

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 7, 2026

NEW AND RENEWAL ISSUE

BOND RATING: Not-Rated
(See “BOND RATING” herein)

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

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

VILLAGE OF VALLEY STREAM
NASSAU COUNTY, NEW YORK (the “Village”)

\$690,355 PUBLIC IMPROVEMENT SERIAL BONDS - 2026 (FEDERALLY TAXABLE) (the “Bonds”)
Dated: Date of Delivery **Principal Due: May 1, 2028 - May 1, 2031**
(as shown on the inside cover page)

\$9,330,000 BOND ANTICIPATION NOTES – 2026 SERIES A (the “Notes”)
Date of Issue: May 7, 2026 **Maturity Date: May 7, 2027**

The Bonds and the Notes are general obligations of the Village of Valley Stream, 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 and the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Village subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the “Tax Levy Limit Law”). (See “TAX INFORMATION - Tax Levy Limit Law” herein.)

The Bonds are dated their Date of Delivery and shall mature on May 1, in each year as specified on the inside cover page hereof. Interest on the Bonds will be payable May 1, 2027, November 1 2027 and semi-annually thereafter on May 1 and November 1 in each year until maturity. The Bonds will not be subject to redemption prior to maturity.

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

The 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 compliance with federal tax law and substantially level annual debt service.

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

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

ON JANUARY 29, 2025 MOODY’S INVESTOR SERVICES WITHDREW THE VILLAGE’S “Baa2” CREDIT RATING DUE TO LACK OF SUFFICIENT INFORMATION. (SEE “FINANCIAL INFORMATION - FY 2023 AND FY 2024 AUDITED FINANCIAL STATEMENTS DELAY,” “CREDIT RATING” and “DISCLOSURE UNDERTAKING - COMPLIANCE HISTORY” HEREIN.)

THE VILLAGE HAS EXPERIENCED FINANCIAL DIFFICULTIES IN THE PAST SEVERAL YEARS WHICH COULD AFFECT THE MARKETABILITY AND THE MARKET VALUE OF THE BONDS AND THE NOTES. (SEE “NEW YORK STATE COMPTROLLER’S OFFICE FISCAL STRESS DESIGNATION” UNDER “FINANCIAL INFORMATION”, “MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE” AND “BOND RATING” HEREIN.)

The Bonds and Notes are offered when, as, and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion of Phillips Lytle LLP, Garden City, New York, Bond Counsel. It is expected that delivery of the Bonds and the Notes will be made in New York, New York, or such other place as the Village and purchaser(s) shall agree, on or about May 7, 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 CONTINUING DISCLOSURE (AS DEFINED IN THE RULE) AS REQUIRED BY THE RULE IN CONNECTION WITH THE DELIVERY OF THE BONDS (SEE “APPENDIX C - FORM OF DISCLOSURE UNDERTAKING FOR THE BONDS”) HEREIN. THE VILLAGE WILL DELIVER AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN EVENTS, AS REQUIRED BY THE RULE, IN CONNECTION WITH THE DELIVERY OF THE NOTES, (SEE “APPENDIX D FORM OF DISCLOSURE UNDERTAKING THE NOTES,” HEREIN).

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

BOND MATURITY SCHEDULE

\$690,355 Public Improvement Serial Bonds - 2026 (Federally Taxable)

(Base CUSIP 920100)[†]

The Bonds mature on May 1 in each year in the following principal amounts:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> [†]	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> [†]
2027	\$0				2030	\$175,000			
2028	165,355				2031	185,000			
2029	165,000								

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

Interest on the Bonds shall be payable on May 1, 2027, November 1, 2027 and semi-annually thereafter on May 1 and November 1 of each year until maturity.

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

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

VILLAGE OF VALLEY STREAM

**123 South Central Avenue
Valley Stream, New York 11580**

VILLAGE OFFICIALS

EDWIN A. FARE
Mayor

DERMOND E. THOMAS
Deputy Mayor

SHARON M. DALY
JOHN L. TUFARELLI
KEVIN WASZAK
Trustees

JAMES J. HUNTER
Village Clerk

MICHAEL J. FOX
Village Treasurer

MICHAEL T. HOPKINS & ASSOCIATES PLLC
Attorney for the Village

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

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

Relating To

**\$690,355 Public Improvement Serial Bonds - 2026 (Federally Taxable)
(the "Bonds")**

**\$9,330,000 Bond Anticipation Notes - 2026 Series A
(the "Notes")**

This Official Statement, which includes the cover page and appendices hereto, has been prepared by the Village of Valley Stream, Nassau County, New York (the "Village," "County," and "State," respectively) in connection with the sale by the Village of \$690,355 Public Improvement Serial Bonds - 2026 (Federally Taxable) (the "Bonds"), and \$9,330,000 Bond Anticipation Notes - 2026 Series A (the "Notes").

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

DESCRIPTION OF THE BONDS

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

The Bonds are dated their date of delivery and shall mature without option of redemption on May 1 in each year as set forth on the inside cover page hereof. Interest on the Bonds will be payable May 1, 2027, November 1, 2027 and semi-annually thereafter on May 1 and November 1 in each year until maturity. The "Record Date" for the Bonds will be the close of business on the fifteenth day of the calendar month immediately preceding each interest payment date.

The Village Clerk will act as Fiscal Agent for the Bonds. Paying agent fees, if any, will be paid by the purchaser. The Village Clerk's contact information is as follows: James J. Hunter, Village Clerk, 123 South Central Avenue, Valley Stream, NY 11580, email address: vsclrk2@vsvny.org

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 resolutions referred to below, duly adopted by the Board of Trustees of the Village on their respective dates to provide original financing for the following purposes:

<u>Purposes</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>	<u>Principal Payment</u>	<u>Amount to Bonds</u>
Financing of its judgments, compromised claims or settled claims resulting from court orders on proceedings brought pursuant to Article Seven of the Real Property Tax Law within the Village	March 2, 2026	488,478	0	0	488,478
Financing of judgments or compromised claims or settled claims against the Village	March 2, 2026	<u>201,877</u>	<u>0</u>	<u>0</u>	<u>201,877</u>
Total		<u>\$690,355</u>	<u>\$0</u>	<u>\$0</u>	<u>\$690,355</u>

DESCRIPTION OF THE NOTES

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

The Notes are dated May 7, 2026 and will mature on May 7, 2027. The Notes will not be subject to redemption prior to maturity.

The Village Clerk will act as Fiscal Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser. The Village Clerk's contact information is as follows: James J. Hunter, Village Clerk, 123 South Central Avenue, Valley Stream, NY 11580, email address: vsclrk2@vsvny.org

Authorization and Purpose

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

<u>Purposes</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>	<u>Principal Payment</u>	<u>Amount to Bonds</u>
Finance the costs of reconstruction of various streets in the Village	February 27, 2023	\$1,500,000	\$1,420,000	\$80,000	\$1,340,000
Finance the costs of Fire Department equipment	February 27, 2023	350,000	285,000	95,000	190,000
Finance the costs of DPW electric truck scale	February 27, 2023	200,000	190,000	10,000	180,000
Finance the costs of IT server upgrades	February 27, 2023	75,000	60,000	20,000	40,000
Finance the costs of reconstruction of various streets in the Village	February 26, 2024	2,000,000	2,000,000	105,000	1,895,000
Finance the costs of various vehicle fleet additions	February 26, 2024	400,000	400,000	75,000	325,000
Finance the costs of fire department equipment	February 26, 2024	400,000	400,000	75,000	325,000
Finance the costs of various vehicle fleet additions	February 24, 2025	280,000	280,000	0	280,000

The Notes (continued)

<u>Purposes</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>	<u>Principal Payment</u>	<u>Amount to Bonds</u>
Finance the costs of replacement of the HVAC system at Village Hall	February 24, 2025	930,000	930,000	0	930,000
Finance the costs of replacement of the HVAC system at the Henry Waldinger Memorial Library	February 24, 2025	550,000	550,000	0	550,000
Finance the costs of reconstruction of various streets in the Village	February 24, 2025	1,100,000	1,100,000	0	1,100,000
Finance the costs of Fire Department equipment	February 24, 2025	300,000	300,000	0	300,000
Road improvement project within the Village	March 2, 2026	1,000,000	0	0	1,000,000
Embellishment of parks, playgrounds and recreational areas within the Village	March 2, 2026	135,000	0	0	135,000
Installation or reconstruction of heating, ventilating and air conditioning systems not in connection with the original construction or reconstruction of such building within the Village	March 2, 2026	350,000	0	0	350,000
(A) A bus having a seating capacity of at least ten persons and (B) replacement of two passenger vehicles having a seating capacity of less than ten persons for the Village	March 2, 2026	<u>390,000</u>	<u>0</u>	<u>0</u>	<u>390,000</u>
Total		<u>\$9,960,000</u>	<u>\$7,915,000</u>	<u>\$460,000</u>	<u>\$9,330,000</u>

THE BONDS AND THE NOTES

Nature of Obligation

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

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

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

Book-Entry-Only System

The following is relevant to the Bonds and the Notes if such Bonds or Notes are issued in book-entry form (the

Securities”). The following discussion assumes that the Bonds and the Notes will be so issued. The Depository Trust Company (“DTC”), Jersey City, New Jersey, will act as securities depository for the Securities, and the Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity and will be deposited with the DTC. One fully-registered Note certificate will be issued for each Note bearing the same rate of interest and CUSIP number, in the aggregate and will be deposited with DTC.

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

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

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

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

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

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

Principal and interest payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Village or Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or

registered in “street name,” and will be the responsibility of such Participant and not of DTC, Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust & Clearing Corporation

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

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

Certificated Bonds and Notes

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

Interest on the Bonds will remain payable on May 1, 2027, November 1, 2021 and semi-annually thereafter on May 1 and November 1, in each year to maturity. Interest on the Notes will remain payable upon 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 fifteenth day of the calendar month immediately preceding each such interest payment date.

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

THE VILLAGE

General Information

The Village is located in New York State (the “State”), the southwestern portion of Nassau County (the “County”), approximately 18 miles east of New York City. The Village encompasses a land area of approximately 3.5 square miles, and is located within the Town of Hempstead (the “Town”) along the border with eastern Queens County, New York City. According to the 2020 U.S. Census, the Village has a population of 40,634.

The Village is primarily residential in nature, with many residents commuting to work in New York City and throughout the County. In addition, the Village has a well-established base of commercial and light industries, including manufacturing and research companies. Elementary, middle, and high school education is provided by the Valley Stream Union Free School Districts #13, #24 and #30, Hewlett-Woodmere Union Free School District and Valley Stream Central High School District.

There are 21 colleges and universities located on Long Island which provide programs of higher education. Adelphi and Hofstra Universities are situated nearby the Village, within the Town of Hempstead. Both of these universities offer Bachelor, Master and Doctoral Degree programs. Nassau Community College, a two-year institution offering an Associate degree program, is also located within the Town.

Numerous banking facilities are available in and around the Village. Commercial banks located within the Village include branch offices of Citibank, N.A., Bank of America, JP Morgan Chase and Capital One. Sterling National Bank, a savings bank, is also located within the Village.

Transportation

The Village is served by a network consisting of all major forms of transportation. Several primary State and U.S. highways provide access to the Village; the Southern State Parkway runs through Valley Stream. Passenger rail service is provided by the Long Island Railroad to terminals in New York City and Brooklyn. Weekday schedules provide numerous departures and arrivals in each direction daily. Weekend schedules offer reduced service. Travel time to either terminal averages about 35 minutes. Passenger bus service is provided by the Metropolitan Suburban Bus Authority with connections to Jamaica, Queens and the New York City subway. Air transportation is available at Kennedy International Airport, located within 15 minutes from the Village, and La Guardia Airport, which is also located nearby.

Comparative Housing, Income and Population Data

<u>Age Distribution</u>	<u>Village</u>	<u>County</u>	<u>State</u>	<u>U.S.</u>
Median Age	39.70	41.10	38.00	37.20
Person/Household	3.21	3.03	2.60	2.60
<u>Housing</u>				
% Owner Occupied Housing Units	81.30	81.70	54.40	64.60
Median Value Owner Occupied Housing	469,200	560,100	340,600	244,900
Median Gross Rent (\$)	1,729	1,940	1,390	1,163
<u>Income:</u>				
Per Capita Income (\$)	43,460	55,763	43,208	37,638
Median Family Income	115,602	126,576	75,157	69,021
% Below Poverty Level ⁽¹⁾	3.40	6.10	13.90	11.60

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

Source: “Median 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

Population Characteristics

<u>Year</u>	<u>Village of Valley Stream</u>	<u>Nassau County</u>	<u>New York State</u>
1970	40,413	1,428,838	18,241,366
1980	35,769	1,321,582	17,557,288
1990	33,946	1,287,348	17,990,445
2000	36,368	1,334,544	18,976,457
2010	37,511	1,339,532	19,378,102
2020	40,634	1,395,774	20,201,249

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

Form of Government

The Village was incorporated as a municipal government by the State and vested with such powers and has the responsibilities inherent in the operation of municipal government, including the adoption of rules and regulations to govern its affairs. In addition, the Village may tax real property situated in its boundaries and incur debt subject to the provisions of the State's Local Finance Law. There are five independent public school districts situated all or in part in the Village that possess the same powers with respect to taxation and debt issuance. Village residents also pay real property taxes to the Town of Hempstead and the County to support programs conducted by these governmental entities.

Government operations of the Village are subject to the provisions of the State Constitution and various statutes affecting village governments including the Village Law, the General Municipal Law and the Local Finance Law. Real property assessment, collection, and enforcement procedures are determined by the Real Property Tax Law and the Nassau County Administrative Code. The Village is responsible for the collection of Village taxes. Other taxes levied in the Village are collected and enforced by the County.

Selected Listing of Major Employers

<u>Name</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
Long Island Jewish	Hospital	1000+
Dime Community Bank	Bank	501 to 1000
JPMorgan Chase	Bank	101 to 250
Macy's	Retail	101 to 250
Target Corp.	Retail	101 to 250
Green Acres Mall	Retail	101 to 250
CVS Pharmacy	Pharmaceuticals	51 to 100
King Kullen	Supermarket	51 to 100
Food World	Supermarket	51 to 100
Staples	Retail	51 to 100

Source: Village Officials.

Elected and Appointed Officials

The Board of Trustees (the "Board") is the legislative, appropriating, governing and policy determining body of the Village and consists of four trustees elected at large to serve a four-year term, plus the Mayor. Trustees may be elected to an unlimited number of terms. It is the responsibility of the Board of Trustees to enact, by resolution, all legislation including ordinances and local laws. Annual operating budget for the Village must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Board. The original issuance of all Village indebtedness is subject to approval by the Board.

The Mayor is elected for a four-year term of office with the right to succeed himself. In addition, the Mayor is a full member of and the presiding officer of the Board.

The Village Clerk is appointed by the Mayor, subject to the confirmation of the Board and serves a four-year term. Duties and responsibilities of the position include custody of the Village corporate seal, books, records, papers, and all official reports and communications of the Village Board as well as keeping the records of Village proceedings.

The Village Treasurer is the chief fiscal officer of the Village. The Treasurer is appointed by the Mayor, subject to the confirmation of the Board and serves a four-year term. Duties and responsibilities of the position include: maintaining the Village's accounting systems and records, which includes the responsibility to prepare and file an annual financial report with the State Comptroller, custody and investment of Village funds, debt management and the collection of taxes.

Municipal Services

The Village provides its residents with many of the services traditionally provided by village governments. In addition, the Town and County furnish certain other services. A list of services provided by the Village include: (i) refuse collection and incineration, (ii) highway and public facilities maintenance, (iii) a local justice court that is responsible for enforcing provisions of the State's Vehicle and Traffic Law and local ordinances, as well as having jurisdiction over certain civil and criminal matters, (iv) cultural and recreational activities, (v) building code enforcement, and (vi) planning and zoning administration. The Henry Waldinger Memorial Public Library provides library services to Village residents through a facility which can house 250,000 volumes. Fire protection is furnished by a volunteer fire department with over 250 members.

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

Utilities

Village residents receive electric and natural gas services from National Grid. Water is provided by Liberty Water, a privately owned firm. Sewer service is provided by a Nassau County Sewer District and residents of the Village are charged for this service as part of the Town and County tax bill.

Budgetary Procedure

The head of each administrative unit of the Village is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the Budget Officer on or before March 1st of each year. After reviewing these estimates, the Budget Officer prepares a tentative budget which includes his recommendations. The tentative budget is filed with the Village Clerk no later than March 20th. Subsequently, the Village Clerk presents the tentative budget to the Board of Trustees at a regular or special meeting. Review and preliminary amendments to the tentative budget by the Board of Trustees must be completed by March 31st. Following this review process, the tentative budget and such amendments, if any, as approved by the Board become the preliminary budget. A public hearing on the preliminary budget, must be held not later than April 15th. Notice of such hearing must be given at least five (5) days prior to the hearing. After the public hearing, the Village Board may further change and revise the preliminary budget. The Village Board must adopt the preliminary budget as submitted or amended by May 1st, at which time the preliminary budget becomes the annual budget of the Village for the ensuing fiscal year. (See also "TAX INFORMATION - Tax Levy Limit Law," herein.)

Employees

The Village provides services through approximately 149 full-time and 200 part-time to 300 seasonal (primarily for summer recreation programs) employees. The following table shows employee representation by collective bargaining unit and the date of expiration of the collective bargaining agreements.

<u>Employees Bargaining Unit</u>	<u>Contract Represented</u>	<u>Expiration Date</u>
CSEA - Long Island #342;		
Unit I	25	5/31/2026
Unit II	102	5/31/2026
Unit III	22	5/31/2026

Employee Pension Benefits

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

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

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

Due to significant capital market declines in certain years, the State's Retirement System portfolio experienced negative investment performance and severe downward trends in market earnings. In certain years, the State has maintained the employer contribution rate for the State's Retirement System higher than the 4.5% minimum contribution rate established by law. To mitigate the increases in the employer contribution rate, legislation has been enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts, who decide to amortize their pension obligations pursuant to the law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance.

In 2013, a pension smoothing option was approved by the State Legislature that authorizes municipalities and school districts to amortize over seven years a portion of the pension cost spikes precipitated by the 2008 financial crisis and high pension costs in general for employees across the State. The pension smoothing option, which was approved as part of the State's 2013-14 budget, authorizes municipalities and school districts to contribute 14.13% of employee costs toward pensions, rather than the 16.25% currently required, which is up from the current rate of 11.8%. The Village has opted-in to such pension smoothing option for its 2014 fiscal year. The Village will make its last payment under this option in December 2023.

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

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

The Village's General Fund made the following contributions to the Retirement System:

Year Ending May 31st:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Budget	\$2,170,000	\$2,180,000	\$2,195,000	\$2,350,000	\$2,185,000	\$2,294,650
Contribution	2,225,069	2,189,814	2,475,922	2,098,163	1,989,733	2,169,279

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

The Village paid \$2,437,662 in FY 2026 ERS payments for which it budgeted \$2,300,000.

The Village may amortize a portion of its required contributions, as permitted by the New York State Comptroller’s Office. The Village did not amortize a portion of its ERS in FY 2018 through FY 2026 and may amortize a portion of its FY 2027 liability.

A more in-depth discussion of the Village’s pension liabilities and its Length of Service Award Program for the Village Fire Department appears in the Village’s most recently available audited financial statements.

Other Post Employment Benefits

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

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

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

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

Unemployment Rate Statistics

The information set forth below with respect to the Village, Town, County and the State is included for information purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the Town, County or the State is necessarily representative of the Village, or vice versa.

	<u>YEARLY AVERAGE</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Village of Valley Stream	9.10%	4.90%	3.10%	3.20%	3.30%
Town of Hempstead	8.80%	5.00%	3.20%	3.30%	3.40%
Nassau County	8.30%	4.70%	3.00%	3.10%	3.30%
New York State	9.80%	7.10%	4.30%	4.10%	4.30%

2025 MONTHLY FIGURES

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Village of Valley Stream	3.50%	3.80%	3.40%	2.70%	2.90%	3.10%	3.70%	4.00%	3.90%	— (2)	3.50%	3.20% (1)
Town of Hempstead	3.70%	4.00%	3.50%	2.70%	2.80%	3.10%	3.60%	3.90%	3.80%	— (2)	3.50%	3.20% (1)
Nassau County	3.50%	3.80%	3.30%	2.60%	2.70%	2.90%	3.50%	3.70%	3.60%	— (2)	3.30%	3.10% (1)
New York State	4.60%	4.30%	4.10%	3.70%	3.50%	3.80%	4.60%	4.70%	4.70%	— (2)	4.50%	4.40% (1)

(1) Preliminary

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

Source: US Department of Labor – Bureau of Labor and Statistics. Data extracted on 2/12/26 (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 cybersecurity liability protection included within one of its general liability insurance policies of the Village. The Village runs daily onsite and off-site, as well as bi-weekly complete offline backups by the Village IT Department. In addition the Village provides end user/staff training using KnowBe4 security awareness and training software. 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. To date the village has not experienced damage from cyber incidents or cyber-attacks.

Other Information

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes, for which the Notes are to be issued is the Village Law, the General Municipal Law and other applicable law. Except to the extent shown in “VILLAGE INDEBTEDNESS - Estimated Overlapping Indebtedness,” this official statement does not include the financial data of any political subdivision having power to levy taxes within the Village. No principal or interest upon any obligation of the Village is past due. The fiscal year of the Village is June 1 to May 31.

FINANCIAL INFORMATION

Financial Statements

The Village has retained independent certified public accountants to audit its financial affairs. The most recently available audit covers the fiscal year ended May 31, 2024 and is included as Appendix B herein. The Village expects to have its FY 2025 audited financial statements available by May 31, 2026. In addition, the financial affairs of the Village are subject to periodic review by the State Comptroller. A summary of Revenues, Expenditures and Fund Balance; Comparison of Budget and Actual Results; and Balance Sheets for the Village, based on the most recently available Village audit is included as Appendices A. (See “FINANCIAL INFORMATION- Fiscal Year 2024-2025 General fund preliminary Unaudited Results (New York State Annual Financial Report” herein.)

The accounting policies of the Village conform to generally accepted accounting principles as they are applicable to governments. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A more in-depth discussion of the Village’s Basis of Accounting, Fund Structure and Accounts appears in the Village’s most recently available audited financial statements.

FY 2023 and FY 2024 Audited Financial Statements Delay

The Village's FY 2023 and FY 2024 audits were filed on the MSRB EMMA website on April 14, 2025 and December 17, 2025 respectively.

The filing of the Village's FY 2023 audited financial statements was delayed due to the need for additional data testing by Village auditors. After the initial completion of field work performed by external audit staff for the FY 2023 audit, the Village's auditors halted work due to internal scheduling issues of theirs. When the Village's auditors subsequently resumed work, they discovered that further more detailed data testing was necessary due to American Rescue Plan Act ("ARPA") funding received by the Village. At such time they also determined that a single audit would be required since federal storm aid received during this fiscal year exceeded established thresholds. Consequently, completion of the Village's FY 2024 audited financial statements was delayed.

New York State Comptroller's Office Fiscal Stress Designation

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

<u>Fiscal Year</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
<u>Ending May 31st:</u>		
2019	Moderate Fiscal Stress	60.0
2020	Significant Fiscal Stress	66.7
2021	Susceptible Fiscal Stress	47.1
2022	No Designation	26.7
2023	No Designation	14.2
2024	Not filed	
2025	Inconclusive	

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) obligations of the United States of America; (2) obligations of the State of New York; (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) 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; (5) obligations of New York public benefit corporations which are made lawful investments for the Village pursuant to another provision of law; (6) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and (7) in the case of Village moneys held in certain reserve funds established pursuant to law, obligations issued by the Village. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, that term is defined in the law.

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

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

State Aid

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

Fiscal Year <u>Ending May 31st:</u>	Total <u>Revenues</u>	State <u>Aid</u>	State Aid to <u>Revenues (%)</u>
2020	\$39,009,504	\$1,060,173	2.72%
2021	44,483,897	1,293,659	2.91%
2022	45,055,232	1,736,247	3.85%
2023	45,640,744	1,160,479	2.54%
2024	45,345,055	940,846	2.07%
2025 (Budget)	45,346,891	1,073,359	2.37%
2026 (Budget)	46,276,857	962,734	2.08%

Source: Village Adopted Budgets and Audits.

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

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

Should the Village fail to receive State aid from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the Village is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

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

Fiscal Year 2024 - 2025 General Fund Preliminary Unaudited Results (New York State Annual Financial Report)

The Village submitted its Annual Financial Report Update Document ("AFR") for the fiscal year ended May 31, 2025 to the Office of the New York State Comptroller. The Village has no reason to believe that such information is materially inaccurate or incomplete, however such unaudited financial information is subject to revision during the audit process and has not been prepared in accordance with GAAP nor is necessarily GASB compliant.

Based on the preliminary unaudited results reported in the Village's FY 2024 - 2025 AFR, the Village's General Fund revenues and other financing sources were \$46,664,872. The Village's General Fund expenditures and other uses were \$47,572,050. Operating results produced a deficit of revenue and other financing sources under expenditures and other uses in the amount of \$907,178. (See "Appendix A" and "Appendix A-2" and "FINANCIAL INFORMATION - Financial Statements" herein).

A copy of the Village's Fiscal Year 2024-2025 AFR is available on the MSRB sponsored EMMA website: emma.msrb.org.

Impact of COVID-19

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

The Village has closely monitored the impacts of COVID-19 on the Village's finances. The Village has incurred certain COVID-19 related expenditures of approximately \$130,000 and has been reimbursed \$25,142 from FEMA and \$88,832 under the U.S. Cares Act through the Town of Hempstead, as lead agency for the Village, for such expenditures. As a result of the COVID-19 pandemic the Village experienced revenue shortfalls in certain areas, including recreation fees, fines and forfeitures and other departmental income; positive budget variances in other budget lines offset such revenue shortfalls.

On March 11, 2021, President Biden signed into law the American Rescue Plan 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 received \$3,823,455 under ARPA, receiving \$1,911,728 in July 2021 and \$1,919,532 in July 2022. Such funds have been spent and all reporting filed properly identifying Act eligible uses.

TAX INFORMATION

Real Property Taxes

The Village derives a major portion of its revenues from a tax on real property (See "Revenues, Expenditures and Balances" in Appendix A, herein.) On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Village, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Village. (See "TAX INFORMATION - Tax Levy Limit Law," herein.)

Valuations

Year Ending May 31st:	2020	2021	2022	2023	2024	2025	2026
Assessed Valuation	\$64,278,148	\$64,376,928	\$64,341,143	\$64,233,462	\$64,218,786	\$64,124,851	\$63,816,704
State Equalization Rate	1.37%	1.30%	1.23%	1.22%	1.04%	0.99%	0.87%
Full Valuation	\$4,691,835,620	\$4,952,071,385	\$5,230,987,236	\$5,265,037,869	\$6,174,883,269	\$6,477,257,677	\$7,335,253,333

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

Tax Certiorari Matters

During the last decade, the Village has been confronted by numerous tax certiorari proceedings by certain property owners, seeking a reduction of the assessed value of said properties and a refund of excess taxes paid by them. It is difficult to predict at this time the outcome of current cases; however, pursuant to State law, the Village may issue debt to pay tax certiorari refunds should the amount of such refunds exceed the amount on hand.

The following schedule is a compilation of the amounts budgeted and expenditures made by the Village, for the purposes of paying real property tax refunds:

Year Ending May 31st:	2020	2021	2022	2023	2024	<u>Unaudited</u> 2025
Budgeted	\$600,000	\$550,000	\$575,000	\$575,000	\$600,000	\$600,000
Expended	606,998	487,636	1,080,295	802,397	636,448	748,991

Source: Village of Valley Stream Annual Budgets. Table itself unaudited.

As of April 1, 2026 the Village incurred \$488,479 in tax certiorari expenses for which it budgeted \$625,000 for this purpose. The Bonds are being issued to finance Village tax certiorari and other court ordered settlements. The Village may finance any future judgment or settlement, if necessary, so as to mitigate any impact on future budgets.

Larger Taxpayers

Name	Type	FY 2027 Assessed Valuations	% of Total AV
Keyspan Energy Corp.	Utility	\$1,612,749	2.52%
PSE&G Long Island	Utility	1,483,345	2.31%
Liberty Water	Utility	785,514	1.22%
Green Acres Mall, LLC	Retail	487,726	0.76%
Valley Stream Regency, LLC	Condos/Apartments	240,168	0.37%
Sun National Bank	Office Building	220,000	0.34%
Target Corp.	Retail	200,000	0.31%
Elias Properties	Retail	180,807	0.28%
ESS PRISA 11 LLC	Office Building	164,000	0.26%
363 Rockaway Associates LLC	Retail	140,000	0.22%
		<u>\$5,514,309</u>	

Source: Village of Valley Stream

None of the above noted larger taxpayers have filed tax certiorari claims against the Village, which remain unresolved.

Constitutional Taxing Power

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

Fiscal Year Ending May 31:	2025	2026
Five Year Average Full Valuation	\$5,262,963,076	\$5,620,047,487
Tax Limit (2%)	105,259,262	112,400,950
Add: Total Exclusions	<u>3,101,900</u>	<u>3,300,000</u>
Total Taxing Power	108,361,162	115,700,950
Less Tax Levy	<u>34,595,357</u>	<u>35,524,511</u>
Tax Margin	<u>\$73,765,805</u>	<u>\$80,176,439</u>
Percent of Tax Limit Exhausted	<u>29.92%</u>	<u>28.67%</u>

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

Tax Collection Procedure

The Village levies and collects its own taxes. Property taxes become a lien on the first day of the levy year payable on June 1 each year and is payable without penalty during the month of June. Penalties for tax delinquencies are imposed at the rate of 5% for the first month and an additional percentage (which is set by the State each year and in recent years has approximated 1%) for each month or fraction thereof thereafter. The Village enforces liens for unpaid real estate taxes in the manner set forth in the Real Property Tax Law. Tax lien sales are held annually.

Tax Rate per \$1000 (Assessed)

Year Ending May 31st:	2020	2021	2022	2023	2024	2025	2026 ⁽²⁾
Tax Rate. ⁽¹⁾	\$475.00	\$482.70	\$504.40	\$515.60	\$525.90	\$539.50	\$555.40

⁽¹⁾ Figures may be rounded

⁽²⁾ Based on an Assessed Valuation of \$63,816,704

Source: Village of Valley Stream Budgets (Figures are rounded).

Real Estate Taxes and Tax Collection Record

Year Ended May 31st:	2020	2021	2022	2023	2024	Unaudited 2025	2026 As of 3/23/2026
Gross Tax levy	\$30,531,696	\$31,077,479	\$32,455,055	\$33,118,624	\$33,770,119	\$34,595,357	\$35,444,771
Total Taxes Collected ⁽¹⁾	30,442,563	31,067,616	32,446,194	32,931,961	33,749,301	34,564,103	34,942,576
% Collected Total	99.71%	99.97%	99.97%	99.44%	99.94%	99.91%	98.58%

⁽¹⁾ May include Village sold tax liens

Source: Village of Valley Stream

Tax Levy Limit Law

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

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

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

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

Prospective investors in the Bonds or the Notes are encouraged to consult with their own legal and tax advisors and review the provisions of the Tax Levy Limit Law in its entirety.

VILLAGE INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute and unless substantially level or declining debt service is utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds or such required annual installments on its notes.

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

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

Statutory Procedure

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

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Village Board (or by a majority in the case of budget notes,) the finance board of the Village. Certain such resolutions may be subject to permissive referendum, or may be submitted to the Village voters at the discretion of the Village Board. If a bond resolution is submitted to the voters by the Board of Trustees, then only a three-fifths vote of the Board of Trustees is needed for adoption.

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

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

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "Payment and Maturity" under "VILLAGE INDEBTEDNESS - Constitutional Requirements").

In addition, under each bond resolution, the Village Board may delegate, and has delegated, power to issue and sell bonds and notes, to the Village Treasurer, the chief fiscal officer of the Village.

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

Computation of Debt Limit

Fiscal Year Ending <u>May 31st:</u>	Assessed Valuation of Taxable <u>Real Estate</u>	State Equalization <u>Rate</u>	Full Valuation of Taxable <u>Real Estate</u>
2026	\$63,816,704	0.87%	\$7,335,253,333
2025	64,124,851	0.99%	6,477,257,677
2024	64,218,786	1.04%	6,174,883,269
2023	64,233,462	1.22%	5,265,037,869
2022	64,341,143	1.23%	<u>5,230,987,236</u>
Total five year valuation			30,483,419,384
Five year average full valuation			6,096,683,877
Debt Limit - 7% of average five year full valuation			<u>\$426,767,871</u>

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

Debt Outstanding End of Fiscal Year

Year Ending May 31st:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Unaudited</u> <u>2025</u>
Bonds	\$29,990,000	\$26,940,000	\$23,800,000	\$21,040,000	\$21,130,000	\$22,315,000
Bond Anticipation Notes	3,050,000	7,590,000	7,295,000	9,695,000	9,105,000	7,915,000
Capital Leases	<u>\$2,644,967</u>	<u>\$2,396,175</u>	<u>\$2,140,859</u>	<u>\$3,796,456</u>	<u>\$3,110,772</u>	<u>\$2,405,094</u>
Total Debt Outstanding	<u>\$35,684,967</u>	<u>\$36,926,175</u>	<u>\$33,235,859</u>	<u>\$34,531,456</u>	<u>\$33,345,772</u>	<u>\$32,635,094</u>

Source: Audited financial statements of the Village except as may be noted.

Debt Statement Summary

Summary of Debt Limit, Total New Indebtedness and Net Debt-Contracting Margin as of April 2, 2026:

Debt Contracting Limitation:		\$426,767,871
<u>Inclusions</u> ⁽¹⁾		
Bonds:	21,535,000	
Bond Anticipation Notes	7,915,000	
Installment Purchase Debt	1,686,900	
Total Inclusions		<u>31,136,900</u>
<u>Exclusions:</u> ⁽¹⁾		
Appropriations: Bonds	1,765,000	
Appropriations: BANS	460,000	
Appropriations: Installment Purchase Debt	0	
Total Exclusions:		<u>2,225,000</u>
Total Net Direct Indebtedness		<u>\$28,911,900</u>
Net Debt Contracting Margin		<u>\$397,855,971</u>
Percent of Debt-Contracting Power Exhausted		<u>6.77%</u>

The issuance of the Bonds and the Notes will increase the Total Net Direct Indebtedness of the Village by \$2,565,355 and exhaust an additional 0.60% of its debt contracting power.

⁽¹⁾ Exclusive of the Village's \$2,597,110 Budget Notes - 2026, which sold on March 16, 2026. Such Budget Note is scheduled to close on April 16, 2026. The Village's 2026-2027 adopted budget will include appropriations for full payment of principal and interest when the Budget Note matures on April 16, 2027.

Source: Village of Valley Stream

Bonded Debt Service

The below table reflects the debt service requirements to maturity on the Village's outstanding general obligation bonds as of April 2, 2026 (Figures are rounded).

Fiscal Year	Total Principal		
<u>Ended May 31st</u>	<u>Principal</u>	<u>Interest</u>	<u>and Interest</u>
2026	\$1,765,000	\$335,165	\$2,100,165
2027	2,500,000	741,381	3,241,381
2028	2,590,000	656,236	3,246,236
2029	2,420,000	567,298	2,987,298
2030	2,110,000	481,058	2,591,058
2031	1,685,000	399,620	2,084,620
2032	1,755,000	333,463	2,088,463
2033	1,815,000	263,940	2,078,940
2034	1,890,000	188,803	2,078,803
2035	775,000	109,732	884,732
2036	805,000	78,732	883,732
2037	835,000	46,532	881,532
2038	<u>590,000</u>	<u>23,600</u>	<u>613,600</u>
TOTALS	<u>\$21,535,000</u>	<u>\$4,225,560</u>	<u>\$25,760,560</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village as of April 2, 2026:

	<u>Maturity</u>	<u>Amount</u>
Bonds	2026 to 2038	\$21,535,000
Bond Anticipation Notes 2025 Series A	May 9, 2025	7,915,000
Installment Purchase Debt	(varies)	<u>1,686,900</u>
Total Debt Outstanding		<u>\$31,136,900</u>

Source: Village of Valley Stream

The above table does not include a \$2,597,110 Budget Note sold by the Village on March 16, 2026. Such Budget Note is scheduled to close on April 16, 2026. The Village's 2026-2027 adopted budget will include appropriations for full payment of principal and interest when the Budget Note matures on April 16, 2027.

Debt Ratios

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

Population per 2020 US Census	40,634				
Fiscal Year					
<u>Ending May 31st:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Full Valuation ("FV")	\$4,952,071,385	\$5,230,987,236	\$5,265,037,869	\$6,174,883,269	\$6,477,257,677
<u>Debt Data</u>					
Gross Direct Debt	\$37,208,108	\$33,235,860	\$32,613,849	\$33,345,772	\$32,635,094
Net Direct Debt	37,208,108	33,235,860	32,613,849	33,345,772	32,635,094
Overlapping Debt ⁽¹⁾	93,735,744	102,197,065	90,964,300	86,187,441	88,370,939
	130,943,852	135,432,925	123,578,149	119,533,213	121,006,033
<u>Debt Data per Capita</u>					
Gross Direct Debt per Capita	\$916	\$818	\$803	\$821	\$803
Net Direct Debt per Capita	916	818	803	821	803
Net Direct and Overlapping Debt per Capita	3,223	3,333	3,041	2,942	2,978
<u>Debt Data per FV</u>					
Gross Direct Debt per FV	0.75%	0.64%	0.62%	0.54%	0.50%
Net Direct Debt per FV	0.75%	0.64%	0.62%	0.54%	0.50%
Net Direct and Overlapping Debt per FV	2.64%	2.59%	2.35%	1.94%	1.87%

⁽¹⁾ As reported in the Village's Annual Financial Information and Operating Data Reports

Data and table itself not audited

Capital Project Plans

The Village will have no authorized and unissued debt after the issuance of the Bonds and the Notes.

Estimated Overlapping Indebtedness

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

<u>Unit</u>	<u>Date of Report</u>	<u>Outstanding Indebtedness</u>	<u>Exclusions ⁽¹⁾</u>	<u>Net Indebtedness</u>	<u>% Within Village</u>	<u>Applicable Net Indebtedness</u>
County of Nassau	3/31/25	\$3,223,388,000	\$331,005,000	\$2,892,383,000	1.78%	\$51,484,417
Town of Hempstead	6/2/25	610,832,712	199,712,713	411,119,999	4.06%	16,691,472
Valley Stream UFSD #13	6/30/25	24,750,000	0	24,750,000	34.00%	8,415,000
Valley Stream UFSD #24	N/a	0	0	0	81.00%	0
Valley Stream UFSD #30	N/a	0	0	0	58.00%	0
Valley Stream CHSD	6/30/25	21,187,269	0	21,187,269	53.00%	11,229,253
Hewlett-Woodmere UFSD	6/30/24	1,905,000	0	1,905,000	10.00%	190,500
					Total	<u>\$88,010,642</u>

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

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

REMEDIES UPON DEFAULT

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

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

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds or notes of the Village, there can be no assurance as to

what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

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

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

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

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

MUNICIPAL BANKRUPTCY

The undertakings of the Village should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

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

“indubitable equivalent”. The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

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

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

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

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

Financial Control Boards

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

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

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

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to

intervene in the finances and operations of entities such as the public benefit corporations established by special acts as described above.

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

No Past Due Debt

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

LITIGATION

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

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

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

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

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

RISK FACTORS

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

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

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

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

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to 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 Notes, for income taxation purposes could have an adverse effect on the market value of the Bonds and the Notes (see "TAX MATTERS FOR THE BONDS AND THE NOTES" 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 and the Notes. (See "TAX INFORMATION - The Tax Levy Limit Law" herein.)

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

TAX MATTERS FOR THE BONDS

Opinion of Bond Counsel

In the opinion of Phillips Lytle LLP, Bond Counsel to the Village, interest on the Bonds (i) is included in gross income for federal income tax purposes, and (ii) is exempt, under existing statutes, from personal income taxes of New York State and its political subdivisions, including The City of New York.

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Bonds by original purchasers of the Bonds who are "U.S. Holders", as defined

herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Bonds will be held as “capital assets”; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Bonds as a position in a “hedge” or “straddle”, U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Bonds at the time that such income, gain or loss is set forth on such financial statements instead of under the rules described below.

U.S. Holders of Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount

In general, if Original Issue Discount (“OID”) is greater than a statutorily defined *de minimis* amount, a holder of a Bond having a maturity of more than one year from its date of issue must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such U.S. Holder holds such Bond) the daily portion of OID, as it accrues (generally on a constant yield method) and regardless of the U.S. Holder’s method of accounting. “OID” is the excess of (i) the “stated redemption price at maturity” over (ii) the “issue price”. For purposes of the foregoing: “issue price” means the first price at which a substantial amount of the Bond is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); “stated redemption price at maturity” means the sum of all payments, other than “qualified stated interest”, provided by such Bond; “qualified stated interest” is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and “*de minimis* amount” is an amount equal to 0.25 percent of the Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on a Bond using the constant-yield method, subject to certain modifications.

Acquisition Discount on Short-Term Series B Bond and Series C Note

Each U.S. Holder of a Bond with a maturity not longer than one year (a “Short-Term Taxable Bond”) is subject to rules of Sections 1281 through 1283 of the Code, if such U.S. Holder is an accrual method taxpayer, bank, regulated investment company, common trust fund or among certain types of pass-through entities, or if the Short-Term Taxable Bond is held primarily for sale to customers, is identified under Section 1256(e)(2) of the Code as part of a hedging transaction, or is a stripped bond or coupon held by the person responsible for the underlying stripping transaction. In any such instance, interest on, and “acquisition discount” with respect to, the Short-Term Taxable Bond accrue on a ratable (straight-line) basis, subject to an election to accrue such interest and acquisition discount on a constant-interest-rate basis using daily compounding. “Acquisition discount” means the excess of the stated redemption price of a Short-Term Taxable Bond at maturity over the U.S. Holder’s tax basis therefor.

A U.S. Holder of a Short-Term Taxable Bond not described in the preceding paragraph, including a cash-method taxpayer, must report interest income in accordance with the U.S. Holder’s regular method of tax accounting, unless such U.S. Holder irrevocably elects to accrue acquisition discount currently.

Bond Premium

In general, if a Bond is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Bond other than “qualified stated interest” (a “Taxable Premium Obligation”), that Taxable Premium Obligation will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Taxable Premium Obligation elects to amortize the premium as “amortizable bond premium” over the remaining term of the Taxable Premium Obligation, determined based on constant yield principles (in certain cases involving a Taxable Premium Obligation callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder’s basis in the Taxable Premium Obligation. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Taxable Premium Obligation

may realize a taxable gain upon disposition of the Taxable Premium Obligation even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the Bond.

The Village may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Bonds to be deemed to be no longer outstanding. For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Bonds subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate U.S. Holders of the Series B Bonds with respect to payments of principal, payments of interest, and the accrual of OID on a Bond and the proceeds of the sale of a Bond before maturity within the United States. Backup withholding may apply to U.S. Holders of Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term "U.S. Holder" means a beneficial owner of a Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under state law and could affect the market price or marketability of the Bonds.

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

TAX MATTERS FOR THE NOTES

Opinion of Bond Counsel

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

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes. Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

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

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

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

Bond Premium

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

Information Reporting and Backup Withholding

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

Miscellaneous

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

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

BOND RATING

The Bonds and the Notes are not rated.

On January 29, 2025 Moody’s Investor Services withdrew its issuer and underlying rating on the Village due to a lack of sufficient information. The Village’s issuer rating and underlying general obligation limited tax (GOLT) debt rating had been “Baa2” prior to this rating withdrawal. (See “FINANCIAL INFORMATION - FY 2023 and FY 2024 Audited Financial Statements Delay” and “DISCLOSURE INFORMATION - Compliance History” herein.)

Such rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Services, Inc., 7 World Trade Center, New York, New York 10007 (212) 553-0300. There can be no assurance that such rating will not be changed or withdrawn if, in the judgment of such rating agency, circumstances so warrant.

DISCLOSURE UNDERTAKING

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 and the Notes, the Village will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" for the Bonds and the Notes, substantially as set forth in "Appendix C" and "Appendix D" hereto.

Compliance History

As described in a material event notice filed by the Village dated December 1, 2020 the Village failed to file its unaudited financial statements and audited financial statements for the fiscal year ended May 31, 2020 as required. The Village's FY 2020 unaudited financial statements were filed on the EMMA website of the MSRB on January 28, 2021.

As described in a material event notice filed by the Village on December 1, 2021, the Village failed to file its unaudited financial statements and audited financial statements for the fiscal year ended May 31, 2021 as required. The Village's FY 2021 unaudited financial statements were subsequently filed on the EMMA website of the MSRB on February 2, 2022.

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

As described in a material event notice filed by the Village dated June 1, 2022 the Village failed to file its audited financial statements for the fiscal year ended May 31, 2021 as required. The Village's FY 2021 audit was filed on July 8, 2022.

As described in a material event notice filed by the Village dated June 1, 2023 the Village failed to file its audited financial statements for the fiscal year ended May 31, 2022 as required. The Village's FY 2022 audit was filed on August 11, 2023.

As described in a material event notice filed by the Village dated December 5, 2023 the Village failed to file its unaudited and audited financial statements for the fiscal year ended May 31, 2023 as required. The Village's FY 2023 unaudited financial statements was subsequently filed on February 2, 2024.

As described in a material event notice filed by the Village dated June 3, 2024 the Village failed to file its audited financial statements for the fiscal year ended May 31, 2023 as required. The Village's FY 2023 audited financial statements was subsequently filed on April 14, 2025.

As described in a material event notice filed by the Village dated December 2, 2024, March 3, 2025 and June 3, 2025, the Village failed to file its unaudited and audited financial statements for the fiscal year ended May 31, 2024 as required. The Village's FY 2024 audited financial statements was subsequently filed on December 17, 2025.

As described in a material event notice filed by the Village on April 9, 2025, the Village failed to provide event filing information as required, in connection with the Moody's Investors Service withdrawal of the Village's rating on January 29, 2025 due to the lack of sufficient information. A notice of rating change was filed concurrently with the filing of such notice.

As described in a material event notice filed by the Village on December 2, 2025, the Village failed to file its unaudited financial statements and audited financial statements for the fiscal year ended May 31, 2025 as required. The Village's FY 2025 unaudited financial statements (NYE AFR) were subsequently filed on the EMMA website of the MSRB on February 25, 2026.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinion of the law firm of Phillips Lytle LLP, Bond Counsel to the Village, the forms of which appear in “Appendix E” and “Appendix F” hereto.

MUNICIPAL ADVISOR

Liberty Capital Services, LLC, Garden City, New York (the “Financial Advisor”) has served as the independent Financial Advisor to the Village in connection with this transaction. The Financial Advisor is a financial advisory and consulting firm and is not engaged in the business of public accounting, underwriting, marketing or trading of municipal securities or any other negotiated financial instrument(s) and therefore will not participate in the underwriting of the Notes. The Financial Advisor has not been engaged nor has audited, authenticated or otherwise verified the information provided by the Village, information available to the Village or other information from independent sources believed to be reliable and available to the Village and set forth in this Official Statement. No guarantee, warranty, or other representation is made by the Financial Advisor respecting the accuracy and completeness of information or any other matter related to such information and this Official Statement.

MISCELLANEOUS

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

This Official Statement has been duly executed and delivered by the Village Treasurer of the Village of Valley Stream. Additional information may be obtained from the office of the Village Treasurer (516) 592-5109 or the Village’s financial adviser, Liberty Capital Services, LLC at (516) 877-0797.

**Dated: Valley Stream, New York
April 7, 2026**

**/s/ Michael J. Fox
Village Treasurer**

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**Village of Valley Stream
Revenues, Expenditures and Fund Balances - General Fund**

APPENDIX A

Year Ended May 31:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Unaudited (NYS AFR) 2025</u>
<u>REVENUES</u>						
Real Property Taxes	\$30,156,076	\$30,889,079	\$32,480,185	\$33,579,995	\$34,370,754	\$34,528,337
Real Property Tax Items	785,844	1,112,596	1,166,814	1,131,736	1,191,877	1,140,698
Non-Property Tax Items	1,294,841	1,280,453	1,320,212	1,300,497	1,291,331	1,436,016
Departmental Income	1,282,257	707,947	1,220,485	1,549,127	1,703,850	1,781,748
Intergovernmental Charges	1,170,994	1,280,055	1,199,782	1,144,561	1,241,363	1,248,087
Use of Money and Property	628,238	630,631	712,848	893,690	851,183	811,866
Licenses and Permits	753,286	1,265,982	1,113,699	1,266,292	1,220,262	1,424,545
Fines and Forfeitures	1,475,089	1,366,388	1,882,862	2,499,697	1,860,599	1,798,391
Sale of Property and Compensation for Loss	121,305	444,400	64,412	197,814	167,926	378,840
State Sources	1,060,173	1,293,659	1,736,247	1,160,479	940,846	1,555,930
Federal Sources	33,618	2,118,192	2,068,126	812,618	389,478	328,559
Other	<u>247,783</u>	<u>2,094,515</u>	<u>89,560</u>	<u>104,238</u>	<u>115,586</u>	<u>231,855</u>
Total Revenues	<u>39,009,504</u>	<u>44,483,897</u>	<u>45,055,232</u>	<u>45,640,744</u>	<u>45,345,055</u>	<u>46,664,872</u>
<u>EXPENDITURES</u>						
General Government Support	6,505,830	6,959,685	7,117,590	7,463,129	8,175,635	8,757,447
Public Safety	3,091,773	3,724,271	4,188,805	4,057,857	3,130,336	3,112,868
Health	137,601	161,821	150,796	159,502	178,293	168,616
Transportation	3,874,672	4,364,786	4,013,851	4,159,272	4,266,614	4,799,286
Economic Assistance and Opportunity	193,274	719,361	399,675	224,999	518,903	262,945
Culture & Recreation	4,751,522	4,597,386	5,118,405	5,577,972	5,735,898	5,194,916
Home & Community Services	4,737,498	5,034,556	5,015,055	5,365,352	5,575,056	6,254,452
Employee Benefits	9,816,991	9,610,062	10,121,271	10,861,493	11,155,388	11,409,938
Debt Service	4,433,119	4,786,919	4,754,332	5,201,203	5,174,411	5,762,169
Debt Issuance Costs	<u>33,601</u>	<u>8,192</u>	<u>0</u>	<u>0</u>	<u>63,566</u>	<u>0</u>
Total Expenditures	<u>37,575,881</u>	<u>39,967,039</u>	<u>40,879,780</u>	<u>43,070,779</u>	<u>43,974,100</u>	<u>45,722,637</u>
Excess of Revenues over (under) Expenditures	1,433,623	4,516,858	4,175,452	2,569,965	1,370,955	942,235
Other Financing Sources (Uses):						
Premium on obligations	0	43,612	10,414	4,619	5,736	0
Operating Transfers In	0	0	0	0	0	0
Operating Transfers Out	<u>(1,757,004)</u>	<u>(1,702,138)</u>	<u>(1,730,924)</u>	<u>(1,774,155)</u>	<u>(1,826,740)</u>	<u>(1,849,413)</u>
Total Other Financing Sources (Uses)	<u>(1,757,004)</u>	<u>(1,658,526)</u>	<u>(1,720,510)</u>	<u>(1,769,536)</u>	<u>(1,821,004)</u>	<u>(1,849,413)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(323,381)	2,858,332	2,454,942	800,429	(450,049)	(907,178)
Fund Balance Beginning of Year	<u>2,097,902</u>	<u>1,774,521</u>	<u>4,632,853</u>	<u>7,087,795</u>	<u>7,888,224</u>	<u>7,438,175</u>
Fund Balance End of Year	<u>\$1,774,521</u>	<u>\$4,632,853</u>	<u>\$7,087,795</u>	<u>\$7,888,224</u>	<u>\$7,438,175</u>	<u>\$6,530,997</u>

Source: Years 2020 through 2024 - Audited financial statements of the Village. Unaudited Year 2025 - New York State Annual Financial Report, as filed with the New York State Comptroller's Office. Summary itself not audited.

Village of Valley Stream

Comparison of Budget and Actual Results - General fund

APPENDIX A-1

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

Year Ended May 31:	2024		2025	2026
	Adopted Budget	Actual	Adopted Budget	Adopted Budget
REVENUES				
Real Property Taxes	\$33,837,619	\$34,370,754	\$34,595,357	\$35,444,771
Real Property Tax Items	1,110,000	1,191,877	1,140,000	1,230,000
Non-Property Tax Items	1,278,749	1,291,331	1,415,725	1,466,198
Departmental Income	1,337,828	1,703,850	1,498,450	1,715,950
Intergovernmental Charges	1,256,312	1,241,363	1,170,725	1,200,970
Use of Money and Property	678,500	851,183	825,500	815,750
Licenses and Permits	1,091,900	1,220,262	1,202,500	1,189,800
Fines and Forfeitures	2,100,000	1,860,599	2,200,000	2,000,000
Sale of Property and Compensation for Loss	60,000	167,926	110,000	125,000
State Sources	1,062,734	940,846	1,073,359	962,734
Federal Sources	0	389,478	0	0
Other	30,500	115,586	115,275	125,684
Total Revenues	<u>43,844,142</u>	<u>45,345,055</u>	<u>45,346,891</u>	<u>46,276,857</u>
Appropriated Fund Balance	0	0	0	0
Total Revenues and Appropriated Fund Balance	<u>43,844,142</u>	<u>45,345,055</u>	<u>45,346,891</u>	<u>46,276,857</u>
EXPENDITURES				
General Governmental Support	7,484,928	8,175,635	7,794,010	8,226,193
Public Safety	3,756,281	3,130,336	3,882,403	3,902,074
Health	164,549	178,293	169,121	173,733
Transportation	4,214,503	4,266,614	4,343,471	4,684,005
Economic Assistance and Opportunity	60,000	518,903	60,000	40,000
Culture & Recreation	5,584,059	5,735,898	5,709,044	5,935,626
Home & Community Service	5,590,275	5,575,056	5,957,025	5,825,630
Employee Benefits	10,625,000	11,155,388	11,215,000	11,522,500
Debt Service	4,528,144	5,174,411	4,331,034	4,092,158
Debt Issuance Costs	0	63,566	0	0
Total Expenditures	<u>42,007,739</u>	<u>43,974,100</u>	<u>43,461,108</u>	<u>44,401,919</u>
Excess of Revenues Over (under) Expenditures	1,836,403	1,370,955	1,885,783	1,874,938
Other Financing Sources (Uses):				
Premiums on Obligations	0	5,736	0	0
Operating Transfers In	0	0	0	0
Operating Transfers Out	<u>(1,836,403)</u>	<u>(1,826,740)</u>	<u>(1,885,783)</u>	<u>(1,874,938)</u>
Total Other Financing Sources (Uses)	<u>(1,836,403)</u>	<u>(1,821,004)</u>	<u>(1,885,783)</u>	<u>(1,874,938)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$0</u>	<u>(\$450,049)</u>	<u>\$0</u>	<u>\$0</u>

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

**Village of Valley Stream
Balance Sheets - General fund**

APPENDIX A-2

	<u>Unaudited</u> <u>(NYS AFR)</u>					
As of May 31:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$1,666,522	\$5,204,431	\$8,862,000	\$12,883,836	\$6,201,318	\$3,373,784
Restricted Cash	0	0	0	0	5,000	79,540
Taxes/Liens Receivable	518,403	751,749	770,383	311,657	68,637	95,384
Accounts Receivable	265,340	220,065	301,224	325,834	325,833	892,929
Leases Receivable	0	0	0	3,183,253	2,945,986	2,945,986
Due from Other Funds	2,087,300	0	0	0	2,330,338	821,976
State and Federal Aid Receivable	103,365	1,669,159	1,846,820	66,358	66,358	66,358
Due from Other Governments	492,478	49,792	43,427	487,727	126,254	388,070
Inventory	8,743	34,587	25,646	34,280	349,485	23,066
Prepaid Expenses	14,025	11,414	415,157	531,630	631,159	584,345
Length of service award assets	<u>4,262,079</u>	<u>5,794,816</u>	<u>5,013,454</u>	<u>5,269,497</u>	<u>6,121,415</u>	<u>6,587,446</u>
TOTAL ASSETS	<u>\$9,418,255</u>	<u>\$13,736,013</u>	<u>\$17,278,111</u>	<u>\$23,094,072</u>	<u>\$19,171,783</u>	<u>\$15,858,884</u>
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$2,412,222	\$1,922,640	\$2,327,359	\$1,742,006	\$2,310,576	\$778,582
Due to other funds	186,865	266,730	1,377,694	3,414,052	64,272	66,659
Other Liabilities	0	0	0	0	0	455,197
Unearned Revenues	3,000	15,830	0	0	0	0
Due to Employees Retirement System	0	0	0	0	0	<u>406,277</u>
TOTAL LIABILITIES	<u>2,602,087</u>	<u>2,205,200</u>	<u>3,705,053</u>	<u>5,156,058</u>	<u>2,374,848</u>	<u>1,706,715</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unearned revenue from property taxes	4,558,434	6,196,841	5,712,509	6,505,731	6,483,208	4,841,005
Unavailable revenue - real property taxes	483,213	701,119	772,754	449,071	95,385	0
Lease related	0	0	0	<u>3,094,988</u>	<u>2,780,167</u>	<u>2,780,167</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,041,647</u>	<u>6,897,960</u>	<u>6,485,263</u>	<u>10,049,790</u>	<u>9,358,760</u>	<u>7,621,172</u>
<u>FUND EQUITY</u>						
Fund Balances:						
Nonspendable	22,768	46,001	440,803	565,910	980,644	607,412
Restricted	4,265,817	5,798,554	5,017,192	5,273,235	6,181,696	6,666,986
Assigned	0	100,172	289,603	120,727	83,602	0
Unassigned	<u>(2,514,064)</u>	<u>(1,311,874)</u>	<u>1,340,197</u>	<u>1,928,352</u>	<u>192,233</u>	<u>(743,401)</u>
TOTAL FUND EQUITY (DEFICIT)	<u>1,774,521</u>	<u>4,632,853</u>	<u>7,087,795</u>	<u>7,888,224</u>	<u>7,438,175</u>	<u>6,530,997</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY	<u>\$9,418,255</u>	<u>\$13,736,013</u>	<u>\$17,278,111</u>	<u>\$23,094,072</u>	<u>\$19,171,783</u>	<u>\$15,858,884</u>

Source: Years 2020 through 2024 - Audited financial statements of the Village. Unaudited Year 2025 - New York State Annual Financial Report, as filed with the New York State Comptroller's Office. Summary itself not audited.

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INCORPORATED VILLAGE OF VALLEY STREAM, NEW YORK
FINANCIAL STATEMENTS

Year ended May 31, 2024

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

INCORPORATED VILLAGE OF VALLEY STREAM

Financial Statements

Year Ended May 31, 2024

INCORPORATED VILLAGE OF VALLEY STREAM

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Board of Trustees
Incorporated Village of Valley Stream
Valley Stream, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Incorporated Village of Valley Stream, New York (the "Village"), as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate fund information of the Village, as of May 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Policy

We draw attention to Note 1H in the notes to financial statements which discloses the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 96, "Subscription-Based Information Technology Arrangements". Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Honorable Mayor and Board of Trustees
Incorporated Village of Valley Stream
Valley Stream, New York

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

PKF O'Connor Davies, LLP

Hauppauge, New York
November 25, 2025

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

INCORPORATED VILLAGE OF VALLEY STREAM

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended May 31, 2024

The following is a discussion and analysis of the Incorporated Village of Valley Stream's (the "Village") financial performance, providing an overview of the Village's financial activities for the year ended May 31, 2024. Use this section in conjunction with the Village's basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The focus of this report is on the Village as a whole, and on the major individual funds. The report presents a more comprehensive view of the Village's financial activities and makes it easier to compare the performance of the Incorporated Village of Valley Stream's government to that of other governments.

The financial section of this annual report presents the Village's financial activities and position in three parts - (1) management's discussion and analysis (this section), (2) the basic financial statements, and (3) required supplementary information other than management's discussion and analysis.

The basic financial statements include government-wide financial statements, fund financial statements, and notes that provide more detailed information to supplement the basic financial statements.

Reporting the Village as a Whole

The government-wide financial statements are designed to present an overall picture of the financial position of the Village. These statements consist of the Statement of Net Position and the Statement of Activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. This means that all the current year's revenues and expenses are included regardless of when cash is received or paid, producing a view of financial position similar to that presented by most private-sector companies.

The Statement of Net Position combines and consolidates the Village's current financial resources with capital assets and long-term obligations. This statement includes all of the Village's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. The purpose of this statement is to give the reader an understanding of the Village's total net worth. Over time, increases or decreases in the Village's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Village's property tax base and the condition of the Village's buildings, roads, drainage and other assets to assess the overall health of the Village.

The Statement of Activities focuses on both the gross and net cost of various governmental activities. These costs are funded by the Village's general tax and other revenues. This statement summarizes the cost of providing (or the subsidy provided by) specific government services and includes all current year revenues and expenses.

Governmental Activities

The Village's basic services are reported here, including: general government support; public safety; health; transportation; economic assistance and opportunity; cultural and recreation; and home and community services. Property taxes, local government assistance, franchise fees, fines, and state and federal grants finance these activities. The Village also charges fees to customers to help it cover the cost of certain services it provides.

Reporting the Village's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds - not the Village as a whole. Most funds are required to be established by State law. However, the Village Board may establish other funds to help it control or manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, state grants, and other money (e.g. grants from the federal government).

INCORPORATED VILLAGE OF VALLEY STREAM

**MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended May 31, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Reporting the Village's Most Significant Funds (continued)

Governmental Funds

The Village's activities are reported in governmental funds. Reporting of these funds focuses on how money flows into and out of the funds, and amounts remaining at year-end for future spending.

Governmental funds are accounted for using the modified accrual basis of accounting, which measures cash and other assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general governmental operations and the basic services it provides. This information should help you determine whether there are more or fewer resources available for the Village's programs. The reconciliation following the fund financial statements explains the differences between the government's activities, reported in the government-wide Statement of Net Position and government-wide Statement of Activities, and the governmental funds. The general fund and capital projects fund are reported as major funds.

Reporting the Village's Fiduciary Responsibilities

Fiduciary funds are used to account for resources held for the benefit of parties outside the government and as the resources are not available to support the Village's programs, these funds are not reflected in the government-wide financial statements. The Village has one fiduciary fund, a custodial fund, which primarily accounts for bail collected and returned or remitted on behalf of the Justice Court.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Our analysis below focuses on the net position and changes in net position of the Village's governmental activities.

Condensed Statement of Net Position
Governmental Activities
as of May 31,

	<u>2024</u>	<u>2023</u>
Assets		
Current and other assets	\$ 11,363,174	\$ 15,411,100
Capital assets	83,498,518	80,109,741
Other non-current assets	8,821,186	8,215,483
Total Assets	<u>103,682,878</u>	<u>103,736,324</u>
Deferred Outflows of Resources	<u>16,012,833</u>	<u>21,627,224</u>
Liabilities		
Current and other liabilities	11,184,014	9,760,695
Long-term liabilities	111,834,046	119,038,896
Total Liabilities	<u>123,018,060</u>	<u>128,799,591</u>
Deferred Inflows of Resources	<u>42,235,128</u>	<u>44,171,582</u>
Net Position		
Net investment in capital assets	50,280,484	45,675,293
Unrestricted	(95,837,961)	(93,282,918)
Total Net Position	<u>\$ (45,557,477)</u>	<u>\$ (47,607,625)</u>

INCORPORATED VILLAGE OF VALLEY STREAM

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended May 31, 2024

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (continued)

Changes in Net Position
Governmental Activities
for the years ended May 31,

	2024	2023
Program Revenues		
Charges for services	\$ 5,987,759	\$ 6,418,592
Operating grants and contributions	467,599	922,970
Capital grants and contributions	1,081,818	4,000
Total Program Revenues	7,537,176	7,345,562
General Revenues		
Real property taxes	34,017,067	33,256,312
Other real property taxes	1,191,876	1,131,736
Non-property tax items	1,256,290	1,317,976
Interest earnings	53,942	37,062
Local government assistance - unrestricted	107,198	108,437
State aid - unrestricted	904,687	1,119,945
Other	1,095,525	1,184,358
Total General Revenues	38,626,585	38,155,826
Total Revenues	46,163,761	45,501,388
Program Expenses		
General government support	10,778,035	9,927,303
Public safety	3,933,536	6,229,495
Health	238,805	240,699
Transportation	8,292,317	7,055,350
Economic assistance and opportunity	512,703	210,635
Culture and recreation	8,315,871	8,702,710
Home and community services	10,821,566	9,598,420
Interest on debt	1,220,780	1,208,536
Total Expenses	44,113,613	43,173,148
Change in Net Position	\$ 2,050,148	\$ 2,328,240

Total assets and deferred outflows of resources of the Village as of May 31, 2024 were \$119,695,711, a decrease of \$5,667,837 from the prior year. This decrease was mainly the result of a decrease in deferred outflows of resources and cash and cash equivalents, partially offset by increases in depreciable capital assets, length of service program plan assets and state and federal aid receivable. Total liabilities and deferred inflows of resources as of May 31, 2024 were \$165,253,188, a decrease of \$7,717,985 from the prior year. This decrease was primarily the result of a decrease in other post-employment benefits payable, deferred inflows of resources related to other postemployment benefits and pension liability-proportionate share partially offset by an increase in accounts payable and deferred inflows of resources related to pension- employees' retirement system. This resulted in an overall net deficit of \$45,557,477 at May 31, 2024, a decrease of \$2,050,148 from beginning of the year net deficit. Of this net position for governmental activities, \$50,280,484 represented a net investment in capital assets; while \$95,837,961 was a deficit in unrestricted net position.

INCORPORATED VILLAGE OF VALLEY STREAM

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended May 31, 2024

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (continued)

The deficit balance of unrestricted net position does not necessarily indicate financial distress. The deficit balance of unrestricted net position arose primarily because of the following factors: The Village, in an effort to maintain present tax rates, used up cash reserves and borrowed funds as needed. In addition, long-term liabilities which include financed purchase obligations, amortization of retirement expense, compensated absences, claims and judgments payable, other postemployment benefits payable, length of service award program liability and general obligation bonds will be funded through future budgetary appropriations when they become payable in future periods.

Total revenues in the current year increased by \$662,373 from the prior year. This increase was primarily the result of increases in real property taxes and capital grants and contributions, partially offset by a decrease in charges for services and operating grants and contributions. Overall, total expenses in the current year increased by \$940,465 from the prior year. The increase in expenses was primarily due to an increase in transportation, home and community services and general government support, partially offset by a decrease in public safety.

The cost of all governmental activities this year was \$44,113,613. As shown in the Statement of Activities, the amount that taxpayers financed for these activities through Village real property taxes was \$34,017,067. The net cost shows the financial burden that was placed on the Village's taxpayers by each of these functions.

Net Cost of Services
Governmental Activities
For the years ended May 31,

	Total Cost of Services		Program Revenues		Net (Cost) of Services	
	2024	2023	2024	2023	2024	2023
General government support	\$ 10,778,035	\$ 9,927,303	\$ 628,585	\$ 734,737	\$ (10,149,450)	\$ (9,192,566)
Public safety	3,933,536	6,229,495	3,513,487	4,702,817	(420,049)	(1,526,678)
Health	238,805	240,699			(238,805)	(240,699)
Transportation	8,292,317	7,055,350	1,364,653	496,014	(6,927,664)	(6,559,336)
Economic assistance and opportunity	512,703	210,635	564,989	147,787	52,286	(62,848)
Culture and recreation	8,315,871	8,702,710	944,770	818,699	(7,371,101)	(7,884,011)
Home and community services	10,821,566	9,598,420	520,692	445,508	(10,300,874)	(9,152,912)
Interest on debt	1,220,780	1,208,536			(1,220,780)	(1,208,536)
	<u>\$ 44,113,613</u>	<u>\$ 43,173,148</u>	<u>\$ 7,537,176</u>	<u>\$ 7,345,562</u>	<u>\$ (36,576,437)</u>	<u>\$ (35,827,586)</u>

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the government-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.

INCORPORATED VILLAGE OF VALLEY STREAM

**MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended May 31, 2024**

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (continued)

The Village's governmental fund financial statements had variances as follows:

In the general fund, the fund balance decreased by \$450,049. This was primarily the result of higher than expected health insurance costs.

Revenues and other financing sources totaled \$45,350,791, a decrease of \$294,572 from the prior year, while expenditures and other financing uses totaled \$45,800,840, an increase of \$955,906 from the prior year. The decrease in revenues and other financing sources is mainly due to a decrease in fines and forfeitures of \$639,098, state and federal aid of \$642,773, partially offset by \$790,759 increase in real property taxes. The increase in expenditures and other financing uses is mainly due to increases in general government support of \$712,506, employee benefits of \$293,895, economic assistance and opportunity of \$293,904, home and community services of \$209,704, culture and recreation of \$157,926 and transportation of \$107,342, partially offset by a decrease in public safety of \$927,521.

In the capital projects fund, the fund balance decreased by \$3,613,921 from \$3,316,902 to fund deficit of \$297,019. This was primarily the result of differences in the timing between project expenditures and the recognition of corresponding permanent financing such as debt proceeds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Village Board of Trustees revises the budget as needed. In the General Fund, various transfers between appropriations were approved for that purpose. The budget was also revised as a result of encumbrances from the prior year of \$91,891 and other Board adjustments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of May 31, 2024, the Village had \$83,498,518 in net capital assets for its governmental activities, an increase of \$3,388,777 including land, buildings and building improvements, improvements other than buildings, machinery and equipment, software, roads, curbs, sidewalks, drainage, street lighting, construction in progress and subscription asset.

The Village has a capital improvement plan which allows for the continued improvements to infrastructure, buildings and equipment. The Village finances most of these improvements with general obligation bonds.

	2024	2023
Land	\$ 26,212,279	\$ 26,212,279
Construction in progress	166,100	
Buildings and building improvements	26,572,797	25,582,401
Improvements other than buildings	10,509,476	10,473,326
Machinery and equipment	37,610,291	36,052,996
Software	314,828	314,828
Infrastructure:		
Roads, curbs, sidewalks, and drainage	72,536,807	67,466,040
Street lighting	9,062,785	9,062,785
Right-to-use subscription asset	26,046	
	<hr/>	<hr/>
Total Capital Assets	183,011,409	175,164,655
	<hr/>	<hr/>
Less: Accumulated depreciation/amortization	99,512,891	95,054,914
	<hr/>	<hr/>
Total Net Capital Assets	\$ 83,498,518	\$ 80,109,741

INCORPORATED VILLAGE OF VALLEY STREAM

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended May 31, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Debt Administration

On January 29, 2025, Moody's Investors Service ("Moody's") withdrew the Village's underlying credit rating due to the lack of sufficient information. The Village has subsequently provided fiscal year 2024 and 2023 financial statements to remediate this.

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 7% of the average full valuation of taxable real estate of the Village, and subject to certain enumerated exclusions and deductions such as cash or appropriations for current debt service.

The constitutional method for determining full valuation is calculated by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Board of Equalization and Assessment. 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. The percentage of debt contracting power exhausted was 9.18%.

At May 31, 2024, the Village had \$21,130,000 in general obligation bonds and \$9,105,000 of bond anticipation notes outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Property Tax

The Village has adopted a budget for the 2024–2025 year, which factors in inflation and other adjustments to revenues and expenditures as well as prior year fund balances. The 2024-2025 budget includes an increase of 2.44% in real property tax revenues from the prior year for the general Village governmental activities.

Chapter 97 of the Laws of 2011 (the "Tax Cap Law") was enacted on June 24, 2011. The Tax Cap Law limits annual increases of the Village's overall real property tax to no more than the lesser of 2% or the rate of inflation. Certain increases to the tax levy are excluded from the limitations imposed by the Tax Cap Law including exclusions for certain expenditures for retirement system contributions and tort judgments payable by the Village. In addition, the Village Board may override the limitations if the Village Board enacts, by vote of at least 60% of the voting power of the Village Board, a local law to override such limit for the upcoming budget year. The Tax Cap Law does not provide exclusion for debt service on general obligations issued by the Village. The Board did not override the tax cap for the 2024-2025 budget.

State Aid and Local Assistance

The Village receives financial assistance from New York State. During 2024, financial assistance included state aid - mortgage tax of \$346,353 and state aid - per capita of \$558,334. 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. The State is not constitutionally obligated to maintain or continue state aid to the Village. The Village's 2024-2025 budget included similar amounts for this financial assistance.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the finances of the Village and to demonstrate our accountability with the resources we receive. If you have any questions about this report or need additional financial information, contact the Incorporated Village of Valley Stream, Accounting Office, 123 South Central Avenue, Valley Stream, New York 11580.

BASIC FINANCIAL STATEMENTS

INCORPORATED VILLAGE OF VALLEY STREAM

GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
May 31, 2024

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 7,968,784
Restricted cash	5,000
Tax liens receivable	68,637
Accounts receivable	581,679
Lease receivable	246,215
State and federal aid receivable	1,382,518
Due from other governments	126,254
Inventory	349,485
Prepays	634,602
Total Current Assets	<u>11,363,174</u>
Non-Current Assets:	
Lease receivable	2,699,771
Non-depreciable capital assets	26,378,379
Depreciable capital assets, net of depreciation/amortization	57,120,139
Length of service award program plan assets	6,121,415
Total Non-Current Assets	<u>92,319,704</u>
Total Assets	<u>103,682,878</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension - Employees' Retirement System	5,654,846
Other postemployment benefits	6,841,093
Length of service award program	3,516,894
Total Deferred Outflows of Resources	<u>16,012,833</u>

(continued)

See notes to the financial statements.

INCORPORATED VILLAGE OF VALLEY STREAM

GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
May 31, 2024

	<u>Governmental Activities</u>
(continued)	
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 3,041,470
Accrued interest payable	162,802
Unearned revenue	161,182
Non-current liabilities due within one year:	
General obligation bonds payable, inclusive of premiums	2,705,958
Financed purchase obligations	705,679
Compensated absences	319,683
Claims and judgments payable	2,010,808
Other postemployment benefits payable	2,071,006
Subscriber liability	5,426
Total Current Liabilities	<u>11,184,014</u>
Non-Current Liabilities:	
General obligation bonds payable, inclusive of premiums	18,520,688
Financed purchase obligations	2,405,093
Compensated absences	6,073,990
Claims and judgments payable	731,494
Bond anticipation notes payable	9,105,000
Other postemployment benefits payable	56,103,215
Net Employees' Retirement System pension liability - proportionate share	7,352,222
Length of service award program - total pension liability	<u>11,542,344</u>
Total Non-Current Liabilities	<u>111,834,046</u>
	<u>Total Liabilities</u>
	123,018,060
 DEFERRED INFLOWS OF RESOURCES	
Unearned revenue from real property taxes	6,483,208
Pension - Employees' Retirement System	3,983,418
Other postemployment benefits	24,870,978
Length of service award program	4,117,357
Lease related	2,780,167
	<u>Total Deferred Inflows of Resources</u>
	42,235,128
 NET POSITION	
Net investment in capital assets	50,280,484
Unrestricted	<u>(95,837,961)</u>
	<u>Total Net Position</u>
	\$ (45,557,477)

See notes to the financial statements.

INCORPORATED VILLAGE OF VALLEY STREAM

**GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2024**

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue (Expense) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
General government support	\$ 10,778,035	\$ 592,426	\$ 36,159		\$ (10,149,450)
Public safety	3,933,536	3,507,180	6,307		(420,049)
Health	238,805				(238,805)
Transportation	8,292,317	464,653		\$ 900,000	(6,927,664)
Economic assistance and opportunity	512,703		383,171	181,818	52,286
Culture and recreation	8,315,871	944,770			(7,371,101)
Home and community services	10,821,566	478,730	41,962		(10,300,874)
Interest on debt	1,220,780				(1,220,780)
Total Governmental Activities	\$ 44,113,613	\$ 5,987,759	\$ 467,599	\$ 1,081,818	(36,576,437)

GENERAL REVENUES

Real property taxes	34,017,067
Other real property taxes	1,191,876
Non-property tax items	1,256,290
Interest earnings	53,942
Local government assistance - unrestricted	107,198
State aid - unrestricted	904,687
Other	1,095,525
Total General Revenues	38,626,585
Change in Net Position	2,050,148
Net Position (Deficit) at Beginning of Year	(47,607,625)
Net Position (Deficit) at End of Year	\$ (45,557,477)

See notes to the financial statements.

INCORPORATED VILLAGE OF VALLEY STREAM

**GOVERNMENTAL FUNDS
BALANCE SHEET
May 31, 2024**

	MAJOR FUNDS		Other Governmental Fund	Totals
	General	Capital Projects	Library	
ASSETS				
Cash and cash equivalents	\$ 6,201,318	\$ 1,722,765	\$ 44,701	\$ 7,968,784
Restricted cash	5,000			5,000
Tax liens receivable	68,637			68,637
Accounts receivable	325,833			325,833
Leases receivable	2,945,986			2,945,986
Due from other funds	2,330,338		107,387	2,437,725
State and federal aid receivable	66,358	1,206,817		1,273,175
Due from other governments	126,254			126,254
Inventory	349,485			349,485
Prepays	631,159		3,443	634,602
Length of service award program assets	6,121,415			6,121,415
Total Assets	\$ 19,171,783	\$ 2,929,582	\$ 155,531	\$ 22,256,896
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,310,576	\$ 691,966	\$ 38,928	\$ 3,041,470
Due to other funds	64,272	2,373,453		2,437,725
Unearned revenues		161,182		161,182
Total Liabilities	2,374,848	3,226,601	38,928	5,640,377
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue from property taxes	6,483,208			6,483,208
Unavailable revenue - real property taxes	95,385			95,385
Lease related	2,780,167			2,780,167
Total Deferred Inflows of Resources	9,358,760			9,358,760
FUND BALANCES				
Nonspendable	980,644	125,000	3,443	1,109,087
Restricted	6,181,696			6,181,696
Assigned (Deficit)	83,602		113,160	196,762
Unassigned	192,233	(422,019)		(229,786)
Total Fund Balances (Deficit)	7,438,175	(297,019)	116,603	7,257,759
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,171,783	\$ 2,929,582	\$ 155,531	\$ 22,256,896

See notes to the financial statements.

INCORPORATED VILLAGE OF VALLEY STREAM

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
For the Year Ended May 31, 2024**

Total Fund Balance - Governmental Funds		\$ 7,257,759
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets less accumulated depreciation are included in the Statement of Net Position:		
Capital assets - non-depreciable	\$ 26,378,379	
Capital assets - depreciable/amortizable	156,633,030	
Accumulated depreciation/amortization	<u>(99,512,891)</u>	
		83,498,518
Deferred outflows and inflows of resources related to the pension plan, other postemployment benefits payable and length of service award program are included in the Statement of Net Position.		
Deferred outflows of resources - pension - employees' retirement system	5,654,846	
Deferred outflows of resources - other postemployment benefits	6,841,093	
Deferred outflows of resources - length of service award program	3,516,894	
Deferred inflows of resources - pension - employees' retirement system	(3,983,418)	
Deferred inflows of resources - other postemployment benefits	(24,870,978)	
Deferred inflows of resources - length of service award program	<u>(4,117,357)</u>	
		(16,958,920)
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 funds. However, these liabilities are included in the Statement of Net Position:		
Finance purchase obligations	(3,110,772)	
Compensated absences	(6,393,673)	
Claims and judgments payable	(2,742,302)	
Bond anticipation notes payable	(9,105,000)	
Other postemployment benefits payable	(58,174,221)	
Net pension liability - proportionate share	(7,352,222)	
Length of service award program payable	(11,542,344)	
Subscription liability	(5,426)	
General obligation bonds payable, inclusive of premiums	<u>(21,226,646)</u>	
		(119,652,606)
Interest applicable to the Village's governmental activities are not due and payable in the current period, and accordingly are not reported in the funds. However, these liabilities are included in the Statement of Net Position		
		(162,802)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
		<u>460,574</u>
Net Position (Deficit) of Governmental Activities		<u><u>\$ (45,557,477)</u></u>

See notes to the financial statements.

INCORPORATED VILLAGE OF VALLEY STREAM

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended May 31, 2024**

	MAJOR FUNDS		Other Governmental Fund	Totals
	General	Capital Projects	Library	
REVENUES				
Real property taxes	\$ 34,370,754			\$ 34,370,754
Other real property tax items	1,191,877			1,191,877
Non-property tax items	1,291,331			1,291,331
Departmental income	1,703,850			1,703,850
Intergovernmental charges	1,241,363			1,241,363
Use of money and property	851,183		\$ 1,562	852,745
Licenses and permits	1,220,262			1,220,262
Fines and forfeitures	1,860,599			1,860,599
Sale of property and compensation for loss	167,926			167,926
Fees and services			23,697	23,697
Miscellaneous local sources	115,586		575	116,161
State aid	940,846	\$ 900,000	41,962	1,882,808
Federal aid	389,478	181,818		571,296
Total Revenues	45,345,055	1,081,818	67,796	46,494,669
EXPENDITURES				
Current:				
General government support	8,175,635			8,175,635
Public safety	3,130,336			3,130,336
Health	178,293			178,293
Transportation	4,266,614			4,266,614
Economic assistance and opportunity	518,903			518,903
Culture and recreation	5,735,898			5,735,898
Home and community services	5,575,056		1,482,795	7,057,851
Employee benefits	11,155,388		359,920	11,515,308
Capital outlay		7,435,739		7,435,739
Debt service:				
Principal	3,946,303			3,946,303
Interest	1,228,108			1,228,108
Debt issuance costs	63,566			63,566
Total Expenditures	43,974,100	7,435,739	1,842,715	53,252,554
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,370,955	(6,353,921)	(1,774,919)	(6,757,885)
OTHER FINANCING SOURCES (USES)				
Transfers in			1,826,740	1,826,740
Transfers out	(1,826,740)			(1,826,740)
Debt proceeds		2,740,000		2,740,000
Premiums on obligations	5,736			5,736
Total Other Financing Sources (Uses)	(1,821,004)	2,740,000	1,826,740	2,745,736
Net Change in Fund Balance	(450,049)	(3,613,921)	51,821	(4,012,149)
Fund Balance at Beginning of Year	7,888,224	3,316,902	64,782	11,269,908
Fund Balance at End of Year	\$ 7,438,175	\$ (297,019)	\$ 116,603	\$ 7,257,759

See notes to the financial statements.

INCORPORATED VILLAGE OF VALLEY STREAM

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2024**

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance \$ (4,012,149)

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 in the current period is:

Capital outlay	\$ 7,820,708	
Depreciation/amortization expense	<u>(4,457,977)</u>	3,362,731

Net change in deferred outflows of resources not reported in the governmental fund statements:

Pension related amounts	(1,169,820)	
LOSAP related amounts	2,527	
OPEB related amounts	<u>(4,447,098)</u>	(5,614,391)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (388,724)

Other assets not available to pay for current period expenditures and, therefore, are deferred and amortized in the Statement of Activities. 52,085

The issuance of long-term debt and increase in obligations under capital leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and financed purchase obligations consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Financed purchase obligations	685,684	
Bond issued	(2,740,000)	
Repayment of bond principal	<u>2,650,000</u>	595,684

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.

Due to Employees' Retirement System	93,124	
Compensated absences	(32,233)	
Claims and judgments payable	47,207	
Bond anticipation notes payable	590,000	
Other postemployment benefits payable	3,160,806	
Net pension liability - proportionate share	3,294,402	
Accrued interest costs	7,327	
Subscription liability	20,620	
LOSAP liability	<u>(725,451)</u>	6,455,802

Net change in deferred inflows of resources not reported in the governmental fund statements:

Pension related amounts		(3,284,895)
OPEB related amounts		4,262,128
LOSAP related amounts		<u>621,877</u>

Change in Net Position of Governmental Activities \$ 2,050,148

See notes to the financial statements.

INCORPORATED VALLIAGE OF VALLEY STREAM

**FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
May 31, 2024**

	<u>Custodial Fund</u>
ASSETS	
Cash	\$ 3,605
Total Assets	<u>\$ 3,605</u>
LIABILITIES	
Other liabilities	\$ 3,605
Total Liabilities	<u>\$ 3,605</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF VALLEY STREAM

**FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For The Year Ended May 31, 2024**

	<u>Custodial Fund</u>
ADDITIONS	
Bail collected	\$ -0-
Total Additions	<u>-0-</u>
DEDUCTIONS	
Bail returned or remitted	<u>-0-</u>
Total Deductions	<u>-0-</u>
NET CHANGE IN FIDUCIARY NET POSITION	<u><u>\$ -0-</u></u>

See notes to the financial statements.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Incorporated Village of Valley Stream, which was established in 1925, is governed by its Charter, the New York State Village law and other general laws of the State of New York and various local laws. The Board of Trustees is the legislative body responsible for overall operations, the Mayor serves as chief executive officer and the Treasurer serves as chief fiscal officer. The following basic services are provided: Highway, Fire Protection, Village Justice Court, Building and Zoning, Transportation, and Other General Services. All governmental activities and functions performed for the Incorporated Village of Valley Stream are its direct responsibility.

The Valley Stream Public Library (Library) is governed by Education Law and other general laws of the State of New York and serves as a center of information and provides community programming for the Village. The Library has its own Board of Trustees, which is appointed by the Village Board of Trustees.

The financial statements of the Incorporated Village of Valley Stream, New York 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. REPORTING ENTITY

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

The decision to include a potential component unit in the Incorporated Village of Valley Stream reporting entity is based on several criteria, including legal standing, financial accountability, dependency or the determination by management that it would be misleading to exclude the component unit. Based on the application of these criteria, the Village has no component units either blended or discretely presented.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds).

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on the non-fiduciary activities of the Village.

In the government-wide Statement of Net Position, the Village's governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functional categories (general government support, public safety, health, transportation, economic assistance and opportunity, culture and recreation and home and community services), which are otherwise supported by general government revenues (real property taxes, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.).

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS Year Ended May 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Government-wide Financial Statements (continued)

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants to produce the net cost of each program. Program revenues include (a) charges for services and (b) operating and capital grants and contributions that are directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Eliminations have been made to prevent distortion of the direct costs and program revenues reported. Sales and purchases of goods and services for a price approximating their external value are not eliminated between the funds in the government-wide financial statements.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The fund financial statements emphasis is on the major funds. The nonmajor fund is recorded in a separate column.

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are presented by type in the fund financial statements. Accordingly, the Village maintains the following fund types:

Governmental Funds - Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. Government funds are further classified as major and nonmajor funds.

The Village reports the following major governmental funds:

General Fund - is the principal operating fund of the Village. This fund is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Additionally, the Village reports on the following nonmajor fund:

Special Revenue Fund - is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following Special Revenue Fund is utilized:

Library Fund - used to account for all activity of the Valley Stream Public Library, serving as a center of information and providing community programming for the area.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Fiduciary Funds - Fiduciary Funds are used to account for assets held by the Village in a trustee or custodial capacity.

Custodial Fund - is to account for amounts due to others for bail.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Measurement focus refers to what is being measured whereas the basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

In the government-wide statements, governmental activities are presented using the economic resources measurement focus and are presented using the accrual basis of accounting as are the Fiduciary Funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund statements, governmental funds use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (measurable and available to finance current operations). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues available if they are collected within 60 days after the year end. Revenues susceptible to accrual include mortgage tax, franchise fees, charges for services, intergovernmental revenues and operating transfers. In certain unusual circumstances this application of the Village's normal availability period for a given revenue source might distort revenue trends from one year to the next. In such unusual circumstances, revenues maybe considered available if received beyond 120 days, however to the extent the revenue will remain uncollected after one year, the Village classifies the fund balance as nonspendable.

Permits, fees, and other similar revenues are not susceptible to accrual because generally they are not measurable until they are received in cash. In those instances where expenditures are the prime factor in determining eligibility for state and federal grants, revenues are recognized when the expenditure is incurred. In the capital projects fund, long-term debt is recognized as revenue upon receipt of the proceeds. Expenditures are recorded on the accrual basis except that (a) principal and interest on indebtedness are recognized as expenditures when due; (b) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as expenditures when paid.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND EQUITY

RECEIVABLES

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

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND EQUITY (continued)

LEASE RECEIVABLE

The Village is a lessor for a noncancellable lease of real property. The Village recognizes a lease receivable and a deferred inflow of resources in the government-wide and General Fund financial statements.

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

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

- The Village uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

INVENTORY

Inventory in the general fund is valued at cost, using weighted average cost method. Inventory is accounted for under the consumption method.

PREPAIDS

Prepays in the general fund and the library fund represent insurance premiums paid for coverage and other vendor prepayments that will benefit the subsequent period.

CAPITAL ASSETS

Capital assets purchased or acquired with original cost of \$1,500 or more are reported at cost or estimated historical cost. Contributed capital assets are recorded at fair market value as of the date received. Additions, improvements, and other capital outlay that significantly extend the useful lives of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation and amortization on all assets are provided on the straight-line basis over the following estimated useful lives:

Building and building improvements	50 years
Improvements other than building	20 years
Machinery and equipment	5-20 years
Software	5 years
Infrastructure systems:	
Roads, curbs, sidewalks, and drainage	20-50 years
Street lighting	20 years
Right-to-use subscription asset	3 years

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND EQUITY (continued)

CAPITAL ASSETS (continued)

Infrastructure assets, consisting of certain improvements other than buildings including roads, curbs, sidewalks, drainage system and street lighting are capitalized along with other capital assets.

In the fund financial statements, capital assets are recorded as capital outlay expenditures in the governmental fund upon acquisition.

DEFERRED OUTFLOWS/INFLOWS 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 represents a consumption of fund equity or net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. In this category, the Village reports amounts related to pensions – Employees' Retirement System, other postemployment benefit obligations and Length of Service Award Program.

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 represents an acquisition of fund equity or net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. In this category, the Village reports unearned revenue from real property taxes. The unearned revenue from real property taxes will be recognized as revenues in the period that the amounts are levied or imposed in both the governmental funds Balance Sheet and the government-wide Statement of Net Position.

The unavailable revenue related to real property taxes and property tax items is deferred in the governmental funds and will be recognized as an inflow of resources in the period that the amounts become available. On the government-wide Statement of Net Position, the Village also reports a deferred inflow of resources related to pensions – Employees' Retirement System, other postemployment benefit obligations and Length of Service Award Program.

UNEARNED REVENUES

Unearned revenues represent a liability for grant revenues collected in advance of eligible grant expenditures and resources received in advance of charges for fire protection services being earned. These services will be provided by the Village in the next fiscal year.

PREMIUMS OF DEBT ISSUANCE

Premiums related to the issuance of long-term debt are amortized on a straight-line basis over the life of the issue and are presented as part of the general obligations in the non-current liabilities.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND EQUITY (continued)

LONG-TERM OBLIGATIONS

The liabilities for long-term obligations consisting of general obligation bonds payable, bond anticipation notes, financed purchase obligations, due to Employees' Retirement System, compensated absences, claims and judgments payable, other postemployment benefits payable, net Employees' Retirement System pension liability - proportionate share, length of service award program - total pension liability and subscription liability are recognized in the government-wide financial statements. Bond premiums, discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of applicable bond premium or discount.

In the fund statements, long-term obligations are not reported as liabilities. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures. Debt related to installment purchases are reported as other financing sources and expenditures in the governmental funds.

NET POSITION AND FUND BALANCE CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a) Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources; they are (a) nonspendable, (b) restricted, (c) committed, (d) assigned, or (e) unassigned.

- a) Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form (i.e. prepaid items or inventories), or (b) will not convert to cash within the current period (i.e. long-term receivables and financial assets held for resale), or (c) legally or contractually required to be maintained intact (i.e. the principal of a permanent fund).

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- b) Restricted fund balance reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS Year Ended May 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND EQUITY (continued)

NET POSITION AND FUND BALANCE CLASSIFICATIONS (continued)

- c) Committed fund balance reflects amounts that can only be used for specific purposes by a government using its highest and most binding level of decision-making authority. The Village's highest decision-making authority is the Village Board, who by adoption of a Village ordinance prior to year-end, can commit fund balance. Those committed amounts cannot be used for any other purpose unless the Village Board removes or changes the specified use by taking the same type of action imposing the commitment.
- d) Assigned fund balance reflects the amounts constrained by the Village's "intent" to be used for specific purposes but are neither restricted nor committed. The Village Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.
- e) Unassigned fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

NET POSITION AND FUND BALANCE FLOW ASSUMPTIONS

When outlays for a particular purpose can be funded from both restricted and unrestricted net position resources in the government-wide financial statements, it is the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

When both restricted and unrestricted resources are available for use in the fund level financial statements, it is the Village's policy to use restricted resources first, and then unrestricted resources - committed, assigned and unassigned - in order as needed.

E. REVENUES AND EXPENDITURES

PROPERTY TAXES

Village real property taxes and special assessments are levied on May 15 and are due in an annual installment on June 1. Payments must be received on or before July 1. Penalties are imposed thereafter at the rate of 5% for the first month and 1% per month thereafter. Unpaid taxes become a lien during the second week in February in the ensuing year. Property tax bills that relate to the ensuing fiscal year are recorded as deferred inflows of resources.

INTERFUND TRANSACTIONS

Interfund transactions have been eliminated from the government-wide financial statements. In the fund statements interfund transactions include transfers. Transfers represent primarily the funding of library expenditures and residual equity on closed capital projects.

COMPENSATED ABSENCES

Incorporated Village of Valley Stream employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS Year Ended May 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. REVENUES AND EXPENDITURES (continued)

COMPENSATED ABSENCES (continued)

The liability for vested or accumulated vacation or sick leave (compensated absences) is recorded as current and noncurrent obligations in the government-wide statements. The current portion of this debt is estimated based on historical trends. The compensated absence liability and expenditure is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

The amount that is expected to be liquidated with expendable available financial resources is reported as expenditure and a liability in the fund financial statements in the respective fund that will pay it.

OTHER POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the Village provides certain health insurance coverage and survivor benefits for retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions".

In addition, the Village provides life insurance benefits for volunteer firefighters. The benefits provide the firefighters with either \$10,000 or \$20,000 in life insurance depending on the firefighter's age and vesting status. The Village is self-insured for these benefits and recognizes the cost of providing these benefits by recording the actual cost of the life insurance benefit as an expenditure in the governmental funds in the year paid.

The liability for these other postemployment benefits payable is recorded as a long-term liability in the government-wide statements.

TOTAL PENSION LIABILITY - LENGTH OF SERVICE AWARD PROGRAMS

The total pension liability for the Fire Service Awards Program is presented in accordance with the provisions of GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68."

EMPLOYEE RETIREMENT PENSION PLAN

The Village, as a participant in the New York State and Local Employees' Retirement System, recognizes the proportionate share of the net pension liability (asset), deferred outflows of resources and deferred inflows of resources in the government-wide financial statements, using the accrual basis of accounting, regardless of the amount recognized as pension expenditures in the fund financial statements. The amounts recognized have been determined on the same basis as reported by the System, utilizing the year end of March 31st.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purpose, is employed in the governmental funds. Encumbrances are reported as restrictions, commitments, or assignments of 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.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS Year Ended May 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. USE OF 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 amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

H. ADOPTION OF ACCOUNTING STANDARD

The Village has adopted all of the current statements of the Governmental Accounting Standards Board ("GASB") that are applicable. The Village adopted provisions of GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" ("SBITA") on June 1, 2023. This Statement provides guidance on the accounting and financial reporting for SBITA for governments. The Statement is based on the principle that SBITA are financings of the right to use another party's (a SBITA vendor's) information technology ("IT") software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability.

Additionally, the Statement provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The new SBITA standard also requires enhanced disclosures which include a general description of a SBITA arrangement, the total amount of subscription assets and the related accumulated amortization, the amount of outflow of resources recognized from SBITA contracts that are not included in the measurement of the liability, and the disclosure of the long-term effect of SBITA arrangements on a government's resources.

The implementation of Statement No. 96 resulted in the Village reporting a right-to-use subscription asset and subscription liability totaling \$26,046 as of June 1, 2023.

I. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through November 25, 2025, which is the date the financial statements were available to be issued.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The Village follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) No later than March 31st, the budget officer submits a tentative budget to the Board of Trustees for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the proposed means of financing for the general and library fund.
- b) After public hearings are conducted to obtain taxpayer comments, no later than May 1st, the Board of Trustees adopts the budget.
- c) All modifications of the budget must be approved by the Board of Trustees.
- d) Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

A. BUDGETARY INFORMATION (continued)

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2.00% property tax cap for municipalities, however there are permitted exceptions and adjustments that can increase the property tax cap percentage. Beginning in 2012, no local government is authorized to increase its property tax levy by more than the calculated property tax cap; however, local governments can exceed the property tax cap limit by a 60% vote of the governing body and annually adopting a local law. In 2023-2024, the Village did not override the tax cap.

B. FUND EQUITY

FUND BALANCE RESERVE

The Village has established debt service reserves totaling \$3,738. These monies arose from unspent bond proceeds. These monies will be used to pay off outstanding general obligation bond debt as the particular issues become due.

The Village has also reserved fund balance for the length of service award program (LOSAP) assets totaling \$6,121,415. See Note 3.H. These assets are restricted for the purpose of providing benefits to the volunteer fire-fighters under the LOSAP program.

FUND BALANCES

The fund balance section of the balance sheets of the governmental funds focus on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The components of fund balance include the following items, as needed: (1) nonspendable, (2) restricted, (3) committed, (4) assigned, or (5) unassigned.

The following table provides the detail regarding fund balance categories and classifications for the governmental funds which show components of nonspendable fund balances, as well as the purposes for restricted, and assigned fund balance, if applicable. The unassigned fund balance is also shown.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

B. FUND BALANCES (continued)

	General Fund	Capital Projects Fund	Library Fund	Total
Fund Balances (Deficits):				
Nonspendable:				
Long-term receivables		\$ 125,000		\$ 125,000
Inventory	\$ 349,485			349,485
Prepaid items	631,159		\$ 3,443	634,602
Total Nonspendable	<u>980,644</u>	<u>125,000</u>	<u>3,443</u>	<u>1,109,087</u>
Restricted for:				
Unspent debt proceeds				-0-
Debt service	3,738			3,738
Length of service award program	6,121,415			6,121,415
Plan Review	56,543			56,543
Total Restricted	<u>6,181,696</u>	<u>-0-</u>	<u>-0-</u>	<u>6,181,696</u>
Assigned to:				
Purchases on order	55,494		1,491	56,985
Green tree fund	28,108			28,108
Capital projects				-0-
Special revenue fund			111,669	111,669
Total Assigned	<u>83,602</u>	<u>-0-</u>	<u>113,160</u>	<u>196,762</u>
Unassigned, reported in:				
General fund	192,233			192,233
Capital projects fund		(422,019)		(422,019)
Total Unassigned	<u>192,233</u>	<u>(422,019)</u>	<u>-0-</u>	<u>(229,786)</u>
Total Fund Balances	<u>\$ 7,438,175</u>	<u>\$ (297,019)</u>	<u>\$ 116,603</u>	<u>\$ 7,257,759</u>

The deficit in the Capital Projects Fund will be addressed through a combination of future reimbursements from federal and state grants and debt issuances.

3. DETAILED NOTES ON ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The Village investment policies are governed by State statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in FDIC-insured commercial banks and trust companies located within the state. The Village is authorized to use certificates of deposit, savings, time, demand, and money market accounts. Permissible investments include direct obligations of the United States Government, including treasury bills and notes.

Collateral is required for all bank or trust company accounts and certificate of deposit amounts in excess of amounts covered by federal deposit insurance. The collateral shall be delivered to the Village or a custodial bank with which the Village has entered into a custodial agreement. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

A. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH (continued)

Custodial Credit Risk - Deposits/Investments - Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits, or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will not be unable to recover the value of its investments or collateral securities that are in possession of an outside party.

Deposits are disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

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

At May 31, 2024, the Village's cash book balances were \$7,977,389. Of this amount, \$5,000 was restricted due to external contractual requirements. The Village's bank deposit balances were \$8,368,100, of which \$1,646,040 was covered by the Federal Deposit Insurance Corporation, and \$6,722,060 was covered by collateral held by the Village's agent, a third-party financial institution, in the Village's name. As of May 31, 2024, the Incorporated Village of Valley Stream did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

Restricted cash represents resources that are legally or contractually restricted as to use, and are not available for general governmental purposes. Restrictions are typically imposed by bond resolutions, grantor agencies, or state statutes.

See Note 3.H. for information on the Restricted Length of Service Award Program (LOSAP) investments.

B. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances for the Village at May 31, 2024 primarily represent temporary borrowings that will be reimbursed subsequent to year end and are stated as follows:

	Amount Receivable	Amount Payable
Major Governmental Funds:		
General fund	\$ 2,330,338	\$ 64,272
Capital projects fund		2,373,453
Nonmajor Governmental Fund	107,387	
Total	\$ 2,437,725	\$ 2,437,725

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

B. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Interfund transfer balances for the Village at May 31, 2024 represent primarily the funding of library expenditures are stated as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General fund		\$ 1,826,740
Nonmajor Governmental Fund	<u>\$ 1,826,740</u>	
Total	<u>\$ 1,826,740</u>	<u>\$ 1,826,740</u>

C. LEASE RECEIVABLE

The Village is a lessor pursuant to numerous individual leases as defined by GASB Statement No. 87. Summarized details of the leases are as follows:

The Village has entered into ten various agreements with third parties to lease its land to others for various purposes. The Village has executed one lease pertaining to Village owned office space. The Village will receive monthly payments from each lessee as stipulated in each agreement. The Village reports in its Governmental Activities and Governmental Fund leases receivable and related deferred inflows of resources of \$2,945,986 and \$2,780,167, respectively, at May 31, 2024 for these leases.

For 2024, the Village reported lease revenue of \$237,267 and interest revenue of \$92,073 related to lease payments received. Under the terms of these agreements, the leases expire at various dates between September 2025 and September 2042 and 8 agreements have options to renew. The discount rate used by the Village varied between 0.22% and 0.28% percent.

The following table is the amortization schedule for the lease receivables:

	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
For year ending May 31, 2025	\$ 246,215	\$ 84,953	\$ 331,168
2026	216,826	77,524	294,350
2027	191,809	71,736	263,545
2028	195,106	66,035	261,141
2029	201,697	60,139	261,836
2030 - 2034	1,259,712	196,840	1,456,552
2035 - 2039	501,711	47,747	549,458
2040 - 2043	132,910	5,478	138,388
Total	<u>\$ 2,945,986</u>	<u>\$ 610,452</u>	<u>\$ 3,556,438</u>

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

D. CAPITAL ASSETS

A summary of changes within the governmental capital assets for the year ended May 31, 2024 are as follows:

	Balance 6/1/23	Additions	Deletions / Reclassifications	Balance 5/31/24
Capital assets not being depreciated:				
Land	\$ 26,212,279			\$ 26,212,279
Construction in progress		\$ 6,743,773	\$ 6,577,673	166,100
Total capital assets not being depreciated	<u>26,212,279</u>	<u>6,743,773</u>	<u>6,577,673</u>	<u>26,378,379</u>
Depreciable capital assets:				
Buildings and building improvements	25,582,401	990,396		26,572,797
Improvements other than buildings	10,473,326	36,150		10,509,476
Machinery and equipment	36,052,996	1,557,295		37,610,291
Software	314,828			314,828
Infrastructure:				
Roads, curbs and sidewalks and drainage	67,466,040	5,070,767		72,536,807
Street lighting	9,062,785			9,062,785
Right-to-use subscription asset	26,046			26,046
Total depreciable capital assets	<u>148,978,422</u>	<u>7,654,608</u>		<u>156,633,030</u>
Less accumulated depreciation/amortization:				
Buildings and building improvements	9,302,538	978,872		10,281,410
Improvements other than buildings	7,490,034	307,951		7,797,985
Machinery and equipment	28,583,855	1,532,047		30,115,902
Software	289,607			289,607
Infrastructure:				
Roads, curbs and sidewalks and drainage	44,833,718	1,618,271		46,451,989
Street lighting	4,555,162			4,555,162
Right-to-use subscription asset		20,836		20,836
Total accumulated depreciation/amortization	<u>\$ 95,054,914</u>	<u>\$ 4,457,977</u>		<u>99,512,891</u>
Total net depreciable capital assets				<u>57,120,139</u>
Total net capital assets				<u>\$ 83,498,518</u>

* As restated upon adoption of GASB Statement No. 96,

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 335,506
Public safety	562,587
Health	2,090
Transportation	2,039,210
Culture and recreation	415,720
Home and community services	1,102,864
Total governmental activities depreciation expense	<u>\$ 4,457,977</u>

Depreciation is recorded on the straight-line basis over the estimated useful lives, in years, of the respective assets.

The Incorporated Village of Valley Stream evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of capital assets has occurred. The Village's policy is to record an impairment loss in the period when the Village determines that the carrying amount of the asset will not be recoverable. At May 31, 2024, the Village has not recorded any such impairment losses.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

E. INDEBTEDNESS

SHORT-TERM DEBT

Bond Anticipation Note (BAN) - The bond anticipation note (BAN) is 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 note 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 expected to be paid from the proceeds of future bond issues. The Village issued one bond anticipation note during the year ended May 31, 2024 in the amount of \$9,105,000 with an interest rate of 4.50% and a maturity date of May 9, 2025, but, pursuant to GASB guidance, did not record this note as a liability in the fund financial statements since it demonstrated an ability to consummate refinancing.

LONG-TERM DEBT

The following is a summary of changes in long-term debt liabilities for the year ended May 31, 2024:

	Balance 06/01/23	Increases	Reductions	Balance 05/31/24	Non-current liabilities due within one year	Non-current liabilities
General obligation bonds	\$ 21,040,000	\$ 2,740,000	\$ 2,650,000	\$ 21,130,000	\$ 2,655,000	\$ 18,475,000
Plus premiums on issuance	148,731	5,736	57,821	96,646	50,958	45,688
General obligation bonds, net	21,188,731	2,745,736	2,707,821	21,226,646	2,705,958	18,520,688
Bond anticipation notes	9,695,000	9,105,000	9,695,000	9,105,000		9,105,000
Financed purchase obligations	3,796,456		685,664	3,110,772	705,679	2,405,093
Due to Employees'						
Retirement System	93,124		93,124			
Compensated absences	6,361,440	291,538	259,305	6,393,673	319,683	6,073,990
Claims and judgments payable	2,789,509	2,568,536	2,615,743	2,742,302	2,010,808	731,494
Other postemployment benefit liability	61,335,027	3,347,481	6,508,287	58,174,221	2,071,006	56,103,215
Net Employees' Retirement System pension liability - proportionate share	10,646,624	3,112,611	6,407,013	7,352,222		7,352,222
Length of service award program - total pension liability	10,816,893	1,141,371	415,920	11,542,344		11,542,344
Subscription liability *	26,046		20,620	5,426	5,426	
Total non-current liabilities	\$ 126,748,850	\$ 22,312,273	\$ 29,408,517	\$ 119,652,606	\$ 7,818,560	\$ 111,834,046

* As restated upon adoption of GASB Statement No. 96,

The liabilities for long-term obligations consisting of general obligation bonds payable, bond anticipation notes payable, finance purchase obligations, due to Employees' Retirement System, compensated absences, claims and judgments payable, other postemployment benefits payable, Net Employees' Retirement System pension liability - proportionate share and length of service award program - total pension liability and subscription liability are liquidated through future budgetary appropriations in the general fund.

Financed Purchase Obligations - In prior years, the Village entered into two finance purchase agreements to finance the acquisition of equipment as follows: (1) the amount financed was \$2,316,004 and is to be repaid by the general fund quarterly through September 2028, with annual payments totaling \$477,086, including interest at a rate of 3.49%. At May 31, 2024, the principal amount outstanding was \$1,500,806; (2) the amount financed was \$3,667,712 and is to be repaid by the general fund quarterly through September 2029, with annual payments totaling \$315,072, including interest at a rate of 2.597%. At May 31, 2024, the principal amount outstanding was \$1,609,966.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

E. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

Financed Purchase Obligations (continued)

Equipment and related accumulated depreciation is as follows:

	Governmental Activities
Machinery and equipment	\$ 5,983,716
Less: accumulated depreciation	2,140,904
	\$ 3,842,812

Future principal and interest payments to maturity are as follows:

	Principal	Interest	Total
Years ending May 31, 2025	\$ 705,679	\$ 86,479	\$ 792,158
2026	726,263	65,895	792,158
2027	747,453	44,704	792,157
2028	393,687	22,889	416,576
2029	381,676	11,698	393,374
2030	156,014	1,521	157,535
Total	\$ 3,110,772	\$ 233,186	\$ 3,343,958

Compensated Absences - The Village records vacation and sick leave pay as expenditures in governmental funds when paid or payable.

Claims and Judgments - Claim and judgments are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

General Obligation Bonds - The Village borrows money in order to finance tax certiorari refunds, acquire land or equipment or construct buildings and improvements. This enables the cost of capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are direct obligations of the Village, which are backed by the full faith and credit of the Village, are recorded as a governmental activity in the government-wide financial statements. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Description	Original Date Issued	Original Amount	Interest Rate (%)	Final Maturity Date	Outstanding
Public Improvements/Tax certiorari	08/15/2007	\$ 2,500,000	4.00-5.00%	08/15/2024	\$ 210,000
Public Improvements	04/14/2011	4,435,000	4.00-4.75%	04/15/2034	2,470,000
Public Improvements	05/15/2012	3,485,000	2.00-2.25%	05/01/2025	325,000
Public Improvements	05/15/2013	3,110,000	2.00-2.38%	05/15/2028	980,000
Public Improvements	05/28/2015	6,100,000	2.00-3.13%	05/15/2030	2,695,000
Public Improvements Refunding	06/02/2015	3,735,000	2.00-5.00%	08/15/2025	240,000
Public Improvements	05/15/2016	4,425,000	2.00%	05/15/2029	1,820,000
Public Improvements	03/15/2017	4,725,000	3.00-3.50%	03/15/2034	3,015,000
Public Improvements	04/05/2018	8,750,000	3.00-4.00%	04/01/2038	6,635,000
Public Improvements	05/09/2024	2,740,000	0.5-6.00%	05/01/2037	2,740,000
Total general obligation bonds					\$ 21,130,000

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

E. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

General Obligation Bonds (continued)

The following is a summary of general obligation bonds with corresponding maturity schedules:

Future principal and interest payments are as follows:

	Principal	Interest	Total
Years ending May 31, 2025	\$ 2,655,000	\$ 771,269	\$ 3,426,269
2026	2,180,000	693,149	2,873,149
2027	2,125,000	262,199	2,387,199
2028	2,195,000	558,304	2,753,304
2029	2,010,000	487,535	2,497,535
2030 - 2034	6,960,000	1,419,360	8,379,360
2035 - 2039	3,005,000	280,724	3,285,724
Total	\$ 21,130,000	\$ 4,472,540	\$ 25,602,540

SUBSCRIPTION LIABILITY

Subscription payable at May 31, 2024 are comprised of the following individual arrangements:

Purpose	Years of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at May 31, 2024
Subscriptions	2023	\$ 26,045	August 2024	8.25%	\$ 5,426
					\$ 5,426

Interest expense of \$1,381 was recorded in the fund financial statements in the general fund and the Village's government wide financial statements.

Future principal and interest payments for subscription payable related to governmental activities are as follows:

Governmental Activities			
Year Ending May 31,	Principal	Interest	Total Payments
2025	\$ 5,426	\$ 74	\$ 5,500
Total	\$ 5,426	\$ 74	\$ 5,500

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. RETIREMENT SYSTEM

Plan Description

The Village participates in the New York State and Local Employees' Retirement System ("ERS" or the "System"). This is a cost-sharing, multiple-employer, defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only 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, including information with regard to benefits provided, 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 12244-0001.

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 and Tier 2, is 55 and 62, respectively.

Benefit calculation: Generally, the benefit is 1.67% 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% 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 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's compensation used in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. RETIREMENT SYSTEMS (continued)

Benefits Provided (continued)

Tiers 3, 4 and 5

Eligibility: Tier 3, 4 and 5 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 full benefit age for Tiers 3, 4 and 5 is 62.

Benefit calculation: Generally, the benefit is 1.67% 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% 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% of final average salary is applied for each year of service over 30 years. Tier 3, Tier 4 and Tier 5 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and Tier 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% greater than 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 five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 members is age 63.

Benefit calculation: Generally, the benefit is 1.67% 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% 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% of final average salary is applied for each year of service over 20 years. Tier 6 members with five 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 of employment. For Tier 6 members, each year of final average salary is limited to no more than 10% greater than the average of the previous four years.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. RETIREMENT SYSTEMS (continued)

Benefits Provided (continued)

Disability Retirement Benefits

Disability retirement benefits are available to members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service, and plan.

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: (1) all pensioners who have attained age 62 and have been retired for five years; (2) all pensioners who have attained age 55 and have been retired for ten years; (3) all disability pensioners, regardless of age, who have been retired for five years; (4) recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and (5) 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% of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1% or exceed 3%.

Contributions

Generally, Tiers 3, 4 and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the NYSRSSL, eligible Tier 3 and Tier 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and Tier 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed as proportions of payroll of members, used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

The Village is required to contribute at an actuarially determined rate. For the year ended May 31, 2024, the actual contributions were equal to 100% of the actuarially required amount of \$1,952,298.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. RETIREMENT SYSTEMS (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At May 31, 2024, the Village reported a liability of \$7,352,222 for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2023. The Village's proportion of the net pension liability was based on a projection of the Village projected contributions of all participating members, actuarially determined.

Below is the proportionate share of the net pension liability of the System and the related employer allocation percentage as of March 31, 2024 (measurement date).

Net Pension Liability	Allocation of the System's Total Net Pension Liability	Change in the Allocation of the System's Total Net Pension Liability Since Prior Measurement Date
\$ 7,352,222	0.0499334%	0.0002850%

There was no significant change in the Village's proportion from March 31, 2023 to March 31, 2024.

For the year ended May 31, 2024, the Village recognized pension expense of \$360,930. At May 31, 2024, deferred outflows of resources related to the pension were reported from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 2,368,145
Changes of assumptions	2,779,710
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	145,444
Village's contribution subsequent to the measurement date	361,547
	\$ 5,654,846

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. RETIREMENT SYSTEMS (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (continued)

At May 31, 2024, deferred inflows of resources related to the pension were reported from the following sources:

	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 200,476
Net difference between projected and actual investment earnings on pension plan investments	3,591,521
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	191,421
	\$ 3,983,418

Contributions subsequent to the measurement date of \$361,547 will be recognized as a reduction of the net pension liability in the year ended May 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending May 31, 2025	\$ (1,404,177)
2026	1,415,280
2027	2,091,980
2028	(793,202)
	\$ 1,309,881

Actuarial Assumptions

The total pension liability as of the measurement date of March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS
Measurement date	March 31, 2024
Actuarial valuation date	April 1, 2023
Investment rate of return (net of investment expense)	5.9%
Salary increases	4.4%
Inflation rate	2.9%
Cost of living adjustment	1.5%

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

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. RETIREMENT SYSTEMS (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 are summarized below:

Asset Class	ERS	
	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	32.0%	4.00%
International equity	15.0%	6.65%
Private equity	10.0%	7.25%
Real estate	9.0%	4.60%
Opportunistic/ARS portfolio	3.0%	5.25%
Credit	4.0%	5.40%
Real assets	3.0%	5.79%
Fixed income	23.0%	1.50%
Cash	1.0%	0.25%
	<u>100.0%</u>	

The real rate of return is net of the long-term inflation assumption of 2.9%.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for the System. 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 5.9%, 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 (4.9%) or 1-percentage point higher (6.9%) than the current rate:

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. RETIREMENT SYSTEMS (continued)

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
	<hr/>	<hr/>	<hr/>
Village's proportionate share of the net pension liability (asset)	\$ 23,116,138	\$ 7,352,222	\$ (5,813,918)

Pension Plan Fiduciary Net Position

The components of the current year net pension (asset)/liability of the employers participating in the System as of March 31, 2024 were as follows (in thousands):

Employers' total pension liability	\$ 240,696,851
Plan Net Position	<u>225,972,801</u>
Employers' net pension liability	<u>\$ 14,724,050</u>
 Ratio of plan net position to the Employers' total pension liability	 93.88%

Detailed information about the pension plan's fiduciary net position is available in the System's separately issued financial statements.

G. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Descriptions

Health Insurance and Life Insurance

The Village, as a single-employer defined benefit OPEB plan, per its contract with employees, will pay the full premium costs for medical (currently provided by Empire Core Plan plus Enhancements or H.I.P.) insurance coverage at retirement, provided the employee has 20 years of service with the Village and is at least 55 years of age, with the exception of certain employees who retired prior to 1991 who meet certain conditions. Upon retirement of a full-time employee with a minimum of ten years of service, but less than 20 consecutive years of service with the Village, the Village will pay 50% of the employee's cost of coverage and 35% of the employee's dependent coverage for health insurance. Prior to 1987, there were no service requirements. This contract will be renegotiated at various times in the future. The retiree is also eligible for full Medicare reimbursement. Insurance coverage shall remain in effect during the lifetime of the retired employee. The Village also provides life insurance for active members of the volunteer fire department. If the volunteer firefighter is under the age of 75 at the time of their death, their beneficiary will receive a life insurance benefit in the amount of \$20,000. If the volunteer firefighter is 75 or older at the time of their death, their beneficiary will receive a life insurance benefit in the amount of \$10,000.

The Village, as administrator of the plans, does not issue OPEB stand-alone financial reports.

The number of participants in the health insurance OPEB plan as of June 1, 2023, the date used for the June 1, 2023 OPEB valuation is as follows:

Active employees	143
Retired employees	<u>113</u>
Total	<u>256</u>

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

G. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

There have been no significant changes in the number of active volunteers or the type of coverage since that date.

Funding Policy

The Village currently pays for other postemployment benefits on a pay-as-you-go basis.

Total OPEB Liability

The Village's total OPEB liability of \$58,174,221 was measured as of May 31, 2024 and was determined by an actuarial valuation as of June 1, 2022.

Actuarial Assumptions and Other Inputs

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point.

The total OPEB liability in the June 1, 2022, valuation was determined using the following actuarial assumptions and other inputs:

Salary increases	3.50%
Discount rate	4.13%
Healthcare cost trend rates	6.5% in 2024, grading down 0.5% per annum to an ultimate rate
Retirees' share of benefit-related costs	50% for single coverage and 65% for dependent coverage of 5.0% in years 2024 and later

The discount rate was based on the Bond Buyer's 20 Bond Index as of May 31, 2024.

For retirement, disability and other termination assumptions, the valuation utilized the rate developed in the report "Development of Recommended Actuarial Assumptions" for New York/SUNY prepared by the AON Hewitt dated August 2022. Future mortality improvements were projected using the Society of Actuaries Mortality Projection Scale MP-2021.

The decrement tables used for this valuation are based on the New York State Employees' Retirement System (ERS). The current valuation reflects tables released in 2015 for ERS.

In the June 1, 2022 actuarial valuation, the liabilities were computed using the entry age normal method, the Actuarial Present Value of Projected Benefits of each individual included in the Actuarial Valuation is allocated on a level basis over future earnings of the individual between entry age and assumed exit age(s).

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

G. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Changes in the Total OPEB Liability

The following table shows the components of the Village's other postemployment benefits liability:

	Total OPEB Liability
Balance at May 31, 2023	\$ 61,335,027
Service cost	1,093,637
Interest	2,253,844
Changes of assumptions or other inputs	(4,457,769)
Benefit payments	(2,050,518)
Net Change	(3,160,806)
Balance at May 31, 2024	\$ 58,174,221

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13%) or 1-percentage-point higher (5.13%) than the current discount rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ 68,532,046	\$ 58,174,221	\$ 49,980,729

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current healthcare cost trend rates:

	1% Decrease (5.50% to 4.00%)	Healthcare Cost Trend Rates (6.50% to 5.00%)	1% Increase (7.50% to 6.00%)
Total OPEB liability	\$ 49,078,505	\$ 58,174,221	\$ 69,861,740

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

G. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended May 31, 2024, the Village recognized OPEB credit of \$925,318. At May 31, 2024, the Village reported deferred outflows or inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,710,878	\$ 9,540,925
Change of assumptions or other inputs	4,130,215	15,330,053
Total	\$ 6,841,093	\$ 24,870,978

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

For the years ending May 31, 2025	\$ (4,272,799)
2026	(6,515,527)
2027	(6,016,827)
2028	(1,224,732)
	\$ (18,029,885)

H. LENGTH OF SERVICE AWARD PROGRAM - Fire Department

The Village established a defined benefit plan, Length of Service Awards Program ("LOSAP/Plan/Program"), for the active volunteer firefighters of the Incorporated Village of Valley Stream Fire Department ("Fire Department"). The program took effect on January 1, 1992. The program was established pursuant to Article 11-A of New York State General Municipal Law. The Plan provides municipally funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Village is the sponsor and program administrator ("Sponsor") of the Plan.

Program Description

Participation, Vesting and Service Credit

In a defined benefit LOSAP, participating volunteers begin to be paid a service award upon attainment of the Program's entitlement age. An eligible program participant is defined by the Program Sponsor to be an active volunteer firefighter who is at least 18 years of age and has earned one year of service credit. The amount of the Service Award paid to a participant is based upon the number of years of service credit the volunteer earned under the Program for performing active volunteer firefighter activities.

Participants acquire a non-forfeitable right to be paid a service award after earning five years of service credit or upon attaining the Program's entitlement age while an active volunteer. The Program's Entitlement Age is age 62 for all participants except those who became inactive, vested participants prior to January 1, 2005. The entitlement age for these inactive participants is 65. An active volunteer firefighter earns a year of service credit for each calendar year after the establishment of the Program in which he or she accumulates 50 points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the Sponsor on the basis of a statutory list of activities and point values. A participant may also receive service credit for five years of active volunteer firefighting service rendered prior to the establishment of the Program as an active volunteer firefighter member of the Valley Stream Fire Department.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. LENGTH OF SERVICE AWARD PROGRAM - Fire Department (continued)

Program Description (continued)

Participants

As of December 31, 2023, the measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	101
Inactive participants entitled to but not yet receiving benefit payments	124
Active participants	163
	<u>388</u>

Benefits

A participant's service award benefit is paid as a ten-year certain and continuous monthly payment life annuity. The amount payable each month equals \$20.00 multiplied by the total number of years of service credit earned by the participant. The maximum number of years of service credit a participant may earn under the Program is 30 years. Currently, there are no other forms of payment of a volunteer's earned service award under the Program.

Except in the case of pre-entitlement age death or total and permanent disablement, a participant's service award will not be paid until he or she attains the entitlement age. Volunteers who are active after attaining the entitlement age and who may have commenced receiving a service award have the opportunity to earn service credit and thereby increase their service award payments. The pre-entitlement age death and disability benefit is equal to the actuarial value of the participant's earned service award at the time of death or disablement. Any payments under the program shall be made from the general assets of the Sponsor which general assets are subject to the claims of creditors of the Sponsor. As such, trust assets do not meet the criteria as defined by GASB and therefore, may not be offset against the LOSAP liability.

For a complete explanation of the Program, see the Program Document, a copy of which is available from the Village Clerk. The Village has the right to amend the Plan subject to certain limitations and General Municipal Law.

Fiduciary Investment and Control

After the end of each calendar year, the fire department prepares and certifies a list of names of all persons who were active volunteer members of the fire department during the year indicating which volunteers earned 50 points. The certified list is delivered to the Village Board of Trustees for the Board's review and approval. The fire department must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Village Board of Trustees.

Authority to invest the Program assets is vested in the Program Trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Village Board of Trustees. The Village Board of Trustees has retained RBC Wealth Management to provide investment management and custodial services and Commercial Bank as paying agent (i.e. to pay benefits to participants).

The Village Board of Trustees is required to retain an actuary to determine the amount of the Village's contributions to the program. The actuarial firm retained by the Village for this purpose is Penflex, Inc. Portions of the following information are derived from the January 1, 2024 Annual Report prepared by Penflex, Inc. The actuary also provided additional calculations for the length of service program liability under GASB Statement No. 73.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. LENGTH OF SERVICE AWARD PROGRAM - Fire Department (continued)

Plan Financial Condition

<u>Assets Available for Benefits</u>	<u>May 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and money market funds	\$ 237,752	\$ 237,752		
U.S. equities	1,842,797	1,842,797		
Fixed income	2,850,332	2,850,332		
Exchange Traded Funds	1,149,059	1,149,059		
Other assets	41,475	41,475		
Total Assets Available for Benefits	\$ 6,121,415	\$ 6,121,415	\$ -0-	\$ -0-

The Village categorizes the fair value measurements into the fair value hierarchy established by GASB Statement No. 72. The three levels of inputs used to measure fair value are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Village has the ability to access.

Level 2 - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs that reflect the Village's own assumptions about the assumptions that market participants would use in pricing an asset.

The fair value measurement level within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following methods and assumptions were used in estimating the fair value assets for the LOSAP plan assets, where applicable:

Cash and Cash Equivalents, Held for Investment

The carrying amount of cash and cash equivalents approximate their fair values based on the short-term nature of the assets.

Guaranteed Annuity Contracts

The carrying amounts of guaranteed annuity contracts are reported as amortized cost which approximates fair value. These are considered unallocated insurance contracts.

Cash Value of Life Insurance Contracts

The carrying amount represents the cash surrender value of each individual life insurance policy in the group.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. LENGTH OF SERVICE AWARD PROGRAM - Fire Department (continued)

Plan Financial Condition (continued)

Custodial Credit Risk - LOSAP Investments

Credit Risk - State law limit investments to those authorized by State statutes. The Village currently does not have a written investment policy for the LOSAP Plan Assets.

Interest-Rate Risk - Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid a potential loss.

Concentration of Credit Risk - Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5% or more in securities of a single issuer.

Receipts and Disbursements

Plan assets, beginning of year	\$	5,269,497
Changes during the year:		
Plan contributions		600,000
Investment income		160,532
Changes in fair market value of investments		577,189
Investment expense		(50,599)
Benefits paid/payable		(433,919)
Changes in benefits payable		(380)
Administrative expense		(905)
		<hr/>
Plan assets, end of year	\$	<u>6,121,415</u>

Contributions

New York State General Municipal Law Section 219(d) requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarial cost method used to determine the required contribution was the Attained Age Normal Cost Method. The amortization period for the unfunded program liability as of January 1, 2007 was 40 years and the post-entitlement age service liability is three years.

Contributions

The amount of the Village's contribution recommended by the actuary for the year ended December 31, 2023 was \$449,576.

Normal cost	\$	110,495
Unfunded liability amortization payment		295,530
Reimbursement of administrative expense		1,754
Contribution timing adjustment		41,797
		<hr/>
Annual Required Contribution	\$	<u>449,576</u>

The amount of the Sponsor's actual contribution for the year ended May 31, 2024 was \$600,000.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. LENGTH OF SERVICE AWARD PROGRAM - Fire Department (continued)

Plan Financial Condition (continued)

Program Expense and Administration Fees

Service cost	\$	135,597
Interest		463,089
Changes of assumptions or other inputs		(136,482)
Differences between expected and actual experience		72,643
Pension plan administrative expenses		1,405
		<hr/>
Total LOSAP Pension Expense	\$	<u>536,252</u>

Program Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Program

Service Cost	\$	135,597
Interest		463,089
Changes of assumptions or other inputs		505,207
Differences between expected and actual experience		37,478
Benefit payments		(415,920)
		<hr/>
Net Change in Total LOSAP Pension Liability		725,451
Total LOSAP Pension Liability - beginning of year		<u>10,816,893</u>
		<hr/>
Total LOSAP Pension Liability - end of year	\$	<u>11,542,344</u>

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 615,478	\$ 149,795
Changes of assumptions or other inputs	2,709,531	3,967,562
Benefit payments and administrative expenses subsequent to the measurement date	191,885	
	<hr/>	<hr/>
Total	\$ <u>3,516,894</u>	\$ <u>4,117,357</u>

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. LENGTH OF SERVICE AWARD PROGRAM - Fire Department (continued)

LOSAP pension liability in the year ended May 31, 2025.

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

Years Ended May 31, 2025	\$	(63,839)
2026		(63,839)
2027		(63,839)
2028		(63,839)
2029		(125,449)
Thereafter		(411,543)
	\$	<u>(792,348)</u>

Funding Methodology and Actuarial Assumptions

Measurement date	December 31, 2023
Actuarial valuation date	December 31, 2023
Actuarial cost method	Entry Age Normal
Salary scale	None assumed
Inflation rate	2.25%

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

Discount Rate 4.00%

Yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2023.

Sensitivity of the Total LOSAP Pension Liability

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total LOSAP pension liability	\$ 13,426,355	\$ 11,542,344	\$ 10,024,921

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

I. COMPENSATED ABSENCES

Village employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave, subject to certain limitations.

Estimated vacation, sick leave and compensatory absences accumulated by Village employees have been recorded in the Statement of Net Position. Payment of vacation time and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of May 31, 2024, the value of the accumulated vacation time and sick leave was \$6,393,673.

J. TAX ABATEMENTS

The Village is subject to tax abatements granted by (1) Nassau County Industrial Development Agency, an entity created by Nassau County; (2) the Town of Hempstead Industrial Development Agency (collectively referred to as the IDAs); and (3) the Incorporated Village of Valley Stream.

The IDAs offer these abatement programs to promote, retain, attract, encourage, and develop economically sound commerce and industry base to prevent unemployment and economic deterioration with Nassau County and Town of Hempstead. As of May 31, 2024, the tax abatement program which may be offered by the IDAs on qualified projects and which impacts the Village's revenues is for real property tax abatement. Generally, a qualified project is an applicant submitted project which meet certain economic development criteria (such as job creation/retention) and which either (1) has been or will be financed by the issuance of IDA issued bonds, notes or other evidences of indebtedness with respect thereto, or (2) is a straight lease transaction with the IDA has determined to undertake pursuant to a Lease Policy. The IDAs, as a condition of providing assistance, may require that the benefiting company remit a 'payment in lieu of taxes' ("PILOT") payment to offset the amount of taxes abated.

The Village offered an abatement to a local not-for-profit in consideration for the furnishing of Village services. The PILOT will be amended in the event of additions to the structures on the related property.

During the year ended May 31, 2024, the agreements the IDAs and the Village ratified, resulted in the following:

	Industrial Development Agency:		
	Town of Hempstead	Nassau County	Total
Real property tax abated	\$ 592,858	\$ 156,352	\$ 749,210
PILOTs received	443,013	130,342	573,355
Net	\$ 149,844	\$ 26,011	\$ 175,855

The amount of abated taxes reported is based on the assessed value of property per the official assessment tax rolls and tax rates in effect on December 1, 2023, the tax lien date for the 2024 real property tax and PILOT revenue recognized.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2024

4. COMMITMENTS AND CONTINGENCIES

A. ENCUMBRANCES

The general fund and library fund are committed on outstanding purchase orders of \$53,463 and \$1,491, respectively.

B. RISK MANAGEMENT

In common with other municipalities, the Village receives numerous notices of claims. Although the eventual outcome of these claims cannot presently be determined, the Village has estimated unsettled claims and litigation to be \$2,255,572. The Village is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Village's financial position.

The Village is self-insured for general liability on the first \$250,000 per loss with insurance protection coverage of up to \$11,000,000 for any one loss and a \$12,000,000 annual aggregate.

The Village carries building and contents coverage in excess of \$75,855,349, except for flood and earthquake, which have limits of \$1,000,000 each for any one loss and a \$1,000,000 annual aggregate. The Village carries deductibles on these policies of \$10,000 and \$25,000, respectively.

The Village is self-insured for workers' compensation insurance and employer liability insurance on the first \$1,500,000 for volunteer fire and police and \$600,000 for all other, with statutory per claim limit for workers compensation insurance protection and \$1,000,000, limit for employer liability insurance. Estimated benefits to be paid are appropriated in the general fund of the Village. The Village is also self-insured for unemployment benefits paid.

There have been no significant reductions in insurance coverage as compared to the prior year, and there were no settlements in excess of insurance coverage over the last five years.

The Village estimates its workers' compensation and general liability by consulting with legal counsel and past experience with similar claims. The Village has not purchased any annuity contracts with regard to its workers' compensation or general liability claims. The Village reports the risk retention fund within the general fund.

The Village has numerous open tax certiorari matters present at this time. The Village anticipates that the liability from all of these tax proceedings will amount to \$486,730.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2024

4. COMMITMENTS AND CONTINGENCIES (continued)

B. RISK MANAGEMENT (continued)

The schedule below presents the changes in claims liabilities for the past two years for workers' compensation and general liability and includes an estimate of claims that have been incurred but not yet reported.

	Workers' Compensation		General Liability	
	2024	2023	2024	2023
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 2,134,481	\$ 2,469,554	\$ 242,750	\$ 364,653
Incurred claims and claim adjustment expenditures:				
Provision for insured events of the current year and change in provision for insured events of prior years	1,447,829	1,297,559	409,806	(49,437)
Payments:				
Claims and claim adjustment expenditures attributable to insured events of the current and prior years	1,914,639	1,632,632	64,656	72,466
Total unpaid claims and claim adjustment expenditures at the end of the year	\$ 1,667,672	\$ 2,134,481	\$ 587,900	\$ 242,750

The workers' compensation liability of \$1,667,672, general liability of \$587,900 and open tax certiorari liability of \$486,730 represents the total claims and judgments payable of \$2,742,302.

5. NEW PRONOUNCEMENTS

The following statements have been issued by the GASB and are to have the most impact in future years:

Statement No. 99, "*Omnibus 2022*", Effective Date: The requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for the year ending December 31, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for reporting periods beginning after June 15, 2023.

GASB No. 100, "*Accounting for Changes and Error Corrections – an amendment of GASB No. 62*", has been issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, relevant, consistent and comparable information. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

INCORPORATED VILLAGE OF VALLEY STREAM

NOTES TO FINANCIAL STATEMENTS Year Ended May 31, 2024

5. NEW PRONOUNCEMENTS (continued)

GASB No. 101, "*Compensated Absences*", this Statement updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and by amends previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 102, "*Certain Risk Disclosures*", has been issued to improve financial reporting by providing users of financial statements with essential information that is currently not often provided. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

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

GASB Statement No. 104, "*Disclosure of Certain Capital Assêts and for Assets Held for Sale*", has been issued to improve key components of the financial reporting model to enhance transparency regarding certain types of capital assets and those held for sale. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Village believes will most impact its financial statements. The Village will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

6. SUBSEQUENT EVENTS

In May 2025, the Village issued \$7,915,000 of bond anticipation notes, 2025 Series A, with a maturity date of May 8, 2026. The interest rate was 4.75%. In addition, the Village issued \$3,840,000 of public improvement serial bonds, Series A, with a maturity date May 1, 2034. A portion of these proceeds will be used to provide additional funds for various capital projects. The interest rate was 4.60%.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Notes to Required Supplementary Information

The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations are made. The capital projects are budgeted on a project basis.

INCORPORATED VILLAGE OF VALLEY STREAM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL GENERAL FUND
For the Year Ended May 31, 2024

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 33,837,619	\$ 33,837,619	\$ 34,370,754		\$ 533,135
Other real property tax items	1,110,000	1,110,000	1,191,877		81,877
Non-property tax items	1,278,749	1,278,749	1,291,331		12,582
Departmental income	1,337,828	1,337,828	1,703,850		366,022
Intergovernmental charges	1,256,312	1,256,312	1,241,363		(14,949)
Use of money and property	678,500	678,500	851,183		172,683
Licenses and permits	1,091,900	1,091,900	1,220,262		128,362
Fines and forfeitures	2,100,000	2,100,000	1,860,599		(239,401)
Sale of property and compensation for loss	60,000	60,000	167,926		107,926
Miscellaneous local sources	30,500	30,500	115,586		85,086
State aid	1,062,734	1,062,734	940,846		(121,888)
Federal aid			389,478		389,478
Total Revenues	<u>43,844,142</u>	<u>43,844,142</u>	<u>45,345,055</u>		<u>1,500,913</u>
EXPENDITURES					
Current:					
General government support	7,484,928	8,530,698	8,175,635	\$ 60	355,003
Public safety	3,756,281	3,292,032	3,130,336		161,696
Health	164,549	186,549	178,293		8,256
Transportation	4,214,503	4,327,066	4,266,614		60,452
Economic assistance and opportunity	60,000	578,238	518,903	53,000	6,335
Culture and recreation	5,584,059	5,811,870	5,735,898	403	75,569
Home and community services	5,590,275	5,582,894	5,575,056		7,838
Employee benefits	10,625,000	11,168,000	11,155,388		12,612
Debt service:					
Principal	3,585,685	3,946,685	3,946,303		382
Interest	942,459	1,230,859	1,228,108		2,751
Bond issuance costs		64,000	63,566		434
Total Expenditures	<u>42,007,739</u>	<u>44,718,891</u>	<u>43,974,100</u>	<u>53,463</u>	<u>691,328</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,836,403	(874,749)	1,370,955	(53,463)	2,192,241
OTHER FINANCING SOURCES (USES)					
Transfers out	(1,836,403)	(1,836,403)	(1,826,740)		9,663
Premiums on obligations			5,736		5,736
Total Other Financing Uses	<u>(1,836,403)</u>	<u>(1,836,403)</u>	<u>(1,821,004)</u>		<u>15,399</u>
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ (2,711,152)</u>	<u>(450,049)</u>	<u>\$ (53,463)</u>	<u>\$ 2,207,640</u>
Fund Balance at Beginning of Year			<u>7,888,224</u>		
Fund Balance at End of Year			<u>\$ 7,438,175</u>		

INCORPORATED VILLAGE OF VALLEY STREAM

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL GENERAL FUND
For the Year Ended May 31, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Real Property Tax Items:				
Real property taxes - current	\$ 33,770,119	\$ 33,770,119	\$ 33,770,119	\$ -0-
Real property taxes - non-current	67,500	67,500	600,635	533,135
Total Real Property Tax Items	<u>33,837,619</u>	<u>33,837,619</u>	<u>34,370,754</u>	<u>533,135</u>
Other Real Property Tax Items:				
Interest and penalties on real property taxes	210,000	210,000	294,614	84,614
Payments in lieu of taxes	900,000	900,000	897,263	(2,737)
Total Other Real Property Tax Items	<u>1,110,000</u>	<u>1,110,000</u>	<u>1,191,877</u>	<u>81,877</u>
Non-Property Tax Items:				
Utilities gross receipts tax	638,749	638,749	688,422	49,673
Franchise fees	640,000	640,000	602,909	(37,091)
Total Non-Property Tax Items	<u>1,278,749</u>	<u>1,278,749</u>	<u>1,291,331</u>	<u>12,582</u>
Departmental Income:				
Clerk fees	75,000	75,000	93,431	18,431
On street parking fees	500,000	500,000	462,733	(37,267)
Special recreational facility charges	625,000	625,000	944,770	319,770
Zoning fees	35,500	35,500	50,065	14,565
Refuse and garbage charges	100,928	100,928	151,386	50,458
Tax assessor	1,400	1,400	1,465	65
Total Departmental Income	<u>1,337,828</u>	<u>1,337,828</u>	<u>1,703,850</u>	<u>366,022</u>
Intergovernmental Charges:				
Fire protection services - other governments	897,898	897,898	880,186	(17,712)
Miscellaneous services - other governments	254,189	254,189	253,979	(210)
Nassau County local government assistance	104,225	104,225	107,198	2,973
Total Intergovernmental Charges	<u>1,256,312</u>	<u>1,256,312</u>	<u>1,241,363</u>	<u>(14,949)</u>
Use of Money and Property:				
Interest earnings	25,000	25,000	144,455	119,455
Rental of real property	650,000	650,000	705,888	55,888
Rental of real property - other governments	500	500	840	340
Commissions	3,000	3,000		(3,000)
Total Use of Money and Property	<u>678,500</u>	<u>678,500</u>	<u>851,183</u>	<u>172,683</u>
Licenses and Permits:				
Business and occupational licenses	121,300	121,300	150,150	28,850
Permits	970,600	970,600	1,070,112	99,512
Total Licenses and Permits	<u>1,091,900</u>	<u>1,091,900</u>	<u>1,220,262</u>	<u>128,362</u>
Fines and Forfeitures:				
Fines and forfeited bail	2,100,000	2,100,000	1,860,599	(239,401)
Total Fines and Forfeitures	<u>2,100,000</u>	<u>2,100,000</u>	<u>1,860,599</u>	<u>(239,401)</u>

(continued)

INCORPORATED VILLAGE OF VALLEY STREAM

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL GENERAL FUND
For the Year Ended May 31, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues (continued)				
Sale of Property and Compensation for Loss:				
Sales of equipment	\$ 5,000	\$ 5,000	\$ 500	\$ (4,500)
Sales of recyclable materials	20,000	20,000	23,488	3,488
Insurance recoveries	35,000	35,000	118,387	83,387
Compensation for loss			25,551	25,551
Total Sale of Property and Compensation for Loss	<u>60,000</u>	<u>60,000</u>	<u>167,926</u>	<u>107,926</u>
Miscellaneous Local Sources:				
Refund of prior year expenditures	5,000	5,000	49,541	44,541
Other unclassified revenues	25,500	25,500	66,045	40,545
Total Miscellaneous Local Sources	<u>30,500</u>	<u>30,500</u>	<u>115,586</u>	<u>85,086</u>
State Aid:				
Per capita	558,334	558,334	558,334	
Mortgage tax	500,000	500,000	346,353	(153,647)
Program for the aging	4,400	4,400		(4,400)
Miscellaneous			36,159	36,159
Total State Aid	<u>1,062,734</u>	<u>1,062,734</u>	<u>940,846</u>	<u>(121,888)</u>
Federal Aid:				
Economic assistance and opportunity			383,171	383,171
Highway planning and construction				
Emergency disaster assistance			6,307	6,307
Total Federal Aid			<u>389,478</u>	<u>389,478</u>
Total Revenues	<u>43,844,142</u>	<u>43,844,142</u>	<u>45,345,055</u>	<u>1,500,913</u>
Other Financing Sources:				
Premiums on obligations			5,736	5,736
Total Revenues and Other Financing Sources	<u>\$ 43,844,142</u>	<u>\$ 43,844,142</u>	<u>\$ 45,350,791</u>	<u>\$ 1,506,649</u>

INCORPORATED VILLAGE OF VALLEY STREAM

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL GENERAL FUND
For the Year Ended May 31, 2024**

	Original Budget	Revised Budget	Actual	Encum- brances	Variance with Final Budget
Expenditures					
General Government Support					
Legislative (Board of trustees):					
Personal services	\$ 165,871	\$ 188,871	\$ 188,460		\$ 411
Equipment and capital outlay		1,800	1,740		60
Contract expenditures	6,500	8,233	8,192		41
Total Legislative	<u>172,371</u>	<u>198,904</u>	<u>198,392</u>		<u>512</u>
Judicial (Village justice):					
Personal services	410,188	434,188	433,870		318
Contract expenditures	320,000	346,134	278,029		68,105
Total Judicial	<u>730,188</u>	<u>780,322</u>	<u>711,899</u>		<u>68,423</u>
Executive (Mayor):					
Personal services	40,000	40,600	40,523		77
Contract expenditures	3,000	4,278	1,670		2,608
Total Executive	<u>43,000</u>	<u>44,878</u>	<u>42,193</u>		<u>2,685</u>
Finance (Clerk-Treasurer):					
Treasurer:					
Personal services	364,975	364,975	329,988		34,987
Equipment and capital outlay		1,518	1,518		
Contract expenditures	45,000	57,215	47,300		9,915
Auditing fees	200,000	230,000	160,180		69,820
Purchasing:					
Personal services	141,088	148,088	147,561		527
Contract expenditures	3,000	3,000			3,000
Assessment:					
Personal services	224,329	238,329	237,887		442
Contract expenditures	11,500	11,500	11,411		89
Tax advertising and expense	10,000	10,000	6,628		3,372
Village owned property	12,500	12,822	9,205		3,617
Other general government support	60,000	60,000	57,913		2,087
Total Finance	<u>1,072,392</u>	<u>1,137,447</u>	<u>1,009,591</u>		<u>127,856</u>
Staff:					
Village clerk:					
Personal services	417,044	469,044	468,618		426
Contract expenditures	64,000	95,341	92,832		2,509
Law:					
Contract expenditures	320,000	457,546	457,364		182
Personnel:					
Personal services	217,946	217,946	217,498		448
Contract expenditures	85,000	91,662	86,976		4,686
Engineering fees:					
Personal services	105,547	112,047	111,636		411
Contract expenditures	10,000	34,628	34,296		332
Election fees	40,000	40,000	29,807		10,193
Total Staff	<u>1,259,537</u>	<u>1,518,214</u>	<u>1,499,027</u>		<u>19,187</u>

INCORPORATED VILLAGE OF VALLEY STREAM

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL GENERAL FUND
 For the Year Ended May 31, 2024

	Original Budget	Revised Budget	Actual	Encum- brances	Variance with Final Budget
Expenditures (continued)					
Shared Services:					
Village hall:					
Personal services	\$ 628,426	\$ 696,426	\$ 696,047		\$ 379
Equipment and capital outlay	10,000	10,000			10,000
Contract expenditures	300,000	394,194	393,799		395
Central garage:					
Personal services	851,386	894,386	893,849		537
Equipment and capital outlay		13,124	12,924		200
Contract expenditures	625,000	674,399	639,139	\$ 60	35,200
Central printing and postage	65,000	65,459	52,567		12,892
Central data processing:					
Personal services	175,128	175,128	150,098		25,030
Equipment and capital outlay	25,000	25,000	11,291		13,709
Contract expenditures	190,000	261,612	260,990		622
Total Shared Services	<u>2,869,940</u>	<u>3,209,728</u>	<u>3,110,704</u>	<u>60</u>	<u>98,964</u>
Special Items:					
Unallocated insurance	625,000	891,000	890,257		743
Municipal association dues	12,500	12,500	12,468		32
Judgments and claims	100,000	100,705	64,656		36,049
Refunds on real property taxes	600,000	637,000	636,448		552
Contingency					
Total Special Items	<u>1,337,500</u>	<u>1,641,205</u>	<u>1,603,829</u>		<u>37,376</u>
Total General Government Support	<u>7,484,928</u>	<u>8,530,698</u>	<u>8,175,635</u>	<u>60</u>	<u>355,003</u>
Public Safety					
Traffic Control:					
Personal services	189,838	189,838	184,249		5,589
Contract expenditures	30,000	33,264	29,898		3,366
Total Traffic Control	<u>219,838</u>	<u>223,102</u>	<u>214,147</u>		<u>8,955</u>
Fire Department:					
Personal services	50,870	51,470	51,358		112
Equipment and capital outlay	65,000	141,000	140,455		545
Contract expenditures	1,550,000	997,125	979,958		17,167
Total Fire Department	<u>1,665,870</u>	<u>1,189,595</u>	<u>1,171,771</u>		<u>17,824</u>
Fire Prevention Bureau:					
Personal services	68,450	68,750	68,709		41
Contract expenditures	2,000	2,000	399		1,601
Total Fire Prevention Bureau	<u>70,450</u>	<u>70,750</u>	<u>69,108</u>		<u>1,642</u>
Hydrant Rental	<u>550,000</u>	<u>555,000</u>	<u>554,628</u>		<u>372</u>
Safety Inspection:					
Personal services	1,205,123	1,205,123	1,088,706		116,417
Equipment and capital outlay					
Contract expenditures	32,500	35,962	29,782		6,180
Total Safety Inspection	<u>1,237,623</u>	<u>1,241,085</u>	<u>1,118,488</u>		<u>122,597</u>
Civil Defense:					
Equipment and capital outlay	2,500	2,500			2,500
Contract expenditures	10,000	10,000	2,194		7,806
Total Civil Defense	<u>12,500</u>	<u>12,500</u>	<u>2,194</u>		<u>10,306</u>
Total Public Safety	<u>3,756,281</u>	<u>3,292,032</u>	<u>3,130,336</u>		<u>161,696</u>

INCORPORATED VILLAGE OF VALLEY STREAM

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL GENERAL FUND
For the Year Ended May 31, 2024**

	Original Budget	Revised Budget	Actual	Encum- brances	Variance with Final Budget
Expenditures (continued)					
<u>Health</u>					
Public Health:					
Personal services	\$ 123,549	\$ 135,549	\$ 135,030		\$ 519
Equipment and capital outlay		10,000	9,978		22
Contract expenditures	25,000	25,000	17,285		7,715
Total Public Health	148,549	170,549	162,293		8,256
Narcotics Guidance Council - contractual	16,000	16,000	16,000		
Total Health	164,549	186,549	178,293		8,256
<u>Transportation</u>					
Street Administration:					
Personal services	509,835	675,835	675,801		34
Contract expenditures	122,500	220,547	220,392		155
Total Street Administration	632,335	896,382	896,193		189
Street Maintenance:					
Personal services	2,350,900	2,210,900	2,209,707		1,193
Equipment and capital outlay	10,000	17,300	17,196		104
Contract expenditures	237,500	248,802	210,375		38,427
Total Street Maintenance	2,598,400	2,477,002	2,437,278		39,724
Snow Removal:					
Personal services	165,000	91,000	89,997		1,003
Contract expenditures	105,000	97,500	94,697		2,803
Total Snow Removal	270,000	188,500	184,694		3,806
Street Lighting:					
Personal services	170,612	173,612	172,729		883
Equipment and capital outlay	10,000	10,000			10,000
Contract expenditures	160,000	164,094	163,819		275
Total Street Lighting	340,612	347,706	336,548		11,158
Traffic Enforcement:					
Personal services	248,156	198,156	194,198		3,958
Contract expenditures	50,000	83,320	82,356		964
Total Traffic Enforcement	298,156	281,476	276,554		4,922
Road Construction:					
Equipment and capital outlay					
Contract expenditures	75,000	136,000	135,347		653
Total Road Construction	75,000	136,000	135,347		653
Total Transportation	4,214,503	4,327,066	4,266,614		60,452
<u>Economic Opportunity and Assistance</u>					
Publicity:					
Personal services					
Contract expenditures	60,000	60,000	54,276		5,724
Other economic opportunity and assistance		518,238	464,627	\$ 53,000	611
Total Economic Opportunity and Assistance	60,000	578,238	518,903	53,000	6,335

INCORPORATED VILLAGE OF VALLEY STREAM

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL GENERAL FUND
For the Year Ended May 31, 2024**

	Original Budget	Revised Budget	Actual	Encum- brances	Variance with Final Budget
Expenditures (continued)					
<u>Culture and Recreation</u>					
Park Maintenance:					
Personal services	\$ 1,825,202	\$ 1,725,202	\$ 1,719,096		\$ 6,106
Equipment and capital outlay	10,000	11,000	10,792		208
Contract expenditures	240,000	252,386	220,251		32,135
Total Park Maintenance	2,075,202	1,988,588	1,950,139		38,449
Recreation:					
Personal services	1,745,849	1,867,849	1,866,922		927
Equipment and capital outlay	10,000	10,000	3,164		6,836
Contract expenditures	145,000	184,783	183,909		874
Total Recreation	1,900,849	2,062,632	2,053,995		8,637
Pool:					
Personal services	508,048	536,048	535,835		213
Equipment and capital outlay	10,000	24,390	23,462		928
Contract expenditures	150,000	182,793	182,425		368
Total Pool	668,048	743,231	741,722		1,509
Park Enhancement Bureau:					
Personal services	814,960	887,960	887,262		698
Equipment and capital outlay	10,000	10,000			10,000
Contract expenditures	20,000	20,941	12,196	\$ 403	8,342
Total Park Enhancement Bureau	844,960	918,901	899,458	403	19,040
Celebration, Concerts and Culture	95,000	98,518	90,584		7,934
Total Culture and Recreation	5,584,059	5,811,870	5,735,898	403	75,569
<u>Home and Community Services</u>					
Board of Appeals	40,000	45,218	45,124		94
Refuse and Garbage:					
Personal services	3,519,275	3,625,275	3,624,813		462
Equipment and capital outlay		11,000	10,882		118
Contract expenditures	2,000,000	1,861,701	1,857,903		3,798
Total Refuse and Garbage	5,519,275	5,497,976	5,493,598		4,378
Planning Board	10,000	10,000	8,350		1,650
Emergency Disaster Management:					
Personal services	2,500	2,500	884		1,616
Contract expenditures	18,500	27,200	27,100		100
Total Emergency Disaster Management	21,000	29,700	27,984		1,716
Total Home and Community Services	5,590,275	5,582,894	5,575,056		7,838
<u>Employee Benefits</u>					
State retirement	2,050,000	1,905,000	1,900,273		4,727
Social security	1,300,000	1,346,000	1,345,701		299
Workers' compensation	1,200,000	1,347,000	1,346,588		412
Unemployment insurance	5,000	5,000	4,658		342
Disability insurance	5,000	5,000			5,000
Hospital and medical insurance	5,890,000	6,356,000	6,354,545		1,455
Severance payments	175,000	204,000	203,623		377
Total Employee Benefits	10,625,000	11,168,000	11,155,388		12,612

INCORPORATED VILLAGE OF VALLEY STREAM

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL GENERAL FUND
For the Year Ended May 31, 2024**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Encum- brances</u>	<u>Variance with Final Budget</u>
Expenditures (continued)					
<u>Debt Service</u>					
Serial bonds:					
Principal	\$ 2,900,000	\$ 3,240,000	\$ 3,240,000		
Interest	835,984	685,984	683,977		\$ 2,007
Bond anticipation notes:					
Interest		437,000	436,275		725
Capital lease obligations:					
Principal	685,685	685,685	685,684		1
Interest	106,475	106,475	106,474		1
Bond issuance costs		64,000	63,566		434
Subscription liability:					
Principal		21,000	20,619		381
Interest		1,400	1,382		18
Total Debt Service	<u>4,528,144</u>	<u>5,241,544</u>	<u>5,237,977</u>		<u>3,567</u>
Total Expenditures	<u>42,007,739</u>	<u>44,718,891</u>	<u>43,974,100</u>	<u>53,463</u>	<u>691,328</u>
<u>Other Financing Uses</u>					
Transfers out	1,836,403	1,836,403	1,826,740		9,663
Total Other Financing Uses	<u>1,836,403</u>	<u>1,836,403</u>	<u>1,826,740</u>		<u>9,663</u>
Total Expenditures and Other Financing Uses	<u>\$ 43,844,142</u>	<u>\$ 46,555,294</u>	<u>\$ 45,800,840</u>	<u>\$ 53,463</u>	<u>\$ 700,991</u>

INCORPORATED VILLAGE OF VALLEY STREAM

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE IN THE LENGTH OF SERVICE AWARD PROGRAM - TOTAL PENSION
LIABILITY
MAY 31, 2024**

Measurement date as of December 31,	2023	2022	2021	2020	2019	2018	2017
Total LOSAP Pension Liability							
Service cost	\$ 135,597	\$ 232,866	\$ 284,995	\$ 231,582	\$ 220,373	\$ 258,176	\$ 226,552
Interest	463,089	325,192	288,531	375,777	404,074	362,063	381,849
Changes of assumptions or other inputs	505,207	(3,970,020)	(757,529)	2,796,990	453,884	(800,803)	890,685
Differences between expected and actual experience	37,478	144,181	203,692	382,654	(263,622)	220,936	(28,065)
Benefit payments	(415,920)	(399,840)	(399,899)	(435,202)	(364,700)	(353,912)	(320,861)
Net Change in Total LOSAP Pension Liability	725,451	(3,667,621)	(380,210)	3,351,801	450,009	(313,540)	1,150,160
Total LOSAP Pension Liability - beginning of year	10,816,893	14,484,514	14,864,724	11,512,923	11,062,914	11,376,454	10,226,294
Total LOSAP Pension Liability - end of year	\$ 11,542,344	\$ 10,816,893	\$ 14,484,514	\$ 14,864,724	\$ 11,512,923	\$ 11,062,914	\$ 11,376,454

Notes:

The above information was not available prior to December 31, 2017 measurement date. Additional years will be included as the information becomes available.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

Covered-employee payroll is not applicable to the above LOSAP plan since the participants are volunteer firefighters.

Benefits are determined based off of service credits earned.

Changes of assumptions or other inputs. The discount rates used to measure the total LOSAP pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2023	4.00%
December 31, 2022	4.31%
December 31, 2021	2.24%
December 31, 2020	1.93%
December 31, 2019	3.26%
December 31, 2018	3.64%
December 31, 2017	3.16%
December 31, 2016	3.71%

INCORPORATED VILLAGE OF VALLEY STREAM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB)
LIABILITY AND RELATED RATIOS
MAY 31, 2024

Period	Total OPEB Liability - Beginning of the Period	Service cost	Interest on Total OPEB Liability	Differences between expected and actual experience	Changes in benefit terms	Changes of assumptions or other inputs	Benefit payments	Total OPEB Liability - End of the Period	Covered-employee payroll	Total OPEB Liability as a Percentage of Covered-employee Payroll
June 1, 2023 - May 31, 2024	\$ 61,335,027	\$ 1,093,637	\$ 2,253,844	\$ -	\$ -	\$ (4,457,769)	\$ (2,050,518)	\$ 58,174,221	\$ 18,757,594	310.14%
June 1, 2022 - May 31, 2023	80,047,277	1,248,428	2,074,471	(15,511,520)	-	(4,761,148)	(1,762,481)	61,335,027	17,842,314	343.76%
June 1, 2021 - May 31, 2022	91,169,903	3,424,883	2,059,135	-	-	(14,600,273)	(2,006,371)	80,047,277	16,768,219	477.37%
June 1, 2020 - May 31, 2021	84,398,865	3,383,082	1,960,134	6,802,774	-	(3,637,525)	(1,737,427)	91,169,903	16,977,382	537.01%
June 1, 2019 - May 31, 2020	66,853,477	2,228,803	2,427,919	(3,393,448)	-	18,062,301	(1,780,187)	84,398,865	16,307,716	517.54%
June 1, 2018 - May 31, 2019	60,423,412	1,962,231	2,402,040	-	-	3,670,915	(1,605,121)	66,853,477	16,973,349	393.87%

Notes to Schedule:

This schedule is intended to show information for 10 years. Since 2019 is the first year for this presentation, no other data, prior to 2019 is available. However, additional years will be included as they become available.

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4, to pay other postemployment benefits (OPEB).

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

2024	4.13%
2023	3.67%
2022	3.16%
2021	2.20%
2020	2.16%
2019	3.56%

Change in actuarial cost method:

The District adopted GASB Statement No. 75 in the year-ended May 31, 2019 and continues to use the entry age normal as a percentage of payroll, the prescribed method under GASB 75.

INCORPORATED VILLAGE OF VALLEY STREAM

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PENSION CONTRIBUTIONS - EMPLOYEE RETIREMENT SYSTEM
 May 31, 2024

Years Ended May 31,	Contractually Required Contributions (a)	Contributions Recognized by the Plan in Relation to the Contractually Required Contributions (b)	Contributions Deficiency/ Excess (a - b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b / c)
2024	\$ 1,952,298	1,952,298	-0-	\$ 15,668,106	12.46%
2023	1,625,019	1,625,019	-0-	14,641,177	11.10%
2022	2,327,504	2,327,504	-0-	13,940,266	16.70%
2021	2,129,874	2,129,874	-0-	14,645,653	14.54%
2020	2,138,611	2,138,611	-0-	14,203,729	15.06%
2019	2,104,985	2,104,985	-0-	14,634,531	14.38%
2018	2,211,939	2,211,939	-0-	14,319,945	15.45%
2017	2,121,203	2,121,203	-0-	14,333,205	14.80%
2016	2,438,936	2,438,936	-0-	13,878,823	17.57%
2015	2,474,762	2,474,762	-0-	13,429,529	18.43%

Notes:

Amounts presented for each year were determined as of May 31st with the contractually required contributions based on the amounts invoiced by the New York State and Local Employees' Retirement System.

INCORPORATED VILLAGE OF VALLEY STREAM

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY - EMPLOYEE RETIREMENT SYSTEM
 May 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Village's proportion of the net pension (asset)/liability	0.0499334%	0.0496484%	0.0523421%	0.0498991%	0.0533380%	0.0544012%	0.0587936%	0.0561944%	0.0570825%	0.0544849%
Village's proportionate share of the net pension (asset)/liability	\$ 7,352,222	\$ 10,646,624	\$ (4,278,747)	\$ 49,776	\$ 14,124,203	\$ 3,854,491	\$ 1,897,530	\$ 5,280,149	\$ 9,161,906	\$ 1,840,632
Covered payroll	\$ 15,668,106	\$ 14,641,177	\$ 13,940,266	\$ 14,645,653	\$ 14,203,729	\$ 14,634,531	\$ 14,333,112	\$ 14,757,152	\$ 13,808,454	\$ 13,378,690
Village's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	46.92%	72.72%	(30.69)%	0.34%	99.44%	26.34%	13.24%	35.78%	66.35%	13.76%
Plan fiduciary net position as a percentage of the total pension liability coming from the plan	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Amounts presented were determined as of the System's measurement date of March 31.

There were no significant changes in benefits for the years presented above.

Changes of assumptions from the March 31, 2016 to March 31, 2017 System plan year were as follows:

- a. The interest (discount) rate was lowered from 7.5% to 7.0% in the actuarial valuation used in the System's March 31, 2016 financial statement.
- b. The inflation rate was lowered from 2.7% to 2.5% in the actuarial valuation used in the System's March 31, 2016 financial statement.

Changes of assumptions from the March 31, 2019 to March 31, 2020 System plan year were as follows:

- a. The interest (discount) rate was lowered from 7.0% to 6.8% in the actuarial valuation used in the System's March 31, 2020 financial statement.

The change in the Village's proportionate share of the net pension asset/(liability) in 2022 and 2023 is mainly attributable to the decrease in the plan fiduciary net position due to investment losses.

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FORM OF DISCLOSURE UNDERTAKING FOR THE BONDS

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

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

“Financial Obligation” shall mean “financial obligation” as such term is defined in Rule 15c2-12.

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

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

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

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB under this Undertaking.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Village Treasurer as of April 16, 2026.

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

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities” shall collectively mean the Issuer’s \$690,355 Public Improvement Serial Bonds - 2026 (Federally Taxable), dated May 7, 2026 and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Liberty Capital Services, LLC, 1205 Franklin Avenue, Garden City, New York 11530, to the EMMA System or to any successor thereto or to the functions of MSRB under this Undertaking:

- (1) (A) no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending May 31, 2026, the Annual Information relating to such fiscal year, and (B) no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending May 31, 2025, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available,

unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

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

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

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Holders of the Securities, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory

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

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

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

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

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer; or
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c212 as in effect at the time of such amendment or change;

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

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

In addition, this Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Undertaking, or such provision, as

the case may be, do not or no longer apply to the Securities, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of May 7, 2026.

VILLAGE OF VALLEY STREAM

By: _____
Michael J. Fox
Village Treasurer

[SIGNATURE PAGE TO UNDERTAKING TO
PROVIDE CONTINUING DISCLOSURE]

FORM OF DISCLOSURE UNDERTAKING FOR THE NOTES

UNDERTAKING TO PROVIDE NOTICE OF CERTAIN EVENTS

Section 1. Definitions

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

“Financial Obligation” shall mean “financial obligation” as such term is defined in Rule 15c2-12.

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

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

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

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB under this Undertaking.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Village Treasurer as of April 16, 2026.

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

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities” shall collectively mean the Issuer’s \$9,330,000 Bond Anticipation Notes - 2026, dated May 7, 2026 and delivered on the date hereof.

Section 2. Obligation to Provide Notice of Certain Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Liberty Capital Services, LLC, 1205 Franklin Avenue, Garden City, New York 11530, to the EMMA System or to any successor thereto or to the functions of MSRB under this Undertaking in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;

- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Holders of the Securities, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

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

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Holders of the Securities, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer

determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

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

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

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

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer; or
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c212 as in effect at the time of such amendment or change;

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

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

In addition, this Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Undertaking, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of May 7, 2026.

VILLAGE OF VALLEY STREAM

By: _____
Michael J. Fox
Village Treasurer

[SIGNATURE PAGE TO UNDERTAKING TO
PROVIDE CONTINUING DISCLOSURE]

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FORM OF OPINION OF BOND COUNSEL FOR THE BONDS



Phillips Lytle LLP

May 7, 2026

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Valley Stream (the “Village”), in the County of Nassau, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$690,355 Public Improvement Serial Bonds - 2026 (Federally Taxable) (the “Bonds”) of the Village, dated and delivered on the date hereof. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

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

2. Under existing statutes, regulations, rulings and court decisions and assuming continuous compliance with certain tax certifications described herein, interest on the Bonds is included in gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”).

ATTORNEYS AT LAW

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The Board of Trustees of the
Village of Valley Stream

May 7, 2026

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

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

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

Very truly yours,

Phillips Lytle LLP

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FORM OF OPINION OF BOND COUNSEL FOR THE NOTES



Phillips Lytle LLP

May 7, 2026

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Valley Stream (the “Village”), in the County of Nassau, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$9,330,000 Bond Anticipation Notes - 2026 Series A (the “Notes”) of the Village, dated and delivered on the date hereof. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

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

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

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certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

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

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

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

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

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding



The Board of Trustees of the
Village of Valley Stream

May 7, 2026

federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

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

Very truly yours,

Phillips Lytle LLP

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