appendix D.

TAX MATTERS

Tax Exemption

The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be an item of tax preference for purposes of the alternative minimum tax on individuals. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the Village made in a certificate (the "Tax Certificate") dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the Village with the provisions of the Tax Certificate subsequent to the issuance of the Bonds. The Tax Certificate contains covenants by the Village with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Village described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the Village as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the Village may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, under existing law interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (FASIT), corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change so as to reduce or eliminate the benefit to holders of the Bonds of the exclusion of interest thereon from gross income for federal income tax purposes. Proposed legislative or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the

amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income. Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds.

The purchase price of certain Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265 of the Code provides, in general, that interest expense to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of such obligations. In addition, section 265 of the Code generally disallows 100% of any deduction for interest expense which is incurred by "financial institutions" described in such section and is allocable, as computed in such section, to tax-exempt interest on obligations acquired after August 7, 1986. However, section 265(b) of the Code provides that this interest disallowance rule for financial institutions does not apply to interest expense allocable to tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which are designated by an issuer as "qualified tax-exempt obligations." An issuer may designate obligations as "qualified tax-exempt obligations" only if the amount of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) obligations and other than certain refunding bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed $10,000,000.

The Village has designated the Obligations as "qualified tax-exempt obligations" and has certified its expectation that the above-described $10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions which purchase the Obligations will not be subject to the 100% disallowance of interest expense allocable to interest on the Obligations under section 265(b) of the Code. However, the deduction for interest expense incurred by a financial institution which is allocable to the interest on the Obligations will be reduced by 20% pursuant to section 291 of the Code.

BOND RATING

S&P Global Ratings has assigned its "AA+" rating with a Stable Outlook to the Bonds. An explanation of the

significance of such rating, should be obtained from S & P Global Ratings, 55 Water Street, New York, New York 10041 (212) 438-2066.

Such 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.

DISCLOSURE UNDERTAKING

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

Compliance History

In prior years, the Village entered into several continuing disclosure undertakings in connection with the issuance of several serial bonds. Such undertaking(s) terminated with the maturity of the Village's Public Improvement Refunding Serial Bonds - 2015 Series A on August 1, 2025.

More recently, the Village has entered into several limited disclosure undertakings in connection with the issuance of its Public Improvement Serial Bonds - 2020 issued on May 27, 2020 and Public Improvement Serial Bonds - 2025 Series A issued on June 25, 2025. Such undertakings are the only Village disclosure undertakings currently in effect.

The Village has entered into several lease purchase agreements in prior years. The Village has not filed notices of material event - incurrence of a financial obligation in connection with such leases, as it has determined that these lease agreements individually and collectively are financially immaterial.

The Village issues bond anticipation notes from time to time throughout its fiscal year, which are purchased by a local bank and were not reofferred. The Village has not filed notices of material event - incurrence of a financial obligation in connection with such notes, as it has determined that these notes individually and collectively are financially immaterial.

On December 3, 2022 the Village filed a material event notice in connection with failing to file its fiscal year ended 2022 unaudited and/or audited financial statements, as required by certain disclosure undertakings. This delay was occasioned by the Village changing its model of accounting review by retaining an accounting firm to act as an internal auditor, in addition to a second accounting firm to act as external auditor. Such change was implemented by the Board of Trustees in furtherance to financial prudence and oversight. The Village subsequently filed is fiscal year ended 2022 audited financial statements on April 25, 2023.

On June 3, 2024 the Village filed a material event notice in connection with failing to file its fiscal year ended 2023 audited financial statements, as required by certain disclosure undertakings. The Village subsequently filed is fiscal year ended 2023 audited financial statements on June 12, 2024.

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 for which this Official Statement has been prepared. The Municipal Advisor has not been engaged nor has audited, authenticated or otherwise verified the information provided by the Village, information available to the Village or other information from independent sources believed to be reliable and

available to the Village and set forth in this Official Statement. No guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of information or any other matter related to such information and this Official Statement.

MISCELLANEOUS

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

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

Norton Rose Fulbright US LLP has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness of fairness thereof, and, accordingly expresses no opinion with respect thereto.

This disclosure document has been duly executed and delivered by the Village Treasurer of the Village of Sea Cliff. Additional information may be obtained from the office of the Village Treasurer - Judith Phelps, 300 Sea Cliff Avenue, Sea Cliff, NY 11795, (516) 671-0080 or the Village's municipal advisor, Liberty Capital Services, LLC at (516) 877-0797.

Dated: Sea Cliff, New York
November 18, 2026

/s/Judith Phelps
Village Treasurer

Inc. Village of Sea Cliff **APPENDIX A**

Revenues, Expenditures and Fund Balances

General Fund

Year Ended May. 31st:	2021	2022	2023	2024	2025
REVENUES					
Real Property Taxes	$5,495,539	$5,604,874	$5,971,103	$6,086,031	$6,245,814
Real Property Tax Items	67,719	66,477	60,889	55,774	66,069
Non- property Tax Items	234,846	232,328	292,514	225,508	236,031
Departmental Income	88,819	137,570	145,535	119,743	137,576
Intergovernmental Charges	22,580	24,938	6,469	0	0
Use of Money and Property	36,179	44,161	50,169	61,309	233,628
Licenses and Permits	249,166	271,280	281,396	215,091	231,773
Fines and Forfeitures	44,690	57,233	88,641	62,190	79,015
Sale of property, compensation for loss and Insurance Recoveries, Minor Sales	35,769	31,202	0	49,344	6,631
Miscellaneous	800,288	103,695	41,038	43,996	80,378
State and Federal Aid	5,353,322	1,232,809	1,086,539	623,121	468,808
Total Revenues	12,428,917	7,806,567	8,024,293	7,542,107	7,785,723
EXPENDITURES					
General Government Support	1,621,564	1,642,570	1,781,988	1,644,055	1,958,305
Public Safety	628,841	575,955	589,526	630,219	674,985
Public Works/Transportation	997,586	631,922	1,168,146	1,285,321	1,119,342
Economic Assistance and Opportunity	14,604	14,641	8,259	15,406	67,890
Culture & Recreation	193,785	211,951	229,562	272,181	237,688
Home & Community Services	6,155,728	1,824,158	1,180,117	1,097,984	1,187,098
Employee Benefits	1,186,559	1,140,760	1,246,927	1,465,805	1,520,404
Debt Service	414,188	454,228	472,598	281,696	317,600
Total Expenditures	11,212,855	6,496,185	6,677,123	6,692,667	7,083,312
Excess of Revenues over (under) Expenditures	1,216,062	1,310,382	1,347,170	849,440	702,411
OTHER FINANCING SOURCES (USES)					
Other Compensation for Loss	0	0	182,763	0	0
Insurance Recoveries	78,205	77,372	0	0	0
Operating Transfers In	738	0	35,000	0	11,262
Operating Transfers Out	(345,882)	(944,463)	(520,527)	(346,738)	(364,269)
Special Item (Proceeds from Real Estate Sale)	0	0	0	0	45,143
Total Other Financing Sources (Uses)	(266,939)	(867,091)	(302,764)	(346,738)	(307,864)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	949,123	443,291	1,044,406	502,702	394,547
Fund Balance Beginning of Year	3,612,651	4,497,780	4,941,071	7,198,454	7,701,156
Beginning Fund Balance Adjustment	(63,994)	0	1,212,977	0	0
Fund Balance End of Year	$4,497,780	$4,941,071	$7,198,454	$7,701,156	$8,095,703

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

Inc. Village of Sea Cliff **APPENDIX A-1**

Comparison of Budget and Actual Results

General Fund

(Most recently available fiscal year and current budget)

Year Ended May. 31st:	2025		2026	2027
	Adopted Budget	Actual (Budgetary Basis)	Adopted Budget	Adopted Budget
REVENUES				
Real property taxes	$6,246,991	$6,245,814	$6,394,864	$6,722,307
Real Property Tax Items	53,116	66,069	25,000	25,000
Non- property Tax Items	223,354	236,031	213,354	213,354
Departmental Income	108,750	137,576	108,500	208,500
Intergovernmental Charges	0	0	0	0
Use of Money and Property	5,000	233,628	175,000	185,000
Licenses and Permits	194,000	231,773	188,500	188,500
Fines and Forfeitures	86,800	79,015	75,000	75,000
Sale of Property and Compensated for Loss	0	6,631	5,000	0
Miscellaneous	5,000	80,378	21,200	21,200
State and Federal Aid	138,466	468,808	113,466	106,539
Total Revenues	7,061,477	7,785,723	7,319,884	7,745,400
Appropriated Fund Balance	93,000	0	318,676	218,140
Total Revenues and Appropriated Fund Balance	7,154,477	7,785,723	7,638,560	7,963,540
EXPENDITURES				
General Government Support	1,609,414	1,958,305	1,711,514	1,692,865
Public Safety	704,631	674,985	769,126	809,525
Transportation	955,997	1,119,342	1,008,863	1,063,574
Economic Assistance and Opportunity	79,936	67,890	82,463	88,252
Culture & Recreation	270,618	237,688	275,218	334,735
Home & Community Services	1,239,654	1,187,098	1,317,758	1,420,106
Employee Benefits	1,629,911	1,520,404	1,680,417	1,729,830
Debt Service	341,774	317,600	354,724	195,198
Total Expenditures	6,831,935	7,083,312	7,200,083	7,334,085
Excess of Revenues over (under) Expenditures	322,542	702,411	438,477	629,455
OTHER FINANCING SOURCES (USES)				
Other Compensation for Loss	0	0	0	0
Insurance Recoveries	0	0	0	0
Operating Transfers Out	(322,542)	(364,269)	(438,477)	(629,455)
Operating Transfers In	0	11,262	0	0
Special Item (Proceeds from Real Estate Sale)	0	45,143	0	0
Total Other Financing Sources (Uses)	(322,542)	(307,864)	(438,477)	(629,455)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$0	$394,547	$0	$0

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

Inc. Village of Sea Cliff **APPENDIX A-2**

Balance Sheets - General Fund

As of May 31:	2021	2022	2023	2024	2025
ASSETS					
Cash and Cash Equivalents	$4,575,628	$5,788,195	$6,236,102	$3,081,935	$2,980,301
Restricted Cash	1,353,611	1,465,891	1,591,924	1,726,571	1,813,955
Investments	0	0	0	3,557,053	3,724,374
Tax Sale Certificates	39,712	41,430	25,498	30,858	32,996
Accounts Receivable	200,000	0	0	0	0
Receivables from other governments	94,742	31,227	179,464	46,860	62,613
Due from other funds	65,192	117,312	340,564	277,589	742,925
Due from fiduciary funds	0	0	1,223	367	0
Prepaid Expenses	0	0	0	0	0
Total Assets	$6,328,885	$7,444,055	$8,374,775	$8,721,233	$9,357,164
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCE					
Liabilities :					
Accounts Payable and Accrued Expenditures	$1,061,714	$143,362	$260,615	$224,173	$207,321
Due to Other Funds	237,381	31,630	31,630	0	0
Due to Other Governments	0	11,427	22,906	7,447	21,310
Due to Employees Retirement System	0	0	33,004	40,170	46,801
Other Liabilities	0	0	13,580	145,670	156,524
Unearned Revenue	0	1,441,008	82,611	82,611	0
Total Liabilities	1,299,095	1,627,427	444,346	500,071	431,956
DEFERRED INFLOWS OF RESOURCES:					
Deferred Revenue - Real Property Taxes	39,712	41,430	46,464	32,843	10,905
Taxes Collected in Advance	492,298	834,127	685,511	487,163	818,600
Beach Fees Collected in Advance	0	0	0	0	0
Total Deferred Inflows of Resources	532,010	875,557	731,975	520,006	829,505
FUND BALANCE					
Nonspendable	0	0	0	0	0
Restricted	1,353,611	1,465,891	1,591,924	1,726,571	1,813,955
Assigned, Unappropriated	2,594,767	2,530,180	4,661,532	5,029,585	5,073,326
Unassigned	549,402	945,000	944,998	945,000	1,208,422
Total Fund Balance	4,497,780	4,941,071	7,198,454	7,701,156	8,095,703
TOTAL LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCE	$6,328,885	$7,444,055	$8,374,775	$8,721,233	$9,357,164

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

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APPENDIX B

INCORPORATED VILLAGE OF SEA CLIFF

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
TOGETHER WITH INDEPENDENT AUDITOR'S REPORTS

AS OF AND FOR THE YEAR ENDED
MAY 31, 2025

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



INCORPORATED VILLAGE OF SEA CLIFF

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
TOGETHER WITH INDEPENDENT AUDITOR'S REPORTS

AS OF AND FOR THE YEAR ENDED
MAY 31, 2025

INCORPORATED VILLAGE OF SEA CLIFF
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AS OF AND FOR THE YEAR ENDED
MAY 31, 2025

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NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Incorporated Village of Sea Cliff:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Change in Accounting Principle

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4-13 and 52-56, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2026, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village's internal control over financial reporting and compliance.

Hauppauge, New York
March 13, 2026

Nawrocki Smith LLP

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

FINANCIAL HIGHLIGHTS

- As of May 31, 2025, the Village had total assets and deferred outflows of resources of $24,710,105, total liabilities and deferred inflows of resources of $11,950,202, and a net position of $12,759,903 in the Village-wide financial statements.

- Total revenues for the year ended May 31, 2025 were $7,861,287 and total expenses were $6,713,831 resulting in a positive change in net position of $1,147,456 in the Village-wide financial statements.

- As of May 31, 2025, the Village's General Fund had fund balance totaling $8,095,703, which was an increase of $394,547 from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: required supplementary information including management's discussion and analysis (this section) and the basic financial statements. The financial statements include two kinds of financial statements that present different views of the Village:

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

- The remaining financial statements are *fund financial statements* that focus on *individual parts* of the Village, reporting the Village's operations in *more detail* than the Village-wide financial statements. The *fund financial statements* tell how programs were financed in the *short-term* as well as what remains for future spending. *Fiduciary Fund financial statements* provide information about the financial relationships in which the Village acts solely as a trustee or agent for the benefit of others.

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

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

Table A-1: Major Features of the Village-Wide and Fund Financial Statements			
	Village-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Village (except fiduciary funds)	The activities of the Village that are not proprietary or fiduciary	Instances in which the Village administers resources on behalf of someone else
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter, no capital assets, or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities and deferred inflows of resources (if any), both short-term and long-term, funds do not currently contain capital assets, although they can
Type of outflow/inflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Village-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

The Village uses governmental funds to account for its transactions:

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

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

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The Village's net position increased by 9.9% from the year before to $12,759,903 as detailed in Tables A-2 and A-3.

The restricted net position balance of $1,834,059 represents assets that are restricted by external sources, imposed by laws through constitutional provisions or enabling legislation.

As of May 31, 2025, the Village has an unrestricted net deficit position of $2,998,175. This deficit is driven by the Village's required recognition of its obligation for other post-employment benefits and the Service Award program which currently totals $4,003,366 and $2,550,542, respectively.

For the year ended May 31, 2025, the Village implemented GASB Statement No. 101, *Compensated Absences*. As a result, the Village reported a restatement to the prior year financial statements in the amount of $35,887 (see Note 15 to the financial statements).

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

	5/31/25	(As Restated) 5/31/24	$ Change	% Change
Current and other assets	$ 9,004,323	$ 9,069,958	$ (65,635)	(0.7)
Capital assets, net	14,933,017	14,164,571	768,446	5.4
Total assets	$ 23,937,340	$ 23,234,529	$ 702,811	3.0
Deferred outflows of resources	$ 772,765	$ 1,157,230	$ (384,465)	(33.2)
Current liabilities	$ 1,069,969	$ 1,223,234	$ (153,265)	(12.5)
Noncurrent liabilities	7,904,462	9,222,618	(1,318,156)	(14.3)
Total liabilities	$ 8,974,431	$ 10,445,852	$ (1,471,421)	(14.1)
Deferred inflows of resources	$ 2,975,771	$ 2,333,460	$ 642,311	27.5
Net position:				
Net investment in capital assets	$ 13,924,019	$ 13,059,966	$ 864,053	6.6
Restricted	1,834,059	1,733,303	100,756	5.8
Unrestricted	(2,998,175)	(3,180,822)	182,647	5.7
Total net position	$ 12,759,903	$ 11,612,447	$ 1,147,456	9.9

Change in Net Position

The Village's fiscal year 2025 revenues totaled $7,861,287, which is a 3.6% increase than fiscal year 2024 (see Table A-3). Real property taxes, non-property items, and charges for services, fees, fines and forfeitures accounted for 88.7% of total revenues (see Table A-4). The remainder came from operating grants, capital grants, State aid, sale of property and compensation for loss, use of money and property, and other miscellaneous sources.

The Village's fiscal year 2025 expenses totaled $6,713,831, which is a 2.0% decrease than fiscal year 2024 (see Table A-3), due to an increased impact of changes in actuarial assumptions and differences between expected and actuarial experiences related to the Village's proportionate share of pension liability, Service Award program liability and other post-employment benefits obligations. These expenses (98.0%) are predominately related to general government support, public safety, transportation, culture and recreation and home and community services (see Table A-6).

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

	5/31/25	5/31/24	$ Change	% Change
Revenues				
Program revenues:				
Charges for services, fees, fines and forfeitures	$ 427,363	$ 384,160	$ 43,203	11.2
Operating grants	165,235	77,668	87,567	112.7
Capital grants	298,082	521,925	(223,843)	(42.9)
General revenues:				
Real property taxes	6,311,883	6,141,805	170,078	2.8
Non-property tax items	236,031	225,508	10,523	4.7
Use of money and property	233,628	61,309	172,319	281.1
Sale of property and compensation for loss	6,631	49,344	(42,713)	(86.6)
Other state aid	92,857	72,678	20,179	27.8
Miscellaneous	89,577	55,208	34,369	62.3
Total revenues	7,861,287	7,589,605	271,682	3.6
Expenses				
General government	2,295,389	2,202,067	93,322	4.2
Public safety	942,688	929,248	13,440	1.4
Transportation	1,029,291	1,280,365	(251,074)	(19.6)
Economic opportunity and assistance	99,367	23,667	75,700	319.9
Culture and recreation	657,365	755,289	(97,924)	(13.0)
Home and community services	1,655,178	1,615,892	39,286	2.4
Interest on debt	34,553	44,490	(9,937)	(22.3)
Transfer to Fiduciary Fund	-	856	(856)	(100.0)
Total expenses	6,713,831	6,851,874	(138,043)	(2.0)
Change in net position	1,147,456	737,731	409,725	55.5
Total net position, beginning of year	11,612,447	10,910,603	701,844	6.4
Prior period adjustment (see Note 15)	-	(35,887)	35,887	100.0
Total net position, end of year	$ 12,759,903	$ 11,612,447	$ 1,147,456	9.9

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

- Capital grants decreased $223,843 primarily due to the decrease in grants received under Dormitory Authority of the State of New York and Consolidated Local Street and Highway Improvement Program during the current year.
- Revenues from property taxes and other tax items increased as a result of an increase in the budgeted tax levy for fiscal 2024-25. The tax rate increased slightly, and the assessed value of properties for the Village also increased year over year.
- Use of money and property increased $172,319, which reflects increased interest earnings and earnings on investments.

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

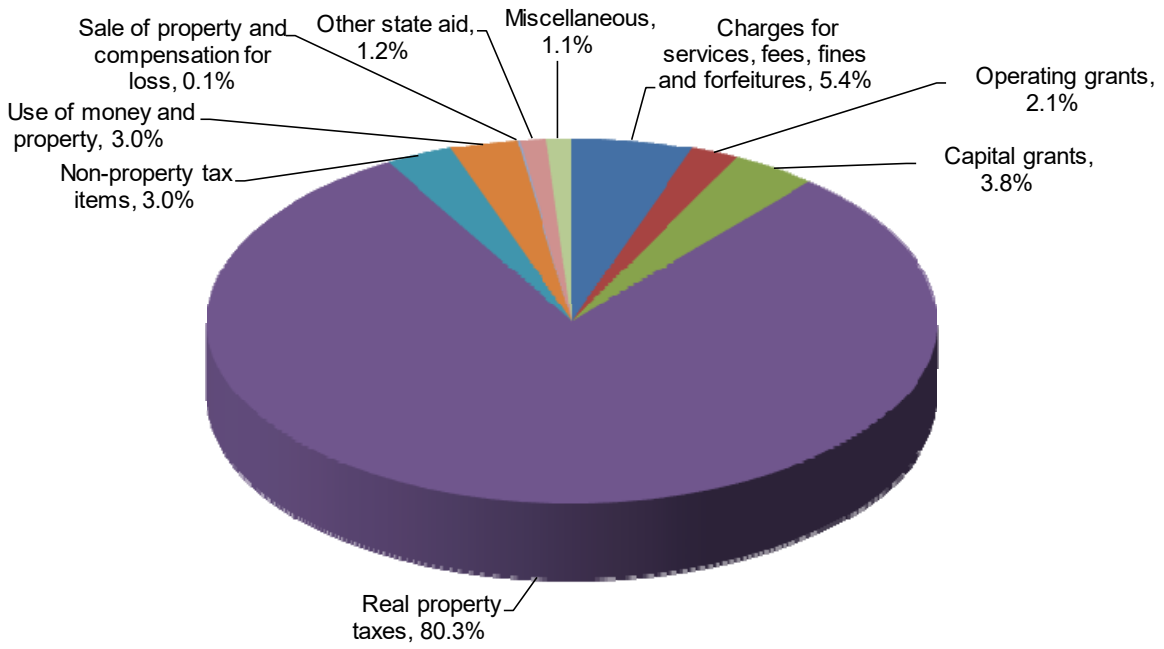


Table A-5: Sources of Revenues for Fiscal Year 2024

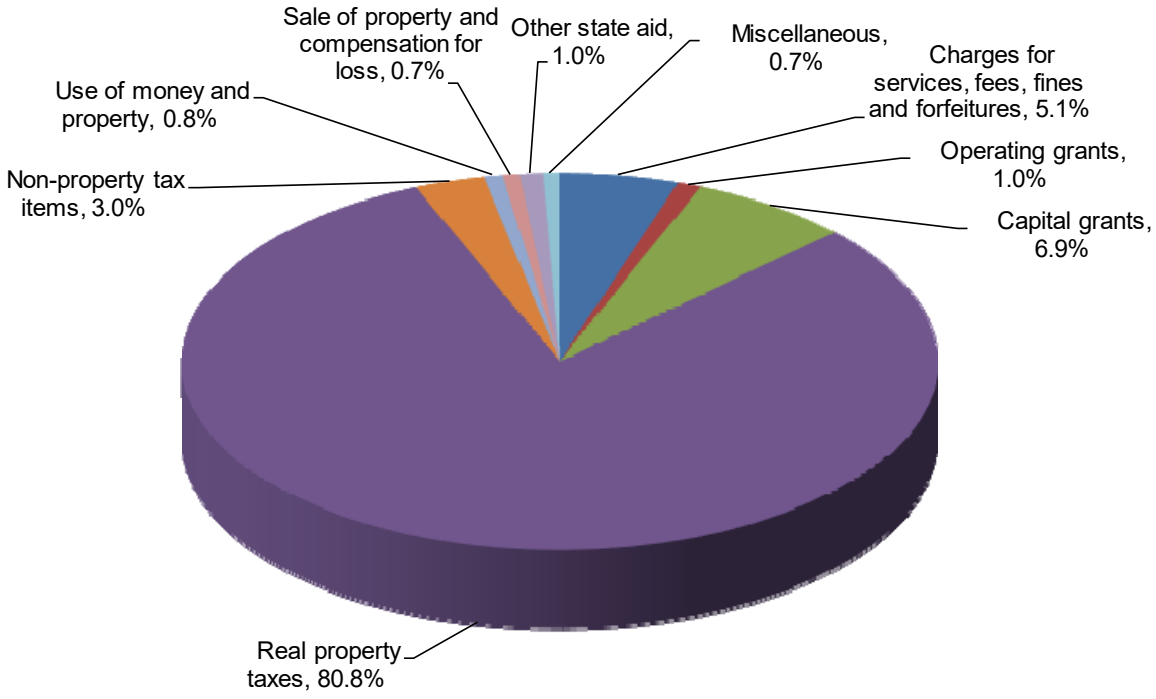


Table A-6: Expenses for Fiscal Year 2025

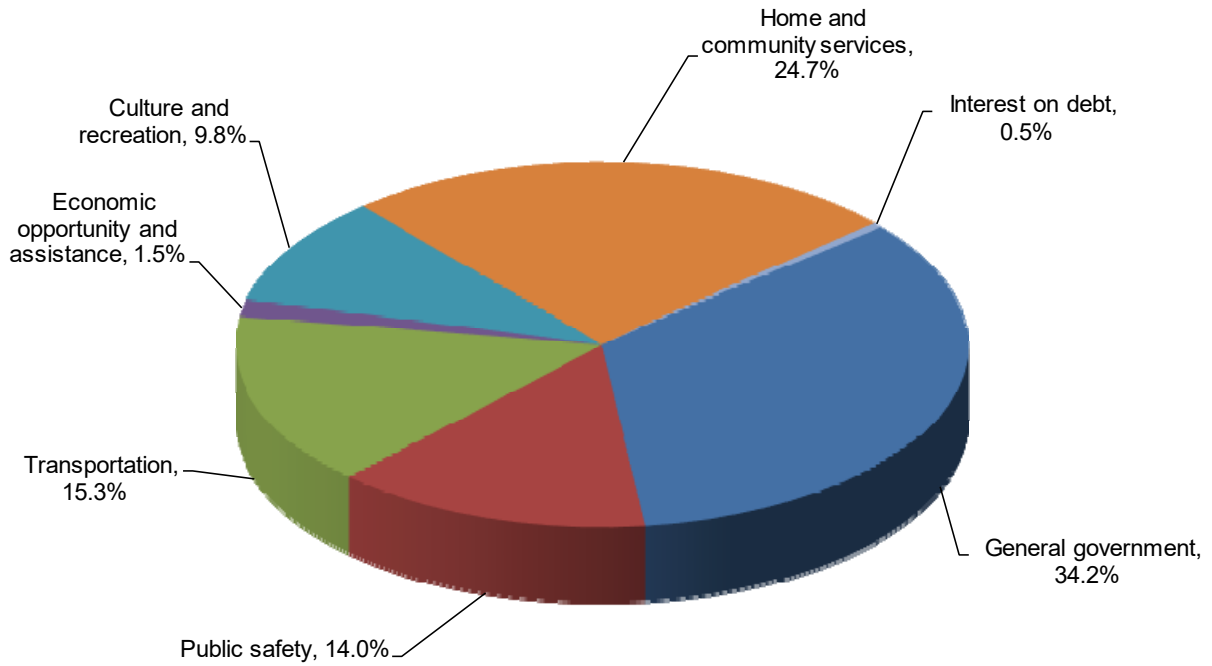
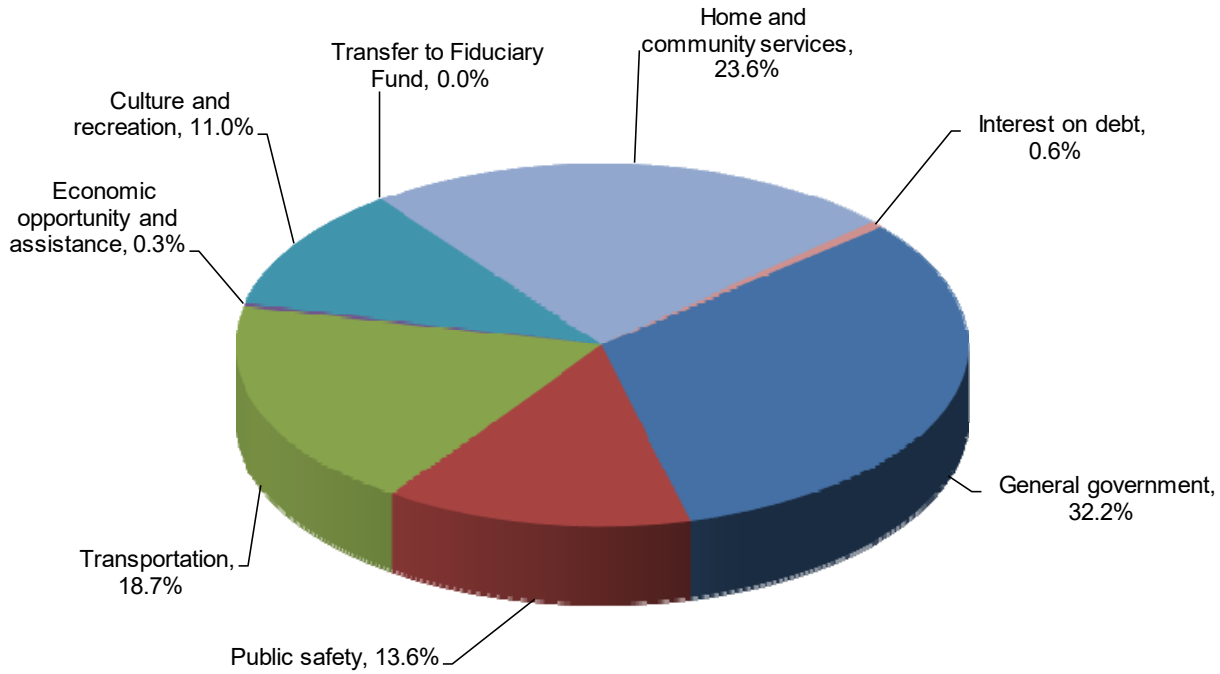


Table A-7: Expenses for Fiscal Year 2024



Governmental Activities

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

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

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

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

- General Fund total assets increased $635,931 primarily due to an increase in due from other funds and NYCLASS investments during the current year.
- General Fund total liabilities decreased $68,115 primarily due to decreases in unearned revenue and accounts payable, offset by increases in accrued expenses.
- General Fund reported an excess of revenues over expenditures, before other financing sources (uses), of $702,411, compared to an excess of $849,440 in 2024. Total change in fund balance including all sources was an increase of $394,547, compared to an increase of $502,702 in the previous year.
- General Fund expenditures increased $390,645 primarily due to increases in general government, home and community services and employees benefits, offset by decreases in transportation.
- General Fund other financing sources (uses) totaled ($307,864) as a result of transfers out to the Library Fund and the Capital Projects Fund.
- Library Fund total assets decreased $128,279 primarily due to less cash on hand at year end. Liabilities increased by $34,548 due to an increase in amounts due to other funds.
- Library Fund reported a negative change in fund balance, before other financing sources (uses), of ($451,062), compared to ($373,298) in 2024. Total change in fund balance including all sources was a decrease of ($162,827), compared to a decrease of ($27,416) in the previous year.
- Community Development Fund assets increased $22,552 primarily due to an increase in cash on hand at year end. Liabilities increased by $9,180 due to an increase in amounts due to other funds.
- Community Development Fund reported a positive change in fund balance of $13,372, compared to a decrease of ($33,949) in the previous year.

- Capital Projects Fund total assets decreased $121,323 primarily due to the continued capital projects activity throughout the Village. Liabilities increased $375,897 primarily due to an increase in due to other funds offset by the decrease in bond anticipation notes payable.

At May 31, 2025 the Village's governmental funds had a combined fund balance of $7,596,854, which is a decrease of $252,128 from May 31, 2024. Fund balances for the Village's governmental funds for the past two years were distributed as follows:

Table A-8: Fund Balances - Governmental Funds

	5/31/25	5/31/24	$ Change	% Change
General Fund	$ 8,095,703	$ 7,701,156	$ 394,547	5.1
Library Fund	17,095	179,922	(162,827)	(90.5)
Community Development Fund	20,104	6,732	13,372	198.6
Capital Projects Fund	(536,048)	(38,828)	(497,220)	(1,280.6)
Total fund balances	$ 7,596,854	$ 7,848,982	$ (252,128)	(3.2)

Budgetary Highlights

Reference is made to the budget and actual schedule on page 52 which presents budget and actual results for the Village's General Fund.

- Actual revenues in the General Fund were more than budgeted revenues by $292,063 primarily due to revenues received from federal aid, use of money and property, licenses and permits and miscellaneous local sources.
- Actual expenditures in the General Fund were less than budgeted by $299,556 primarily due to less than anticipated spending in general government, home and community services and employee benefits.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of 2025, the Village had invested $14,933,017, net of depreciation, in a broad range of capital assets.

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

	5/31/25	5/31/24	$ Change	% Change
Land	$ 313,397	$ 313,397	$ -	-
Construction-in-progress	196,726	393,355	(196,629)	(50.0)
Buildings and building improvements	4,038,653	4,045,969	(7,316)	(0.2)
Machinery and equipment	1,717,375	1,548,376	168,999	10.9
Right-of-use leased assets	222,713	210,000	12,713	6.1
Intangible assets	32,332	17,024	15,308	89.9
Infrastructure	8,411,821	7,636,450	775,371	10.2
Totals	$ 14,933,017	$ 14,164,571	$ 768,446	5.4

Long-Term Liabilities

At year-end, the Village had $7,628,053 in general obligation bonds and other long-term liabilities. During the year, the Village paid down $225,000 of principal on its outstanding bonds.

Table A-10: Long-Term Liabilities

	5/31/25	(As Restated) 5/31/24	$ Change	% Change
Bonds payable	$ 635,000	$ 860,000	$ (225,000)	(26.2)
Lease liabilities	257,998	244,605	13,393	5.5
Total OPEB liability	4,003,366	5,069,552	(1,066,186)	(21.0)
Total pension liability - LOSAP	2,550,542	2,667,803	(117,261)	(4.4)
Compensated absences	181,147	218,476	(37,329)	(17.1)
Totals	$ 7,628,053	$ 9,060,436	$ (1,432,383)	(15.8)

FACTORS BEARING ON THE FUTURE OF THE VILLAGE

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

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

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

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

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

Attention: Village Clerk-Treasurer
Incorporated Village of Sea Cliff
PO Box 340
Sea Cliff, NY 11579

INCORPORATED VILLAGE OF SEA CLIFF
STATEMENT OF NET POSITION
MAY 31, 2025

ASSETS	
Cash:	
Unrestricted	$ 3,264,644
Restricted	1,834,059
Investments	3,724,374
Receivables:	
Tax sale certificates	32,996
Due from other governments	148,250
Non-depreciable capital assets	510,123
Depreciable capital assets, net	14,422,894
Total assets	23,937,340
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	428,672
LOSAP related	339,781
OPEB related	4,312
Total deferred outflows of resources	772,765
LIABILITIES	
Payables:	
Accounts payable	30,858
Accrued expenses	206,471
Due to other governments	21,310
Accrued interest payable	8,847
Bond Anticipation Note payable	116,000
Due to Employees' Retirement System	46,801
Other liabilities	156,524
Liabilities due within one year:	
Bonds payable	235,000
Lease liabilities	36,469
Other post-employment benefits	211,689
Liabilities due in more than one year:	
Bonds payable	400,000
Lease liabilities	221,529
Employees Retirement System liability	759,567
Total pension liability - LOSAP	2,550,542
Other post-employment benefits	3,791,677
Compensated absences	181,147
Total liabilities	8,974,431
DEFERRED INFLOWS OF RESOURCES	
Taxes collected in advance	818,600
Pension related	35,300
LOSAP related	823,320
OPEB related	1,298,551
Total deferred inflows of resources	2,975,771
NET POSITION	
Net investment in capital assets	13,924,019
Restricted:	
Service award program	1,813,955
Community development	20,104
Unrestricted	(2,998,175)
Total net position	$ 12,759,903

The accompanying notes are an integral part of this statement.

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

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services, Fees, Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
Functions and programs:					
Primary government -					
General government	$ 2,295,389	$ 212,385	$ 123,768	$ -	$ (1,959,236)
Public safety	942,688	79,015	-	-	(863,673)
Transportation	1,029,291	-	-	252,183	(777,108)
Economic opportunity and assistance	99,367	-	-	-	(99,367)
Culture and recreation	657,365	110,483	1,562	45,899	(499,421)
Home and community services	1,655,178	25,480	39,905	-	(1,589,793)
Debt service - interest	34,553	-	-	-	(34,553)
Total primary government	$ 6,713,831	$ 427,363	$ 165,235	$ 298,082	(5,823,151)
General revenues:					
Real property taxes and property tax items					6,311,883
Non-property tax items					236,031
Use of money and property					233,628
State aid - mortgage tax					92,857
Sale of property and compensation for loss					6,631
Miscellaneous					89,577
Total general revenues					6,970,607
Change in net position					1,147,456
Total net position, beginning of year, as restated (see Note 15)					11,612,447
Total net position, end of year					$ 12,759,903

The accompanying notes are an integral part of this statement.

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

	Major Funds				
	General	Library	Community Development	Capital Projects	Total Governmental Funds
ASSETS					
Cash:					
Unrestricted	$ 2,980,301	$ 80,815	$ 9,180	$ 194,348	$ 3,264,644
Restricted	1,813,955	-	20,104	-	1,834,059
Investments	3,724,374	-	-	-	3,724,374
Receivables:					
Tax sale certificates	32,996	-	-	-	32,996
Due from other governments	62,613	-	-	85,637	148,250
Due from other funds	742,925	-	-	9,180	752,105
Total assets	$ 9,357,164	$ 80,815	$ 29,284	$ 289,165	$ 9,756,428
LIABILITIES					
Payables:					
Accounts payable	$ 9,498	$ -	$ -	$ 21,360	$ 30,858
Accrued expenses	197,823	8,648	-	-	206,471
Due to other governments	21,310	-	-	-	21,310
Bond Anticipation Notes payable	-	-	-	116,000	116,000
Due to Employees Retirement System	46,801	-	-	-	46,801
Due to other funds	-	55,072	9,180	687,853	752,105
Other liabilities	156,524	-	-	-	156,524
Total liabilities	431,956	63,720	9,180	825,213	1,330,069
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	10,905	-	-	-	10,905
Taxes collected in advance	818,600	-	-	-	818,600
Total deferred inflows of resources	829,505	-	-	-	829,505
FUND BALANCE					
Fund balance:					
Restricted	1,813,955	-	20,104	-	1,834,059
Assigned	5,073,326	17,095	-	-	5,090,421
Unassigned	1,208,422	-	-	(536,048)	672,374
Total fund balance	8,095,703	17,095	20,104	(536,048)	7,596,854
Total liabilities, deferred inflows of resources and fund balance	$ 9,357,164	$ 80,815	$ 29,284	$ 289,165	$ 9,756,428

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

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

Total Fund Balance - Governmental Funds		$ 7,596,854
Amounts reported for governmental activities in the Statement of Net Position are different due to the following:		
Capital assets less accumulated depreciation are included in the Statement of Net Position:		
Capital assets:		
Non-depreciable	$ 510,123	
Depreciable	20,081,547	
Accumulated depreciation	(5,658,653)	14,933,017
Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported in the fund financial statements. However, these liabilities are included in the Statement of Net Position:		
Bonds payable, net	(635,000)	
Lease liabilities, net	(257,998)	
Compensated absences	(181,147)	(1,074,145)
Proportionate share of long-term liabilities, deferred outflows of resources and deferred inflows of resources associated with participation in the State retirement systems are not current financial resources or obligations and are not reported in the governmental funds.		
Deferred outflows of resources - pension related	428,672	
Employees Retirement System liability	(759,567)	
Deferred inflows of resources - pension related	(35,300)	(366,195)
Total pension liability, deferred outflows of resources and deferred inflows of resources related to LOSAP are not current financial resources or obligations and are not reported in the governmental funds:		
Deferred outflows of resources - LOSAP	339,781	
Total pension liability - LOSAP	(2,550,542)	
Deferred inflows of resources - LOSAP	(823,320)	(3,034,081)
Total OPEB liability, deferred outflows of resources and deferred inflows of resources associated with OPEB are not current financial resources or obligations and are not reported in the governmental funds:		
Deferred outflows of resources - OPEB	4,312	
Total other post-employment benefits liability	(4,003,366)	
Deferred inflows of resources - OPEB	(1,298,551)	(5,297,605)
Receivables in the Statement of Net Position that do not provide current financial resources are not reported as receivables in the governmental funds.		10,905
Interest payable applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported in the fund financial statements. However, these liabilities are included in the Statement of Net Position.		(8,847)
Net Position - Governmental Activities		$ 12,759,903

The accompanying notes are an integral part of this statement.

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

	Major Funds				
	General	Library	Community Development	Capital Projects	Total Governmental Funds
REVENUES					
Real property taxes	$ 6,245,814	$ -	$ -	$ -	$ 6,245,814
Other tax items	66,069	-	-	-	66,069
Non-property tax items	236,031	-	-	-	236,031
Departmental income	137,576	937	-	-	138,513
Fines and forfeitures	79,015	-	-	-	79,015
Use of money and property	233,628	-	-	-	233,628
Licenses and permits	231,773	-	-	-	231,773
Sale of property and compensation for loss	6,631	-	-	-	6,631
State and local aid	386,197	1,562	39,905	45,899	473,563
Federal aid	82,611	-	-	-	82,611
Miscellaneous local sources	80,378	9,199	-	-	89,577
Total revenues	7,785,723	11,698	39,905	45,899	7,883,225
EXPENDITURES					
Current -					
General government	1,958,305	-	-	284,017	2,242,322
Public safety	674,985	-	-	40,630	715,615
Transportation	1,119,342	-	-	1,821	1,121,163
Economic opportunity and assistance	67,890	-	-	-	67,890
Culture and recreation	237,688	410,946	-	-	648,634
Home and community services	1,187,098	-	15,271	313,986	1,516,355
Employee benefits	1,520,404	51,814	-	-	1,572,218
Debt service -					
Principal	285,145	-	-	27,605	312,750
Interest	32,455	-	-	7,094	39,549
Total expenditures	7,083,312	462,760	15,271	675,153	8,236,496
Excess (deficiency) of revenues over (under) expenditures	702,411	(451,062)	24,634	(629,254)	(353,271)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of leases	45,143	-	-	-	45,143
Bond Anticipation Notes redeemed	-	-	-	56,000	56,000
Transfers in	11,262	288,235	-	76,034	375,531
Transfers out	(364,269)	-	(11,262)	-	(375,531)
Total other financing sources (uses)	(307,864)	288,235	(11,262)	132,034	101,143
Change in fund balance	394,547	(162,827)	13,372	(497,220)	(252,128)
Fund balance, beginning of year	7,701,156	179,922	6,732	(38,828)	7,848,982
Fund balance, end of year	$ 8,095,703	$ 17,095	$ 20,104	$ (536,048)	$ 7,596,854

The accompanying notes are an integral part of this statement.

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

Net Change in Fund Balance - Governmental Funds		$ (252,128)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeds depreciation expense in the current period is:		
Capital outlay, net	$ 1,359,296	
Depreciation expense	(590,850)	768,446
Revenues not available to pay for current period expenditures and, therefore, are deferred in the governmental funds Balance Sheet are recognized in the Statement of Activities.		(21,938)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.		
Lease liabilities issued	(45,143)	
Repayment of bond principal	225,000	
Principal payments on lease liabilities	31,750	211,607
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated absences	37,329	
Accrued interest costs	4,996	42,325
Changes in the proportionate share of the net pension asset/(liability) reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		47,244
Changes in the amounts related to the OPEB liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		335,510
Changes in the amounts related to the total pension liability related to the LOSAP plan reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		16,390
Net Change in Net Position - Governmental Activities		$ 1,147,456

The accompanying notes are an integral part of this statement.

INCORPORATED VILLAGE OF SEA CLIFF
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
MAY 31, 2025

	Custodial Funds
ASSETS	
Cash	$ 324,137
Total assets	$ 324,137
LIABILITIES	
Total liabilities	$ -
NET POSITION	
Restricted for:	
Hempstead Harbor Protection Committee	324,137
Total net position	324,137
Total liabilities and net position	$ 324,137

The accompanying notes are an integral part of this statement.

INCORPORATED VILLAGE OF SEA CLIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED MAY 31, 2025

	Custodial Funds
ADDITIONS	
Hempstead Harbor Protection Committee dues	$ 344,848
DEDUCTIONS	
Hempstead Harbor Protection Committee payments	331,397
Change in net position	13,451
Net position, beginning of year	310,686
Net position, end of year	$ 324,137

The accompanying notes are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial reporting entity

The Village, which was incorporated in 1883 and is governed by New York State Village Law and other general laws of the State of New York and various local laws. The Village Board of Trustees is the legislative body responsible of the overall operation of the Village. The Mayor serves as Chief Executive Officer and the Treasurer serves as Chief Fiscal Officer.

The following basic services are provided: road maintenance, fire protection, street lighting, snow removal, refuse removal, recreational facilities, planning and zoning, and library.

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

The financial reporting entity of the Village consists of (a) the primary government which is the Village, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB.

B. Basis of presentation

1. Village-wide financial statements

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

The Statement of Activities presents a comparison between program expenses and revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits depreciation and amortization expense, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund financial statements

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

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

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

Major Funds:

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

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

Library Fund - this fund accounts for all revenues and expenditures relevant to the operation of the Village's public library.

Community Development Fund - used to account for community development block grants received from the United States Department of Housing and Urban Development, passed through Nassau County, New York.

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

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

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

C. Measurement focus and basis of accounting

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

Modified accrual basis - the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within a reasonable period of time after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, installment purchase debt, other post-employment benefits, amortized retirement costs, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Accrual basis - the Village-wide and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Fixed assets and long-term liabilities related to these activities are recorded within the funds.

D. Property taxes

Property taxes are levied annually no later than April 15 and become a lien on June 1. Taxes are due in two equal installments, the first half payable June 1 and the second half payable on December 1. Penalty charges are levied and collected after July 1 and December 31, respectively, in accordance with Real Property Tax Law. A Village tax sale to recover unpaid taxes is held annually by March 20, following the year for which the tax is levied.

General Municipal Law Section 3-c established a tax levy limit for local governments in New York State effective June 24, 2011. This law generally limits the amount by which local governments can increase property tax levies to 2 percent or the rate of inflation, whichever is less. The law does provide exclusions for certain specific costs and allows the governing board to override the tax levy limit with a supermajority vote.

E. Interfund transactions

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

1. Interfund revenues

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

2. Transfers

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

F. Cash and cash equivalents

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

New York State law governs the Village's investment policies. 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 United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities. Investments are stated at fair value.

G. Investments

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

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

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

H. Receivables

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

I. Restricted assets

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

J. Capital assets

Capital assets are reported at actual cost or estimated historical costs if purchased or constructed. Donated assets are reported at estimated fair market value at the time received.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building and building improvements	$1,000	Straight line	15-50 years
Infrastructure	$1,000	Straight line	10-40 years
Machinery and equipment	$1,000	Straight line	5-20 years

K. Right-of-use assets

The Village has recorded right-of-use lease assets in accordance with GASB Statement No. 87. The right-of-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-of-use assets are amortized on a straight-line basis over the life of the related lease.

L. Deferred outflows of resources

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

M. Deferred inflows of resources/unearned revenues

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

N. Long-term obligations

The liabilities for long-term obligations consisting of bonds payable, compensated absences, other post-employment benefit obligations, length of service award program and lease liabilities are recognized in the Village-wide financial statements.

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

O. Vested employee benefits - compensated absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Village employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave and vacation time.

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

P. Post-employment benefits

In addition to providing pension benefits, the Village provides health insurance coverage and survivor benefits for retired employees and their survivors that meet the requirements within the Village's policies. Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. Health care benefits and survivor benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Village recognizes the cost of providing benefits by recording its share of insurance premiums as expenditures in the year paid. The liability for other post-employment benefits is recorded as a long-term obligation in the Village-wide financial statements.

Q. Net position

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

1. Investment in capital assets: consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position.

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

2. Restricted: consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are restricted if the limitation is externally enforceable and typically result from constraints imposed by: (1) parties outside the government such as laws, creditors, grantors, donors, etc. (2) constitutional provisions, or (3) enabling legislation. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

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

Fund financial statements

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

1. Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Village has no nonspendable fund balances as of May 31, 2025.

2. Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Village's restricted fund balances as of May 31, 2025 totaled $1,834,059.

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

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

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

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

	General	Library	Community Development	Capital Projects	Total Governmental Funds
Restricted:					
Length of Service Award Program	$ 1,813,955	$ -	$ -	$ -	$ 1,813,955
Community development	-	-	20,104	-	20,104
Total restricted	1,813,955	-	20,104	-	1,834,059
Assigned:					
Designated for subsequent year's expenditures	290,000	-	-	-	290,000
Capital improvements	140,000	-	-	-	140,000
Various multi-year capital projects and equipment	564,542	-	-	-	564,542
Settlement of tax certiorari claims	20,749	-	-	-	20,749
Other claims and insurance deductibles	11,000	-	-	-	11,000
Snow removal	30,092	-	-	-	30,092
Improvements to Village Hall	108,845	-	-	-	108,845
Sewer project	2,560,444	-	-	-	2,560,444
Capital projects	387,731	-	-	-	387,731
Tree restoration	23,420	-	-	-	23,420
Road improvements	292,933	-	-	-	292,933
Sanitation truck	166,479	-	-	-	166,479
Museum	31,901	-	-	-	31,901
Technology	28,079	-	-	-	28,079
Professional fees	100,000	-	-	-	100,000
FD capital projects	23,000	-	-	-	23,000
Capital assets	161,418	-	-	-	161,418
Stairs and walkways	132,693	-	-	-	132,693
Library operations	-	17,095	-	-	17,095
Total assigned	5,073,326	17,095	-	-	5,090,421
Unassigned	1,208,422	-	-	(536,048)	672,374
	$ 8,095,703	$ 17,095	$ 20,104	$ (536,048)	$ 7,596,854

Net position and fund balance flow assumptions

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

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

R. Insurance

The Village assumes the liability for most risk including, but not limited to, property damage and personal injury liability. The Village maintains insurance policies in amounts and on terms generally standard for municipalities to insure against these liabilities. These insurance policies limit the overall exposure to Village assets by providing a third party insurer to assume the risk and liabilities relating to claims. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

S. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, potential contingent liabilities and useful lives of long-lived assets.

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

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

A. Total fund balances of governmental funds vs. net position of governmental activities

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

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

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

1. Long-term revenue/expense differences

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

2. Capital related differences

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

3. Right-of-use asset related differences

   Right-of-use asset related differences include the difference between recording an expenditure for the purchase of right-of-use assets in the fund financial statements and amortization expense on those items as recorded in the Statement of Activities.

4. Long-term debt transaction differences

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

5. Pension and LOSAP differences

   Pension differences occur as a result of changes in the Village's proportion of the collective net pension asset/(liability) and differences between the Village's contributions and its proportionate share of the total contributions to the pension systems. Differences also occur as a result of changes in the LOSAP total pension liability and related deferred inflows and outflows of resources.

6. OPEB differences

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

3. CHANGE IN ACCOUNTING PRINCIPLE

Effective for the 2025 fiscal year, the Village implemented GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 101 provides guidance for identifying and recognizing compensated absence liabilities. Previously recognized was the value of unused leave time owed to employees upon separation from employment. In accordance with the new guidance, the Village must also recognize as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. As a result, the Village has reported a restatement to opening net position of governmental activities of $35,887 (see Note 15 to the financial statements).

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary data

1. Budget policies

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

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

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

2. Budget basis of accounting

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

3. Encumbrances

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

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

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

Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Village's name	$ 3,153,415

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $1,834,059 within the governmental funds.

Investment and deposit policy

The Village follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Treasurer of the Village.

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

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

- Level 1 - U.S. Government fixed income $3,724,374 fluctuate in value in response to changes in interest rates and credit risk.

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

Interest rate risk

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

	Fair Value	Investment Maturities Less than 1 Year
U.S. Government fixed income	$ 3,724,374	$ 3,724,374

Credit risk

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

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

Custodial credit risk:

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

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

6. RECEIVABLES

Accounts and taxes receivable

As of May 31, 2025, there was $32,996 in tax sale certificates and $148,250 in amounts due from other governments. The majority of balances outstanding pertain to taxes and grant reimbursements owed to the Village.

7. INTERFUND BALANCES AND ACTIVITY

Interfund receivable and payable balances as of May 31, 2025 primarily represent monies reimbursed subsequent to year-end. Interfund revenues and expenditures primarily represent budgeted operating and capital expenditures, as well as for the debt service payments. Balances at year-end are stated as follows:

Fund	Receivable	Payable	Revenues	Expenditures
General	$ 742,925	$ -	$ 11,262	$ 364,269
Library	-	55,072	288,235	-
Community Development	-	9,180	-	11,262
Capital Projects	9,180	687,853	76,034	-
Totals	$ 752,105	$ 752,105	$ 375,531	$ 375,531

8. CAPITAL ASSETS

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

	Beginning Balance	Additions	Reductions/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets not depreciated:				
Land	$ 313,397	$ -	$ -	$ 313,397
Construction-in-progress	393,355	196,726	(393,355)	196,726
Total non-depreciable assets	706,752	196,726	(393,355)	510,123
Capital assets that are depreciated:				
Buildings and building improvements	5,243,733	97,209	-	5,340,942
Machinery and equipment	5,054,195	409,047	(23,181)	5,440,061
Right-of-use leased assets	280,000	45,143	-	325,143
Intangible assets	17,920	18,000	-	35,920
Infrastructure	7,952,955	593,171	393,355	8,939,481
Total depreciable assets	18,548,803	1,162,570	370,174	20,081,547
Less accumulated depreciation:				
Buildings and building improvements	1,197,764	104,525	-	1,302,289
Machinery and equipment	3,505,819	240,048	(23,181)	3,722,686
Right-of-use leased assets	70,000	32,430	-	102,430
Intangible assets	896	2,692	-	3,588
Infrastructure	316,505	211,155	-	527,660
Total accumulated depreciation	5,090,984	590,850	(23,181)	5,658,653
Total capital assets, net	$ 14,164,571	$ 768,446	$ -	$ 14,933,017

Depreciation expense was charged to governmental functions as follows:

General government	$ 31,271
Public safety	164,366
Transportation	119,689
Culture and recreation	27,827
Home and community services	247,697
	$ 590,850

9. SHORT-TERM DEBT

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

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

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN matured on 03/13/25 @ 6.00%	$ 60,000	$ -	$ 60,000	$ -
BAN matured on 09/20/24 @ 6.00%	32,000	-	32,000	-
BAN matured on 09/20/24 @ 6.00%	80,000	-	80,000	-
BAN maturing on 03/13/26 @ 5.25%	-	40,000	-	40,000
BAN maturing on 09/20/25 @ 5.25%	-	16,000	-	16,000
BAN maturing on 09/20/25 @ 5.25%	-	60,000	-	60,000
	$ 172,000	$ 116,000	$ 172,000	$ 116,000

Interest on short-term debt for the year was $9,787.

10. LONG-TERM DEBT

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

	(As Restated) Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	$ 860,000	$ -	$ 225,000	$ 635,000	$ 235,000
Lease liabilities	244,605	45,143	31,750	257,998	36,469
Length of Service Award Program	2,667,803	193,844	311,105	2,550,542	-
Other post-employment benefits	5,069,552	360,993	1,427,179	4,003,366	211,689
Compensated absences	218,476	-	37,329	181,147	-
Total long-term liabilities	$ 9,060,436	$ 599,980	$ 2,032,363	$ 7,628,053	$ 483,158

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

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

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at 5/31/2025
Public Improvement	9/30/2015	8/1/2025	1.00% - 5.00%	$ 135,000
Public Improvement	5/27/2020	2/1/2030	1.75% - 2.00%	500,000
				$ 635,000

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

Year Ended May 31,	Principal	Interest	Total
2026	$ 235,000	$ 13,375	$ 248,375
2027	100,000	8,000	108,000
2028	100,000	6,000	106,000
2029	100,000	4,000	104,000
2030	100,000	2,000	102,000
	$ 635,000	$ 33,375	$ 668,375

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

Interest paid	$ 29,762
Less interest accrued in the prior year	(13,843)
Plus interest accrued in the current year	8,847
Interest expense	$ 24,766

Lease liabilities - The Village has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of May 31, 2025.

The first agreement was executed on March 7, 2022, to lease LED street lighting and requires 72 monthly base payments of $2,892. The lease liability is measured at a discount rate of 2.90%. As a result of the lease, the Village has recorded a right-of-use asset with a net book value of $182,000 at May 31, 2025.

The second agreement was executed on November 14, 2024, to lease a copier machine and requires 60 monthly base payments of $449. The lease liability is measured at a discount rate of 4.29%. As a result of the lease, the Village has recorded a right-of-use asset with a net book value of $21,826 at May 31, 2025.

The third agreement was executed on January 7, 2025, to lease a copier machine and requires 63 monthly base payments of $359. The lease liability is measured at a discount rate of 4.46%. As a result of the lease, the Village has recorded a right-of-use asset with a net book value of $18,887 at May 31, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of May 31, 2025 were as follows:

Year Ended May 31,	Principal	Interest	Total
2026	$ 36,469	$ 7,926	$ 44,395
2027	37,652	6,742	44,394
2028	38,876	5,519	44,395
2029	40,140	4,255	44,395
2030	38,370	2,972	41,342
2031-2032	66,491	2,906	69,397
	$ 257,998	$ 30,320	$ 288,318

11. PENSION PLAN

Plan description

The Village participates in the New York State and Local Employees' Retirement System ("NYSERS") which is collectively referred to as New York State and Local Retirement System (the "System"). This is a cost-sharing multiple-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York (the "Comptroller") serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Benefits provided

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

Tiers 1 and 2

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

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

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

Tiers 3, 4, and 5

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

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

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

Tier 6

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

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

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

Ordinary Disability Benefits

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

Accidental Disability Benefits

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

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

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

Contributions

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

2025	$ 241,021
2024	215,425
2023	165,284

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

At May 31, 2025, the Village reported a liability of $759,567 for its proportionate share of the net pension liability relating to NYSERS. The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2024. Update procedures were used to roll forward the pension liability to March 31, 2025. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

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

Actuarial valuation date	April 1, 2024
Net pension liability	$ 759,567
Village's portion of the Plans' total net position liability	0.0044301%

For the year ended May 31, 2025, the Village recognized pension expense of $200,409. At May 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected experience and actual experience	$ 188,530	$ (8,893)
Changes of assumptions	31,855	-
Net difference between projected and actual earnings on pension plan investments	59,594	-
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	101,892	(26,407)
Employer contributions made subsequent to the measurement date	46,801	-
Total	$ 428,672	$ (35,300)

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

For the year ended:	
2026	$ 161,413
2027	216,136
2028	(41,680)
2029	10,702

Actuarial assumptions

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

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

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

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

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

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

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

Discount rate

The discount rate used to calculate the total pension liability was 5.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to the discount rate assumption

The following presents the Village's proportionate share of the net pension 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%)
Employer's proportionate share of the net pension asset/(liability)	$ (2,198,283)	$ (759,567)	$ 441,762

Pension plan fiduciary net position

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

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

12. LENGTH OF SERVICE AWARD PROGRAM

Program description

The Village's financial statements are presented for the year ended May 31, 2025. However, the information contained in this note is based on information for the Length of Service Awards Program ("Program") for the plan year ending on December 31, 2024**,** which is the most recent plan year for which complete information is available.

The Village established a defined benefit LOSAP for the active volunteer firefighters of the Sea Cliff Fire Department. The program took effect on January 1, 1995. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Village is the sponsor of the program.

Participation, vesting and service credit

Active volunteer firefighters who have reached the age of 18 and who have completed 5 years of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is the first of the month following age 65 and completion of 1 year of Plan participation. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for 5 years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to $20 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed twenty-five. Benefits are not payable until 65. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by the fire department. The fire department must maintain all required records on forms prescribed by the governing board. The board of trustees has retained and designated VFIS to assist in the administration of the program. The program administrator's functions are defined in the contract. Disbursements of program assets for the payment of benefits must be approved.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. Subject to restrictions on the program document, program assets are invested in accordance with a statutory "prudent person" rule. The Village is required to retain an actuary to determine the amount of the sponsor's contributions to the health plan. The program administrator's fee includes an annual actuarial certification by an independent, enrolled actuary.

Requests for information concerning the programs assets, liabilities, receipts, disbursements, contributions and fees should be made to the Village Treasurer.

Participants covered by the benefit terms

As of January 1, 2024, the date of the most recent actuarial valuation, the following participants were covered by the benefit terms:

Active participants	54
Inactive participants entitled to, but not yet receiving benefit payments	27
Inactive participants currently receiving benefit payments	25
Total	106

Measurement of Total Pension Liability

The total pension liability at the December 31, 2024 measurement date was determined using an actuarial valuation as of January 1, 2024.

Actuarial assumptions

The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, with update procedures used to roll forward the total pension liability to the measurement date, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	0.0%
Salary increases:	N/A
Discount rate:	4.28%
Mortality:	No pre-retirement mortality; post-retirement RP2000 projected to 2030
Retirement:	First eligible

Discount rate

The discount rate used to measure the total pension liability was 4.28%, which is based on the S&P Municipal Bond 20-Year High Grade Index as of December 31, 2024.

Changes in the Total Pension Discount Rate

The discount rate used to measure the total pension liability was based on the 20-year AA general obligation bond rate and was 3.79% for the December 31, 2023 measurement date, and 4.28% for the December 31, 2024 measurement date based on the S&P Municipal Bond 20-Year High Grade Index.

Changes in the Total Pension Liability

Balance as of January 1, 2024 measurement date	$ 2,667,803
Service cost	79,667
Interest	112,170
Differences between expected and actual experience	2,007
Changes in assumptions	(211,345)
Benefit payments and expenses	(99,760)
Balance as of December 31, 2024 measurement date	$ 2,550,542

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

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

	1% decrease (3.28%)	Current discount rate (4.28%)	1% increase (5.28%)
Total LOSAP pension liability	$ 3,000,298	$ 2,550,542	$ 2,192,744

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

For the year ended May 31, 2025, the Village recognized pension expense of $83,370. At May 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to LOSAP pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,632	$ (47,773)
Changes of assumptions or other inputs	320,149	(775,547)
Totals	$ 339,781	$ (823,320)

The Village reported deferred outflows of resources and deferred inflows of resources that will be recognized in pension expense as follows:

Year ended December 31:	
2025	$ (83,642)
2026	(152,862)
2027	(214,848)
2028	(16,091)
2029	(16,096)

13. POST-EMPLOYMENT BENEFITS

A. General information about the OPEB plan

Plan description

The Village sponsors a single-employer healthcare plan that provides post-employment medical benefits for eligible retirees and their spouses through the New York State Health Insurance Plan (NYSHIP) (the "Plan"). Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. The Village does not issue a publicly available report for the plan; however, the financial activities of NYSHIP are included with the financial statements of the State of New York.

Funding policy

For employees who retired prior to June 1, 2004, the Village contributes 90% of the cost for the retiree and retiree spouse. Subsequent to that date, the Village contributes a Fixed Cost Amount (FCA) and the retiree pays the full difference between the FCA and the medical premium. The cost sharing percentage is based on the employee's retirement date but in no event shall the Village's contribution be less than 50% of the medical premium for individual coverage, or 35% for family coverage.

Benefits provided

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

Employees covered by benefit terms

As of June 1, 2024, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	21
Total plan members	41

B. Total OPEB liability

The Village's total OPEB liability of $4,003,366 was measured as of May 31, 2025 and was determined by an actuarial valuation as of June 1, 2024.

Actuarial assumptions and other inputs

The total OPEB liability in the June 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, with update procedures used to roll forward the total OPEB liability to the measurement date, applied to all periods included in the measurement, unless otherwise specified:

Payroll growth rates	2.50%
Salary increases	3.50% average, including inflation
Discount rate	5.25%
Healthcare cost trend rates	7.00% decreasing per year to an ultimate rate of 5.00%
Retirees' share of benefit-related costs	Rates based on percentage of premiums for retirees

The discount rate was based on the Bond Buyers 20 Bond Index.

Mortality rates were based on the PUB-10 mortality table projected to the valuation date with Scale MP-2021.

C. Changes in the Total OPEB liability

Balance as of May 31, 2024	$ 5,069,552
Changes for the year -	
Service cost	175,325
Interest	185,668
Differences between expected and actual experience	(765,985)
Changes in assumptions or other inputs	(480,882)
Benefit payments	(180,312)
Net Changes	(1,066,186)
Balance as of May 31, 2025	$ 4,003,366

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.25%) or one percentage point higher (6.25%) than the current discount rate:

	1% Decrease (4.25%)	Current Assumption (5.25%)	1% Incease (6.25%)
Total OPEB Liability as of May 31, 2025	$ 4,520,732	$ 4,003,366	$ 3,577,906

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00% decreasing to 4.00%)	Current Assumption (7.00% decreasing to 5.00%)	1% Increase (8.00% decreasing to 6.00%)
Total OPEB Liability as of May 31, 2025	$ 3,668,610	$ 4,003,366	$ 4,426,090

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

For the year ended May 31, 2025, the Village recognized OPEB expense of $155,198. At May 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,545	$ (599,103)
Changes of assumptions or other inputs	2,767	(699,448)
Totals	$ 4,312	$ (1,298,551)

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

Year ended May 31:	
2026	$ (468,175)
2027	(355,019)
2028	(310,778)
2029	(160,267)

14. COMMITMENTS AND CONTINGENCIES

A. Risk management and litigation

In common with other municipalities, the Village receives numerous notices of claims. Although the eventual outcome of the claims cannot presently be determined, it is the opinion of the Village and Village Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Village has not asserted a substantial and adequate defense, nor which, if determined against the Village, would have a material adverse effect on the financial condition of the Village, in view of the Village's ability to fund the same through use of appropriate funding mechanisms provided by the Local Finance Law. The Village is insured for workers' compensation insurance and disability insurance.

B. Government grants

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

C. Joint venture

The Village participates in the Hempstead Harbor Protection Committee (HHPC) with eight other municipalities. The Village is the custodian of the HHPC funds. These funds are reported in the Fiduciary Fund. The activities of the HHPC are not included in the financial statements of the Village.

D. Property tax cap

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

15. PRIOR PERIOD ADJUSTMENT

Compensated absence liability balances as of June 1, 2024 have been restated to reflect the adoption of GASB Statement No. 101. The Village's financial statements for the year ended May 31, 2024 have been restated as of June 1, 2024 to give effect to the following:

	Compensated Absences	Net Position
Balance as of June 1, 2024, as previously stated	$ 182,589	$ 11,648,334
GASB Statement No. 101 implementation:		
Add: Net change in compensated absences (calculated under GASB 101)	35,887	(35,887)
Balance as of June 1, 2024, as restated	$ 218,476	$ 11,612,447

16. FUTURE ACCOUNTING STANDARDS

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

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
Statement No. 103	Financial Reporting Model Improvements	May 31, 2027
Statement No. 104	Disclosure of Certain Capital Assets	May 31, 2027

17. SUBSEQUENT EVENTS

The Village has evaluated subsequent events occurring after the Statement of Net Position through the date of March 13, 2026, which is the date the financial statements were available to be issued, noting no matters requiring further consideration.

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

	Adopted Budget	Revised Budget	Actual	Variance
REVENUES				
Real property taxes	$ 6,246,991	$ 6,246,991	$ 6,245,814	$ (1,177)
Other tax items	53,116	53,116	66,069	12,953
Non-property tax items	223,354	223,354	236,031	12,677
Departmental income	108,750	108,750	137,576	28,826
Fines and forfeitures	86,800	86,800	79,015	(7,785)
Use of money and property	5,000	185,000	233,628	48,628
Licenses and permits	194,000	194,000	231,773	37,773
Sale of property and compensation for loss	-	-	6,631	6,631
State and local aid	138,466	390,649	386,197	(4,452)
Federal aid	-	-	82,611	82,611
Miscellaneous local sources	5,000	5,000	80,378	75,378
Total revenues	7,061,477	7,493,660	7,785,723	292,063
EXPENDITURES				
Current -				
General government	1,609,414	2,010,359	1,958,305	52,054
Public safety	704,631	652,717	674,985	(22,268)
Transportation	955,997	1,145,436	1,119,342	26,094
Economic opportunity and assistance	79,936	74,322	67,890	6,432
Culture and recreation	270,618	236,828	237,688	(860)
Home and community services	1,239,654	1,242,521	1,187,098	55,423
Employee benefits	1,629,911	1,678,911	1,520,404	158,507
Debt service -				
Principal	304,605	304,605	285,145	19,460
Interest	37,169	37,169	32,455	4,714
Total expenditures	6,831,935	7,382,868	7,083,312	299,556
Excess of revenues over expenditures	229,542	110,792	702,411	591,619
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of leases	-	-	45,143	45,143
Appropriated fund balance	93,000	211,750	-	(211,750)
Transfers in	-	-	11,262	11,262
Transfers out	(322,542)	(322,542)	(364,269)	(41,727)
Total other financing sources (uses)	(229,542)	(110,792)	(307,864)	(197,072)
Change in fund balance	$ -	$ -	394,547	$ 394,547
Fund balance, beginning of year			7,701,156	
Fund balance, end of year			$ 8,095,703	

Note to Required Supplementary Information

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 SEA CLIFF
SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL PENSION LIABILITY AND RELATED RATIOS
SERVICE AWARD PROGRAM
LAST SEVEN FISCAL YEARS*

Measurement date as of:	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Total pension liability:							
Service cost	$ 79,667	$ 81,163	$ 73,302	$ 139,161	$ 134,375	$ 102,957	$ 65,781
Interest	112,170	90,986	145,487	61,785	55,589	59,657	82,931
Changes in benefit terms	-	-	(71,018)	-	-	-	-
Changes of assumptions or other inputs	(211,345)	112,344	(1,198,850)	109,374	448,090	455,046	(173,803)
Differences between expected and actual experience	2,007	19,241	(73,109)	(16,715)	(14,201)	29,525	-
Benefit payments	(99,760)	(68,705)	(66,014)	(52,405)	(38,560)	(36,175)	(45,689)
Net change in total pension liability	(117,261)	235,029	(1,190,202)	241,200	585,293	611,010	(70,780)
Total pension liability, beginning of year	2,667,803	2,432,774	3,622,976	3,381,776	2,796,483	2,185,473	2,256,253
Total pension liability, end of year	$ 2,550,542	$ 2,667,803	$ 2,432,774	$ 3,622,976	$ 3,381,776	$ 2,796,483	$ 2,185,473
Covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected average remaining service years of all participants	6	7	6	7	7	7	7

Note to Required Supplementary Information

Changes of assumptions or other inputs: The discount rate used to measure the total pension liability was as follows

December 31, 2024: 4.28%
December 31, 2023: 3.79%
December 31, 2022: 4.05%
December 31, 2021: 1.84%
December 31, 2020: 2.00%
December 31, 2019: 2.75%
December 31, 2018: 3.71%

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

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

Measurement date	May 31, 2025	May 31, 2024	May 31, 2023	May 31, 2022	May 31, 2021	May 31, 2020	May 31, 2019
Total OPEB liability:							
Service cost	$ 175,325	$ 202,247	$ 222,924	$ 259,804	$ 256,001	$ 199,057	$ 178,172
Interest	185,668	194,583	174,537	125,529	120,449	165,361	168,332
Changes of assumptions or other inputs	(480,882)	(300,004)	7,861	(667,234)	(345,789)	910,808	196,508
Differences between expected and actual experience	(765,985)	-	1,591	-	71,661	(13,751)	-
Benefit payments	(180,312)	(251,789)	(230,293)	(231,224)	(210,787)	(206,391)	(198,334)
Net change in total OPEB liability	(1,066,186)	(154,963)	176,620	(513,125)	(108,465)	1,055,084	344,678
Total OPEB liability, beginning of year	5,069,552	5,224,515	5,047,895	5,561,020	5,669,485	4,614,401	4,269,723
Total OPEB liability, end of year	$ 4,003,366	$ 5,069,552	$ 5,224,515	$ 5,047,895	$ 5,561,020	$ 5,669,485	$ 4,614,401
Covered employee payroll	$ 1,576,556	$ 1,642,855	$ 1,687,525	$ 1,712,049	$ 1,685,270	$ 1,577,145	$ 1,453,240
Total OPEB liability as a percentage of covered-employee payroll	253.93%	308.58%	309.60%	294.85%	329.98%	359.48%	317.53%
Discount rate	5.25%	4.13%	3.67%	3.16%	2.20%	2.16%	3.51%

Note to Required Supplementary Information

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

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

INCORPORATED VILLAGE OF SEA CLIFF
SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY) - NYSERS
LAST NINE FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Village's proportionate share of the net pension asset (liability)	0.0044301%	0.0045545%	0.0040070%	0.0046806%	0.0043178%	0.0044946%	0.0045177%	0.0046867%	0.0045742%
Village's proportionate share of the net pension asset (liability)	$ (759,567)	$ (670,603)	$ (859,267)	$ 382,617	$ (4,299)	$ (1,190,209)	$ (320,095)	$ (151,261)	$ (429,802)
Village's covered payroll	$ 1,576,556	$ 1,642,855	$ 1,687,525	$ 1,712,049	$ 1,685,270	$ 1,577,145	$ 1,453,240	$ 1,425,123	$ 1,385,443
Village's proportionate share of the net pension asset (liability) as a percentage of covered payroll	48.18%	40.82%	50.92%	22.35%	0.26%	75.47%	22.03%	10.61%	31.02%
Plan fiduciary net position as a percentage of the total pension asset (liability)	93.08%	93.88%	90.78%	103.65%	99.95%	96.39%	96.27%	98.24%	94.50%
Discount rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%

* The amounts presented for each fiscal year were determined (bi-annually) as of March 31st.

***Note to Required Supplementary Information**

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

INCORPORATED VILLAGE OF SEA CLIFF
SCHEDULE OF VILLAGE PENSION CONTRIBUTIONS - NYSERS
LAST NINE FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 241,021	$ 215,425	$ 165,284	$ 226,404	$ 213,764	$ 206,129	$ 233,015	$ 205,393	$ 202,423
Contributions in relation to the contractually required contribution	241,021	215,425	165,284	226,404	213,764	206,129	233,015	205,393	202,423
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Village's covered-employee payroll	$ 1,576,556	$ 1,642,855	$ 1,687,525	$ 1,712,049	$ 1,685,270	$ 1,577,145	$ 1,453,240	$ 1,425,123	$ 1,385,443
Contributions as a percentage of covered-employee payroll	15.29%	13.11%	9.79%	13.22%	12.68%	13.07%	16.03%	14.41%	14.61%

***Note to Required Supplementary Information**

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

NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Trustees of the
Incorporated Village of Sea Cliff:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the Fiduciary Funds of the Incorporated Village of Sea Cliff (the "Village"), as of and for the year ended May 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 13, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Hauppauge, New York
March 13, 2026

Nawrocki Smith LLP

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APPENDIX C

FORM OF DISCLOSURE UNDERTAKING

FORM OF
LIMITED DISCLOSURE CERTIFICATE

A. ***Definitions****.* As used in this Undertaking, the following terms have the meanings ascribed to such terms below*:*

"Bonds" means the Issuer's $1,693,994 Public Improvement Serial Bonds – 2026 Series A, dated December 10, 2026.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii); provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Issuer" means the Village of Sea Cliff, Nassau County, New York.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Undertaking" means this Limited Disclosure Undertaking.

B. ***Annual Reports.*** The Issuer shall provide annually to the MSRB financial information or operating data with respect to the Issuer which shall include, at a minimum, that financial information and operating data which is customarily prepared by the Issuer and is publicly available, all as determined by the Issuer. Commencing with fiscal year ending May 31, 2026, such information shall be provided no later than the last day of each such succeeding fiscal year. Any financial information so to be provided shall be prepared in accordance with such accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided.

If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Undertaking.

The financial information and operating data to be provided pursuant to this Undertaking may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

C. ***Event Notices.*** The Issuer shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

(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 or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of holders of the Bonds, if material;

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

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;

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

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

For these purposes, any event described in the immediately preceding paragraph (12) 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 United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the 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.

The Issuer shall also notify the MSRB, in a timely manner, of any failure by the Issuer to provide the financial information or operating data described in section B by the time required by this Undertaking.

D. ***Filings with the MSRB***. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Undertaking shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

E. ***Limitations, Disclaimers, and Amendments***. The Issuer shall be obligated to observe and perform the covenants specified in this Undertaking for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule.

The provisions of this Undertaking are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Undertaking, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Undertaking and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Undertaking or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS UNDERTAKING, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Undertaking shall constitute a breach of or default on the Bonds.

Nothing in this Undertaking is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Undertaking may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements or their interpretation, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Undertaking, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of the Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Issuer may also repeal or amend the provisions of this Undertaking if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Undertaking in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer

so amends the provisions of this Undertaking, the Issuer shall include with any amended financial information or operating data next provided in accordance with this Undertaking an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

IN WITNESS WHEREOF, I have hereunto set my hand to this Disclosure Certificate this December 10, 2026.

_____
Village Treasurer

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FORM OF OPINION OF BOND COUNSEL

December 10, 2026

Village of Sea Cliff,
County of Nassau,
State of New York

Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, New York 10019-6022
United States

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Re: Village of Sea Cliff, Nassau County, New York
$1,693,994 Public Improvement Serial Bonds - 2026 Series A

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $1,693,994 Public Improvement Serial Bonds - 2026 Series A (the "Obligation"), of the Village of Sea Cliff, Nassau County, State of New York (the "Obligor"), dated December 10, 2026.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder;

(3) a tax certificate (the "Tax Certificate") executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes; and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

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

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In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights; and (ii) may be subject to the exercise of judicial discretion in certain cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights.

(c) Under existing law, interest on the Obligation (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, assuming continuing compliance after the date hereof by the Obligor with the provisions of the Tax Certificate, and (2) will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals. Under existing law, interest on the Obligation is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligation. Ownership of tax-exempt obligations such as the Obligation may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinion expressed herein. Such opinion is not intended and should not be construed to express or imply any conclusion that the

amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,